

A STEPPING STONE TO INTERNATIONALISM: THE NEUTRALITY ACT OF 1937

by

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Abstract

Historians have characterized the 1930s in the United States as an isolationist decade when Americans wanted to avoid involvement in conflict abroad. Congress passed four acts between 1935 and 1939 called the Neutrality Acts of the 1930s. These acts sought to keep the United States from aligning with other nations as conflict escalated throughout the decade. However, Congress added a provision to the Neutrality Act of 1937 that granted President Franklin D. Roosevelt discretionary power over trade commodities. The addition of this new provision went against the isolationist policies in the previous two neutrality acts and marked the beginning of the United States' shift towards internationalism.

Introduction

Historians who study the United States typically depict the 1930s as an isolationist decade. There is abundant evidence to support this interpretation, including the United States passing four Neutrality Acts between 1935 and 1939. Historians such as Donald F. Drummond and John E. Wiltz have pointed to the Neutrality Acts, specifically the first three acts, as evidence of the height of American isolationism. Yet, a closer analysis of the third Neutrality Act in 1937 shows that this law marked a transitional period for the United States. Through the addition of presidential discretionary power and the way President Roosevelt used discretionary power throughout 1937, the Neutrality Act of 1937 began America's shift towards internationalism.

The 1930s were a violent decade: in September 1931, Japan invaded Manchuria; in October 1935, Italy invaded Ethiopia; by September 1936 Germany, Italy and the Soviet Union had intervened in the Spanish Civil War. The response of many Americans to these conflicts was to turn inward. By 1935, a Gallup Poll reported that 71 percent of people surveyed did not believe that the United States should join with other nations if a foreign nation attacks another nation.¹ Though professional polling was in its early days and the accuracy is not up to contemporary standards, it provides insight into the rise of isolationism. The Neutrality Act of 1935 prohibited the export of arms and ammunition, restricted the use of American ports, and allowed the president to proclaim that Americans traveling on hostile countries' ships did so at their own risk. The legislation applied to countries engaged in armed conflict regardless of how that conflict started and the provisions of the legislation were all mandatory once the president found a state of war had been declared. The Neutrality Act of 1936 adopted the same measure with the addition of an embargo on loans to hostile countries. These acts set the precedent for

¹ Gallup Organization, "Gallup Organization Poll: October 1935, Question 1, USGALLUP.NV1735.R03A."

strict neutrality legislation in America prior to 1937, and the expirations placed on both acts to allow them to reevaluate the acts as conflict continued to escalate.²

President Franklin D. Roosevelt and his Administration favored internationalist policies. Internationalists believed in cooperation amongst nations, while isolationists favored policies that avoided entanglement with other nations. Roosevelt had preferred legislation allowing him discretionary power since the congressional debate in 1935, yet his sympathy towards Great Britain and France caused fear amongst Congress and Americans of passing flexible legislation. He accepted the first two neutrality acts, with the addition of expirations, hoping to settle the fear of allowing discretionary power.³ Roosevelt's hands were tied with an overwhelming isolationist Congress and an upcoming presidential election. However, by 1937, he won another term and Congress faced the challenge of creating neutrality legislation that allowed the United States to stay involved in international trade as more countries became involved in conflict. My thesis examines how these events allowed the addition of discretionary legislation in 1937.

Much of the existing scholarship on the Neutrality Acts of the 1930s relates to the United States' entry into World War II. Because the Neutrality Act of 1939 was repealed in 1941, these acts often get overlooked as a part of that narrative. Scholars such as Donald F. Drummond have characterized the first three neutrality acts as isolationist bills, with internationalists having a breakthrough in 1939 by repealing the arms embargo.⁴ In a similar manner, John E. Wiltz argued that isolationists favored restricting government policy throughout 1937 and the best that President Roosevelt could do was hope that Congress would see the flaws in isolationism.⁵ In the larger context of America's entry into World War II, characterizing the Neutrality Act of 1937 as

² Wiltz, *From Isolation to War, 1931-1941*, 43–66.

³ Dallek, *Franklin D. Roosevelt and American Foreign Policy, 1932-1945: With a New Afterword*, 101–21.

⁴ Drummond, *The Passing of American Neutrality, 1937-1941*, 372–81.

⁵ Wiltz, *From Isolation to War, 1931-1941*, 43–66.

isolationist is accurate in that it contains many of the same restricting policies found in the first two neutrality acts. However, the broader scope of the argument does not acknowledge the concessions that Congress made to internationalists by adding the provisions that granted significant discretionary power to President Roosevelt. When taking the Neutrality Acts out of the broad narrative of World War II, the confusion about neutrality in the United States and the internationalist sentiments before 1939 are more evident. This indicates that the Neutrality Act of 1937 played a more significant role in America's shift away from isolationism.

Robert A. Divine wrote the pioneering scholarship on the Neutrality Acts. His books *The Illusion of Neutrality* and *The Reluctant Belligerent* dispute notions that the Neutrality Act of 1937 was entirely isolationist. He highlights the conflicting desires of America during 1937 and shows how the Neutrality Act of 1937 was a compromise that allowed America to be economically in the world but politically out of it with the addition of the cash and carry provision.⁶ Divine believed that internationalist sentiments in the Neutrality Act of 1937 resulted from the act in practice in that it provided commodities essential for warfare and encouraged aggression overseas.⁷ My thesis intends to expand upon Divine's argument by presenting the Neutrality Act of 1937 as the beginning of internationalism in the 1930s.

To understand the passing of the Neutrality Act of 1937, I will examine the political discourse in America from 1933 to 1937, which shows the rise of isolationism during the 1930s and the changes that allowed the Neutrality Act of 1937 to pass. During this time, the government began an investigation into the munition industry and debated various forms of neutrality legislation. Additionally, I will discuss the trends in three major newspapers, the *Chicago Tribune*, the *New York Times*, and the *Washington Post*, along with evidence from polls

⁶ Divine, *The Reluctant Belligerent 2nd Edition: American Entry into World War II*, 13–38.

⁷ Divine, *The Illusion of Neutrality*, 162–99.

in an attempt to understand how Americans felt towards foreign policy. The next section will follow the congressional debate on the Neutrality Act of 1937. This section outlines the legislation proposed and how an isolationist in Congress allowed discretionary power to be given to an internationalist president. The final section will discuss how the Neutrality Act of 1937 worked in practice. Congress described the act as experimental because it differed from any other neutrality policy, and it went against the strict neutrality legislation that had been in place in the previous neutrality acts. The new policies gave President Roosevelt more opportunity to influence foreign policy, which played a role in the increase of internationalism in the United States in the late 1930s.

Political Cultural History

Understanding the feelings of people across an entire country is difficult, especially in the 1930s. The invention of polling in 1935 provided some insight into how Americans felt, but the sample sizes were often small. One way to try to understand Americans is through newspapers to gauge what people learned about politics through them. This section will analyze the trends of three major newspapers: the *Washington Post*, the *New York Times*, and the *Chicago Tribune*. Eugene Meyer purchased the *Washington Post* in June of 1933. Meyers worked under Woodrow Wilson in the War Finance Corporation Industries Board, Warren Harding as the director of the War Finance Corporation, Calvin Coolidge as the head of the Farm Loan Board, and Herbert Hoover as chairman of the Federal Reserve Board and a board member of the Reconstruction Finance Corporation.⁸ After buying *the Post*, Meyers made a statement expressing that it would be an independent paper and that he would act entirely on his own without any suggestions from

⁸ Roberts, *The Washington Post: The First 100 Years*, 197.

any person, group, or organization.⁹ Adolph Simon Ochs ran the *New York Times* from 1896 to 1935 and acquired an international reputation for trustworthy reporting and efforts to maintain present a neutral position. However, the paper became known for its strong opinions under Arthur Hays Sulzberger's leadership from 1935 to 1961. Sulzberger believed it was the newspaper's duty to present educated arguments.¹⁰ Robert McCormick took complete control of the *Chicago Tribune* in 1926. He was a devoted Republican and one of Franklin D. Roosevelt's most vocal critics. He later became a part of the America First Party that opposed The United States' entry into World War II.¹¹ These three publishers and newspapers allow for insight into the varying degrees of isolationism throughout the country.

Isolationism in the 1930s was incredibly complex. The Great Depression left Americans more concerned with the domestic problems of unemployment and poverty than foreign affairs. As Manfred Jonas noted in *Isolationism in America*, staying out of war was not listed as one of the most serious problems for the U.S. until 1939. Many Americans wanted to think about America first and ignore the dangerous situation developing throughout Europe and Asia.¹² However, in the first few years of the 1930s, the country was not strongly isolationist or internationalist. The shift towards isolationism began with the Arms Embargo Resolution of 1933.¹³ The embargo began as an internationalist attempt to allow the United States to participate in collective security, which is an alliance between several countries to sustain or establish

⁹ "Eugene Meyer Announced as Washington Post Buyer," *Washington Post*, June 13th, 1933. <https://www2.lib.ku.edu/login?url=https://www.proquest.com/hnpwashingtonpost/historical-newspapers/eugene-meyer-announced-as-washington-post-buyer/docview/150418938/sem-2?accountid=14556> (Accessed February 19th, 2024)

¹⁰ "New York Times Company Records: Arthur Hayz Sulzberger Paper." <https://archives.nypl.org/mss/17782> (Accessed February 19th, 2024)

¹¹ Smith, *The Colonel: The Life and Legend of Robert McCormick 1880-1955*.

¹² Jonas, *Isolationism in America, 1935-1941*, 1–31.

¹³ Divine, "Franklin D. Roosevelt and Collective Security, 1933."

security. Yet ultimately the Arms Embargo Resolution started the nation's turn towards the isolationism that the 1930s is known for.

The proposal for the arms embargo originated in the Herbert Hoover administration with the Secretary of State Henry L. Stimson. The legislation that Stimson requested would allow the United States to impose an arms embargo on any nation before the outbreak of war and allow for presidential discretionary power to act against aggressors.¹⁴ Newspapers reported favorably on the arms embargo proposal in the final months of the Hoover Administration. The *Washington Post* released an article discussing the Senate's approval of the arms embargo. The article stated that the new legislation would give President Roosevelt the authority to place an arms embargo after consulting with other governments. Chairman William E. Borah also stated, "From all indications yesterday, it is believed the proposal will be adopted without great difficulty."¹⁵ Similarly, the *New York Times* published an article entitled, "*Arms Embargo Plan Backed*" on February 8th. It discussed how leading nations wanted to cooperate with the United States in the movement to ban the shipment of arms and ammunition and how the Senate passed the measure. However, it was recalled for consideration.¹⁶ These articles are representative of newspapers reporting positively about the impact the embargo would have on securing peace worldwide. Many major newspapers did not begin showing discontent with the legislation until after President Roosevelt's inauguration in March of 1933.

¹⁴ Divine, *The Illusion of Neutrality*, 23–56.

¹⁵ Harold J.T Horan, "Senate Unit Favors Arms Embargo Idea: Increase in Hoover's Power Due to Be Voted Without Much Opposition," *Washington Post*, January 12th, 1933.
<https://www2.lib.ku.edu/login?url=https://www.proquest.com/hnpwashingtonpost/historical-newspapers/senate-unit-favors-arms-embargo-idea/docview/150475892/sem-2?accountid=14556> (Accessed February 29, 2024)

¹⁶ "Arms Embargo Plan Backed." *New York Times*, February 8th, 1933.

<https://www.proquest.com/docview/100614722/96164C2546B34D22PQ/20?accountid=14556&sourcetype=Historical%20Newspapers> (Accessed February 12th, 2024)

While the legislation did not pass during President Hoover's term, it became one of the first significant questions the Roosevelt Administration faced, and newspapers began to doubt giving discretionary power to President Roosevelt. Secretary of State Cordell Hull stated in his memoir that he was convinced that any lasting peace must include disarmament under a world agreement.¹⁷ However, there seemed to be more of a divide amongst Congress and newspapers in March and April. The *New York Times* began publishing articles that gave voice to Congressmen who opposed the discretionary power to the president, fearful that it would cause war, specifically angering Japan which had invaded China in 1931.¹⁸ The *Chicago Tribune* followed the same pattern, but they released articles that expressed support of strict neutrality. In March of 1933, the *Chicago Tribune* published an article entitled, "*Lewis Sees War Peril to U.S.: Warns Nation Not to Mix in Jap-China Fight*", which focused on comments made by Senator James Hamilton Lewis of Illinois. Senator Lewis advised Americans to remain neutral. In Lewis's view, "The United States rose to great power and influence by remaining aloof from foreign entanglements and by maintaining a policy of rigid neutrality."¹⁹ In contrast, the *Washington Post* released an article in April calling anyone who opposed the bill, "Cowards who would have the United States cringe when treaties are violated."²⁰ The divide amongst Congress reached a turning point in May when Senator Hiram Johnson amended the legislation so that it must be

¹⁷ Hull, *The Memoirs of Cordell Hull*, 222–34.

¹⁸ "Arms Embargo Power for the President Is Approved by Committee of Congress," *New York Times*, March 29th, 1933.

<https://www.proquest.com/docview/100721104/8C98C83045C941F2PQ/4?accountid=14556&sourcetype=Historical%20Newspapers> (Accessed February 12th, 2024)

¹⁹ "Lewis Sees War Peril to U.S. by Arms Embargo: Warns Nation Not to Mix in Jap-China Fight." *Chicago Tribune*, March 1st, 1933.

<https://www.proquest.com/hnpchicagotribune/docview/181380472/BA9A2C2788F64AEFPQ/14?accountid=14556&sourcetype=Historical%20Newspapers> (Accessed February 19th, 2024)

²⁰ "The Arms Embargo." *Washington Post*, April 17th, 1933.

<https://www.proquest.com/pagepdf/150467930/Record/96164C2546B34D22PQ/117?accountid=14556&sourcetype=Historical%20Newspapers> (Accessed February 12th, 2024)

applied impartially against all belligerents, changing the embargo act from an internationalist bill to an isolationist bill.²¹

President Roosevelt had supported the arms embargo resolution since its introduction during the Hoover administration. According to Cordell Hull, he and President Roosevelt strongly supported disarmament under a world policy.²² However, the Senate had approved Senator Hiram Johnson of California's amendments which stipulated that the embargo had to apply impartially. The Chairman of the Senate Foreign Relations Committee, Senator Key Pittman, then went to Roosevelt and expressed that the Senate would not approve the resolution without the new amendments. Without consulting Hull, President Roosevelt approved the amendment.²³ President Roosevelt's decision to approve the mandatory isolationist amendments changed the course of American foreign policy in the early 1930s. As early as 1933, internationalist policies were unattainable, and even though the Arms Embargo Resolution of 1933 never passed, the bill inspired the neutrality legislation that passed in the following years.

Groups such as peace societies had been trying to draw attention to the international arms trade since the 1920s. The Roosevelt Administration had been negotiating disarmament policies at the Disarmament Conference in Geneva, Switzerland from 1932 to 1934. However, the conference failed to reach an agreement, which halted the United States's collective security efforts.²⁴ Failure at the Geneva Conference and the revision of the Arms Embargo Resolution gave pacifist groups widespread support for their campaign against the munition industry, leading to the creation of the Nye Committee in the Spring of 1934.²⁵ Senator Gerald Nye of

²¹ Divine, "Franklin D. Roosevelt and Collective Security, 1933."

²² Hull, *The Memoirs of Cordell Hull*, 222–34.

²³ Divine, *The Illusion of Neutrality*, 23–56.

²⁴ Steiner, "The Geneva Disarmament Conference of 1932."

²⁵ Divine, *The Reluctant Belligerent 2nd Edition: American Entry into World War II*, 1–12.

North Dakota was a devoted isolationist. He gained a reputation as the champion of the common people throughout his career. He exposed wealth and corruption by participating in the Teapot Dome investigation and heading a committee that investigated election frauds in 1930. Nye also supported the Non-Partisan League's strong denunciation of war as a plot by bankers and munition makers. Although he had little knowledge of the munitions industry or the disarmament issue, these other qualities made him a strong candidate to lead the munition investigation.²⁶

The Nye Committee took isolationism to new heights, with their hearings beginning in September 1934. Company executives from the Du Pont Company, Remington Arms, and Bethlehem Steel had to testify before the committee explaining the conduct of their firms. The Nye commission sought exposure, not explanation, revealing unpleasant details of the arms trade, including the profit of the munition makers, the connections between arms makers and the War and Navy Department, and unethical sales techniques that allowed arms to be exported to Latin America and China.²⁷ Senator Nye made sure that Americans knew what they were finding in their investigation by regularly speaking to newspapers causing mixed feeling amongst publications.

The *New York Times* sided with the Nye Commission and, throughout the last few months of 1934, published the findings of the Nye Commission and condemned the munition industry. The articles began pushing for the government to act on the findings of the investigations by hinting at an arms embargo with statements like, "perhaps some practices that allegedly shove the nation along the road to war may be abolished."²⁸ However, the *Washington Post* criticized

²⁶ Divine, *The Illusion of Neutrality*, 57–80.

²⁷ Divine, *The Reluctant Belligerent 2nd Edition: American Entry into World War II*, 1–12.

²⁸ Special Correspondence, "Munitions Inquiry Intrigues Capital: Nye Committee Promise of Daily Thrill Kept by New 'Sideshow' at Washington. Tales of Dark Deeds Told but Some Information Useful to World May Come Out of the Investigation," *New York Times*, September 9th, 1934.

the Nye Committee for being unoriginal. While they still showed support for more authority over the international arms trade, articles were dedicated to scrutinizing the senators of the Nye Committee for promoting an idea that had been proposed nearly a decade before. The *Washington Post* claimed that “Senators would do well to explain why they blocked the treaty for nine years and only approved it in a form that made ratification for the President impossible.”²⁹ The criticism of the *Washington Post* did not stop the Nye Committee from gaining support amongst Congress and Americans, which proved to be a problem for the Roosevelt Administration at the beginning of 1935.

According to Cordell Hull, the way towards neutrality legislation was paved by the Nye investigation. Hull had hoped that a member of the majority party, the Democratic Party, would be made chairman to keep the investigation legitimate and within reasonable bounds, but he believed that Senator Nye turned the investigation into a propaganda movement.³⁰ The Nye investigation caused many Americans to become concerned with the munitions industry drawing the United States into another war. In December 1934, Italian and Ethiopian troops clashed at an undefined border between Abyssinia and the Italian Somaliland. While border clashes had become common during this time, after this conflict had been resolved, Mussolini continued to put troops and military supplies in his African colonies, creating more tension.³¹ The Italian-Ethiopian conflict started the debate for neutrality legislation. Surprisingly, on March 19, 1935, President Roosevelt asked the Nye Committee to prepare neutrality legislation. Within three

<https://www2.lib.ku.edu/login?url=https://www.proquest.com/hnpnewyorktimeswindex/historical-newspapers/munitions-inquiry-intrigues-capital/docview/100940763/sem-2?accountid=14556> (Accessed February 14th, 2024)

²⁹ “A Boomerang,” *Washington Post*, December 7th, 1934.

<https://www.proquest.com/docview/150518081/BAB5DF31A8B64279PQ/13?accountid=14556&sourcetype=Historical%20Newspapers> (Accessed February 14th, 2024)

³⁰ Hull, *The Memoirs of Cordell Hull*, 398.

³¹ Divine, *The Illusion of Neutrality*, 82–83.

weeks after Roosevelt's meeting with the Nye Committee, a wide range of neutrality legislation was brought before Congress.³² The administration opposed the various bills because of their rigid neutrality. President Roosevelt talked with Senator Key Pittman of Nevada, chairman of the Senate Foreign Relations Committee, and asked if Pittman would sponsor a discriminatory arms embargo resolution. Pittman accused the President of wanting the legislation to be able to designate an aggressor in accordance with the League of Nations and stated that Congress would never pass the bill. Roosevelt withdrew his request and, for the time, gave up on obtaining significant discretionary power.³³ The neutrality legislation that finally passed Congress contained a mandatory embargo on arms, ammunition, and implements of war. There was a small amount of discretionary power that allowed the President to define arms, ammunition, implements of war. The bill also restricted American travel on belligerent ships and created the National Munitions Control Board. President Roosevelt's only stipulation was adding a six-month limit to the arms embargo. Roosevelt signed the Neutrality Act on August 31, 1935.³⁴ Though the Neutrality Act of 1935 contained a small amount of discretionary power, the mandatory arms embargo left President Roosevelt's hands tied in terms of cooperating with the League of Nations. The Neutrality Act of 1935 was the first major success of isolationist in the 1930s and isolationist sentiments only increased as wars abroad escalated.

The Neutrality Act of 1935 won praise in the *Chicago Tribune* and the *New York Times*. The *Chicago Tribune* released an article title "Getting in and Keeping Out of War", discussing the harmful effects that discretionary power could have on the United States. They criticized President Roosevelt, stating, "He could at any time in any controversy put the United States on

³² Divine, 81–121.

³³ Divine, *The Reluctant Belligerent 2nd Edition: American Entry into World War II*, 13–38.

³⁴ Divine, *The Illusion of Neutrality*, 81–121.

one side or the other of conflict... Such a grant of authority is obviously one of the most dangerous that could be put in the hands of an executive.”³⁵ The *New York Times* used President Roosevelt’s support of the bill to endorse strict neutrality. They emphasized that President Roosevelt approved the bill, and said it was satisfactory for the situation between Italy and Ethiopia but hoped to revisit neutrality legislation in 1936.³⁶ While the *Washington Post* expressed discontent with the lack of discretionary power, polling showed distrust in the government. In September of 1935, the Gallup Organization released a poll asking if in order to declare war, Congress should be required to obtain the approval of the people by means of a national vote, and 75 percent of people voted yes.³⁷ While polling was still in its early stages, between the newspapers and polling information, Americans seemed to have supported the Neutrality Act of 1935. However, with the six-month limitation on the legislation, the United States would have to reevaluate its neutrality in 1936.

The conflict between Italy and Ethiopia escalated when Italy invaded Ethiopia on October 3, 1935. The conflict highlighted the issues with the Neutrality Act of 1935. President Roosevelt indicated in a telegram sent to Secretary of State Cordell Hull on October 4th that he wanted to follow a bold neutrality policy that discouraged American trade with Italy and implemented the Neutrality Act of 1935. Hull was sympathetic to Roosevelt’s proposal but, officials in Washington, especially Assistant Secretary of State R. Walton Moore warned

³⁵ “Getting In and Keeping Out of War,” *Chicago Tribune*, August 24, 1935.
<https://www.proquest.com/hnpchicagotribune1/historical-newspapers/getting-keeping-out-war/docview/181746332/sem-2?accountid=14556> (Accessed February 20th, 2024)

³⁶ “Neutrality Measure Will Be Signed Today: President Say It Is Satisfactory Except That It Does Not Cover Loans, Financing,” *New York Times*, August 29th, 1935.
<https://www2.lib.ku.edu/login?url=https://www.proquest.com/hnpnewyorktimeswindex/historical-newspapers/neutrality-measure-will-be-signed-today/docview/101385726/sem-2?accountid=14556> (Accessed February 20th, 2024)

³⁷ Gallup Organization, “Gallup Organization Poll: September 1935, Question 1, USGALLUP.111735.R04.”

President Roosevelt that isolationist members of Congress might view any steps to discourage trade as interference designed to injure Italy. Thus, the administration implemented the neutrality act and released statements urging Americans not to trade with Italy, creating a moral embargo that Americans looked upon favorably. In October, the State Department received over 3,000 letters supporting the moral embargo.³⁸ The League of Nations tried to implement collective security measures but failed, reaffirming American belief in the Neutrality Act of 1935. However, in January 1936, Congress had to begin discussing neutrality legislation because of the six-month limitation on the Neutrality Act of 1935. President Roosevelt and the State Department pushed for more flexible legislation. However, Congress was too worried that President Roosevelt would use the power to align the United States with the League of Nations. Reluctantly, President Roosevelt agreed to an extension of the Neutrality Act of 1935 for another year. After brief debates, Congress passed a bill continuing the Neutrality Act of 1935 with the addition of a ban on loans to belligerent countries until May 1, 1937.³⁹ While the Neutrality Act of 1935 proved to be a good solution for the problems the United States faced with the Italian invasion of Ethiopia, the beginning of the Spanish Civil War changed the neutrality debate.

When the Spanish Civil War broke out in July 1936, Congress and the administration did not believe it had much relevance to American neutrality. The Neutrality Act of 1936 did not cover civil wars since, usually, civil wars would not threaten to involve the United States. However, the Spanish Civil War threatened the entire world after Germany and Italy began offering aid to the Spanish Nationalists, and the Soviet Union supported the Loyalists. The issue for the United States was trade. The Nye Commission had blocked President Roosevelt's proposal for discretionary power to restrict trade. Therefore, the administration once again

³⁸ Divine, *The Illusion of Neutrality*, 122–62.

³⁹ Divine, *The Reluctant Belligerent 2nd Edition: American Entry into World War II*, 13–38.

emphasized a moral embargo. Nevertheless, they could not legally withhold export licenses.⁴⁰ These issues brought the problems with rigid neutrality to light, and newspapers began expressing discontent with the legislation.

After the Spanish Civil War started, internationalists began attacking the Neutrality Act of 1936 and demanded the passage of flexible neutrality. The *Washington Post* published an article entitled, *Our Worthless Neutrality Act*. The article praised the moral embargo encouraged by the State Department and criticized Congress, saying, "a measure was approved that had no relations whatever to realities."⁴¹ Isolationist newspapers also expressed dissatisfaction with how the government handled the Spanish Civil War. The *New York Times* and the *Chicago Tribune's* narrative of supporting the Neutrality Act of 1935 had changed. Many of their articles began taking a more impartial stance towards neutrality legislation than in the previous year. While the articles still showed more support for strict neutrality by highlighting the opinion of isolationist senators, some began discussing discretionary power as a possibility. The *Chicago Tribune* released an article that focused on the Supreme Court decision to allow the export of airplane parts to the Spanish Loyalists, as well as Chief Justice Charles Hughes's sympathizes towards discretionary power for President Roosevelt.⁴² Highlighting the Chief Justice and his support for discretionary power went against the strong isolationist stance that the *Chicago Tribune* was known for in the 1930s and reveals the confusion that the Spanish Civil War caused for neutrality legislation. The *New York Times* even published, "*In the Nation: Pros and Cons of the Neutrality*

⁴⁰ Divine, *The Illusion of Neutrality*, 160–72.

⁴¹ "Our Worthless Neutrality Act," *Washington Post*, August 13th, 1936. <https://www2.lib.ku.edu/login?url=https://www.proquest.com/hnpwashingtonpost/historical-newspapers/our-worthless-neutrality-act/docview/150735359/sem-2?accountid=14556> (Accessed February 28th, 2024)

⁴² "U.S Neutrality Policy before Supreme Court: Whole Plan Hinges on Aircraft Case," *Chicago Tribune*, November 21st, 1936. <https://www2.lib.ku.edu/login?url=https://www.proquest.com/hnpnewyorktimeswindex/historical-newspapers/u-s-neutrality-policy-before-supreme-court/docview/181811660/sem-2?accountid=14556> (Accessed February 28th, 2024)

Policy Problem”, discussing neutrality's pros and cons. It observed that if isolationist Senator Arthur Vandenberg of Michigan could admit that there is no such thing as neutrality, then a good argument can be made for allowing flexibility.⁴³ The frustration that isolationists and internationalists felt towards the Neutrality Act of 1936 opened a door for discretionary policy. Still adhering to their isolationist views, Americans and Congress wanted strict neutrality policies. However, by the end of 1936, Congress recognized the necessity to amend the Neutrality Act of 1936 to include trade commodities other than arms and ammunitions.

Congressional Debate

Congress rushed to pass the first two neutrality acts to protect the United States from becoming involved in the Italian Ethiopian War. They designed the bills as short-term solutions to an immediate problem, so they placed expirations on them. After the beginning of the Spanish Civil War, Congress wanted to pass legislation that could apply to all future conflicts. While Congress widely accepted the embargoes on loans and weapons, they did not know how to handle other trade commodities. The United States had begun recovering from the Great Depression, but the government were still worried about the long-term effects of mandatory embargoes. If America continued with strict neutrality, embargoes on foreign trade would have a negative impact on their economy. However, allowing foreign trade with belligerent countries put America at risk of becoming involved in the escalating conflicts in Europe and Asia as happened in World War I. The Neutrality Act of 1936 was set to expire on May 1, 1937, leaving Congress to find a solution that allowed economic prosperity but that did not threaten American

⁴³ Krock, “In The Nation: Pros and Cons of the Neutrality Policy Problem,” *New York Times*, December 31st, 1936. <https://www2.lib.ku.edu/login?url=https://www.proquest.com/hnpnewyorktimeswindex/historical-newspapers/nation/docview/101732538/sem-2?accountid=14556> (Accessed February 28th, 2024)

neutrality. The issue between prosperity and neutrality threatened the ideas of neutrality previously imposed by the prior neutrality acts.⁴⁴

Bernard M. Baruch, a powerful statesman who advised numerous presidents including Franklin D. Roosevelt, heavily influenced congressional debate in 1937.⁴⁵ Baruch devised a plan to allow Americans to continue trade with belligerent countries without threatening American neutrality. Baruch wrote an article in *Current History*, a popular magazine that covered current events, in June of 1936, outlining his cash and carry system, stating, "We will sell to any belligerent anything except lethal weapons, but the terms are cash on the barrel-head and come and get it."⁴⁶ He believed that keeping American ships and citizens away from the hostile seas near Europe and Asia protected America from involvement in war, but still allowed the United States profit from trade. He argued that warfare had changed since the World War and affected the economic systems of belligerent countries as much as their armies. According to Baruch, "There is not a product of farm, mine, or factory, not an ounce of human effort, that is not necessary to the conduct of this new war of multiplied and horrible force."⁴⁷ The hope was that the cash and carry plan would allow Americans to continue their trade, aside from arms and ammunition, with countries engaged in conflict with less risk of involvement. Baruch's idea became crucial to the neutrality debate as it quickly gained popularity with both the Roosevelt administration and those who favored strict neutrality.⁴⁸ Isolationists favored the idea because it would protect the United States from becoming involved in foreign conflict without hindering trade as much as mandatory embargoes. The Administration supported the provision because it

⁴⁴ Divine, *The Illusion of Neutrality*, 162–99.

⁴⁵ Goodwin, *Power and Prominence in Washington, D.C.*, 16, 95–106.

⁴⁶ Baruch, *Current History*, "Neutrality," June 1936, p.41

⁴⁷ Baruch. p. 31

⁴⁸ Divine, *The Reluctant Belligerent 2nd Edition: American Entry into World War II*.

avored Great Britain and France, who had powerful navies.⁴⁹ The provision would be present in almost all neutrality legislation proposed in 1937 and yet again sparked the debate over presidential discretionary power.

Senators began submitting their neutrality bills to the Senate and the Foreign Relations Committee in January and February of 1937. The State Department did not prepare legislation to submit to Congress. In his memoir, Secretary of State Cordell Hull mentioned that the State Department believed there was a better chance of obtaining flexibility in the new legislation if they did not pressure Congress. However, they stayed in contact with congressional leaders.⁵⁰ Proposed neutrality legislation differed from the prior two neutrality discussions in that isolationist Senators proposed a bill almost identical to the one sponsored by Senator Key Pittman of Nevada, who was Chairman of the Senate Foreign Relations Committee and often worked closely with President Roosevelt and the Secretary of State.⁵¹ Pittman proposed his bill on January 22, 1937. On February 1st Senators Clark, Bone, Vandenberg, and Nye introduced their neutrality legislation. The Congressional Record reported statements from the State Department when these bills were brought before them. Assistant Secretary Robert Moore noted that the Pittman Bill and the Clark Bill were fundamentally similar believing that the Pittman Bill could accomplish what was set forth by the legislation presented by the isolationist senators.⁵² The similarity between these bills signifies the changing economic goals within Congress that were leaning away from strict neutrality.

⁴⁹ Divine, 162–99.

⁵⁰ Hull, *The Memoirs of Cordell Hull*. P.506

⁵¹ Glad, *Key Pittman: The Tragedy of a Senate Insider*, p.278

⁵² Neutrality Act of 1937. S.J. Res. 51, 75th Congress, p.1487.

In 1935, Gerald Nye led the Munitions Investigation Committee, which was alarmed by the federal government involvement with the munition industry. In these findings, Nye argued that legislation that limited presidential power in foreign affairs would prevent the president from giving into economic pressures.⁵³ However, in 1937, the bill that Senator Nye sponsored contained its version of a cash and carry provision. Though it did not give the president the same discretionary power as the Pittman Bill, it allowed trade with belligerent countries. The cash and carry principle went against the strict neutrality that Nye had endorsed in the last neutrality acts. Whether Nye truly supported the cash and carry principle or merely understood its popularity, he conceded to allowing more trade with belligerent countries. Still his isolationist colleagues continued to oppose the discretionary power in the cash and carry principle, especially in the Pittman Bill throughout the senate debate.

The Pittman Bill quickly won favor over other neutrality legislation proposed. Senator Pittman faced strong isolationist opinions in the Foreign Relations Committee and the Senate. Therefore, Pittman had to frame his bill as the best compromise between the administration and isolationist senators. The bill was broad and did not have the administration's endorsement. Pittman believed isolationist senators would perceive the endorsement as President Roosevelt's desire to aid Great Britain.⁵⁴ Though the bill did grant the President discretionary power, it was a strict bill. The legislation kept the former provisions of a mandatory arms embargo, a ban on loans to belligerent countries, and made a slight change making traveling on belligerent ships illegal. Pittman's new addition was the cash and carry provision. The discretionary power came in the carry clause, which allowed the president to select which war materials he could ban from shipments on American vessels. The cash clause was mandatory, stating that after the arms

⁵³ Cole, *Senator Gerald P. Nye and American Foreign Relations*, 80.

⁵⁴ Glad, *Key Pittman: The Tragedy of a Senate Insider*, p.272

embargo was invoked, commodities could not be exported until transferring the title to the foreign purchaser.⁵⁵

The previous two neutrality acts were temporary and by 1937, Congress wanted to pass permanent legislation that protected Americans against escalating conflict in Europe but still allowed economic growth. The cash and carry provision in the Pittman Bill appeared to Congress to be the best way to protect the United States. Pittman had to defend his bill and the cash and carry provision to the Senate. He had a hopeful yet realistic sentiment, "Without hesitation, and at the very start, I admit that the amendment proposes an entirely new peace policy for our government. It goes beyond any legislation ever adopted in this or any other country, and yet I contend that nothing in this proposed legislation prevents free commerce with the world."⁵⁶ Though it was a new concept of neutrality, it was evident that the Pittman Bill had become the preferred legislation. However, isolationists were still wary of the discretionary power the Pittman Bill gave to the president.

Discretionary power in the Neutrality Acts of the 1930s had always been divisive, and in 1937, the Senate debate focused primarily on this disagreement. There were two arguments among isolationist in the Senate. Senator Vandenberg represented isolationists who believed discretionary power over commodities gave the president authority that could anger belligerent countries and draw America into war. Senator Vandenberg praised Senator Pittman for his changes to American travel on belligerent ships and the mandatory features of the cash and carry provision. Nevertheless, Vandenberg moved to strike all discretionary power within the cash and carry provision, believing it to be a threat no matter the president's diligence. The fluid power could cause one belligerent to be more negatively affected by the president's decision, thus

⁵⁵ Divine, *The Illusion of Neutrality*, 162–99.

⁵⁶ Neutrality Act of 1937. S.J. Res. 51, 75th Congress, 1667.

leaving America open to the resentment of belligerent countries. Though other isolationist senators defended the amendment offered by Senator Vandenberg, his amendment did not pass with a vote of 24 yeas, 48 nays, and 23 senators not voting, including Senator Nye.⁵⁷

While Senator Vandenberg supported the mandatory aspects of the cash and carry provision, Senator William Borah of Idaho and Senator Hiram Johnson of California disagreed entirely with the cash and carry principle. Senator Borah argued it was not a neutral policy and would align the United States with Great Britain and Japan, who had powerful navies, drawing America into war. Borah also questioned how the act would work in practice, worrying that having belligerents come to American ports could bring a conflict to American shores.⁵⁸ Senator Johnson supported Senator Borah's argument, insisting that the policy allowed the United States to profit and hide, which he deemed immoral. Johnson thought that the cash and carry provision would hurt American integrity, stating, "The country with the strongest navy might prosecute the cruellest war, and yet we, the once proud Republic, whatever the causes of war and whomever the belligerents, would always be for the strongest."⁵⁹ Senators Johnson and Borah indicated flaws with the Pittman Bill that would appear once the bill was enacted. However, in March of 1937, these arguments did little to sway the support the bill had gained. With 31 yeas, 43 nays, and 23 senators not voting, Senator Borah's amendment to leave out the cash and carry provision did not pass. That same day, March 3, 1937, the Pittman Bill passed the Senate by a vote of 63 yeas, 6 nays, and 26 senators not voting.⁶⁰ The Pittman Bill won over some of the most prominent isolationist senators, including Senator Nye and Senator Vandenberg. Though small, after two previous neutrality acts and three years of debate, the Senate granted President Roosevelt

⁵⁷ Ibid, 1674, 1801

⁵⁸ Ibid, 1678-1679

⁵⁹ Ibid, 1778

⁶⁰ Ibid, 1802, 1807

discretionary power regarding trade commodities. These concessions demonstrate that the Senate had begun to worry about its economic prosperity and was willing to test a new form of neutrality to ensure its profit.

No other legislation in the Senate warranted much discussion because of the popularity of the Pittman Bill. However, in the House of Representatives, the Pittman Bill did not win support as quickly because of the introduction of a bill by Tennessee Representative Sam McReynolds. McReynolds was the Chairman of the House Committee on Foreign Affairs and often worked closely with the State Department, similar to Senator Pittman. However, McReynolds wanted to pass legislation that aligned more with the Administration's goals.⁶¹ The State Department again wanted to stay neutral during congressional debate, though Cordell Hull mentioned in his memoir that he spoke about the two bills in a press conference on February 19 that showed support for the McReynolds Bill. Hull explained that the administration had been vying for presidential discretionary power since 1935 and that they looked more favorably on the McReynolds bill because it contained the least amount of inflexible legislation.⁶²

The McReynolds Bill shared many provisions with the Pittman Bill. The mandatory embargo on arms, ammunition, and implements of war had been retained from the previous neutrality legislation and adopted a similar change, which made travel on belligerent ships illegal once the president proclaimed it. The considerable difference between the bills was that the McReynolds Bill granted the president more discretionary power. McReynolds believed that the mandatory aspects of Pittman's cash and carry provision placed President Roosevelt in a strait jacket by only allowing him to act under certain conditions.⁶³ The McReynolds bill gave the

⁶¹ Divine, *The Illusion of Neutrality*, 162–99.

⁶² Hull, *The Memoirs of Cordell Hull*, 509.

⁶³ McReynolds, "Our Neutrality Bill," *World Affairs*, June 1937, 85.

president discretion in the cash section of the cash and carry provision, meaning that he could choose when to implement the prohibition of American ships carrying trade commodities while requiring the belligerent to pay for goods in advance and retrieve them from American ports. McReynolds feared that a mandatory clause in the Pittman Bill would hinder trade. His clause allowed the president to analyze the situation daily. He gave the example of Canada, saying that if the president had to restrict trade in the region of the British Isles, it would affect American trade in the Great Lakes Region and Seattle to Vancouver.⁶⁴ The McReynolds Bill gave the president complete discretion in the cash and carry provisions of the legislation and supporters of strict isolationism did not believe that an internationalist president could be trusted with that amount of power.

Hamilton Fish III, a representative from New York, was one of the most outspoken people in the House about his dislike of the McReynolds Bill. He was a staunch critic of President Roosevelt and advocate for impartial neutrality legislation. Fish was a part of the House Committee on Foreign Affairs minority. He had been against McReynolds's ideas before they reached House debate.⁶⁵ His grievances with the McReynolds Bill are similar to those made by isolationist senators; he did not want to give up America's control of the seas by prohibiting trade with belligerent countries unless those countries came to American ports. He believed it to be a waste to allocate half a billion dollars annually to maintain the navy that was not allowed to protect American trade.⁶⁶ Fish and the minority's utmost concern was the discretionary power the McReynolds bill allowed. The minority did not trust President Roosevelt and the State Department. They believed that giving the president power would cause President Roosevelt and

⁶⁴ McReynolds, 86.

⁶⁵ Divine, *The Illusion of Neutrality*, 162–99.

⁶⁶ Fish et al., “Neutrality Act of 1937: Supplemental Minority Report,” 2.

the State Department's interest in other foreign nations to drag America into another war. Fish thought the act would be a "supine and unjust act, tending to destroy our own merchant marine, and a reflection on American dignity and prestige throughout the world."⁶⁷ Fish and other minority members continued to voice these sentiments during the House debate. However, McReynolds's version of the cash and carry principle had begun to win over many representatives, and his ideas became the basis of the House's amendments to the Pittman Bill.

While the House Committee on Foreign Affairs did not pass the McReynolds bill, they implemented Representative McReynolds's ideas into the Pittman Bill, thus creating an original House bill. McReynolds's idea of additional discretionary power gained overwhelming praise from representatives. Representatives believed the House amendments represented the middle ground between isolationists who wanted the cash and carry provision omitted entirely and those who wanted mandatory embargoes.⁶⁸ Though Representative Fish and other minority representatives tried to dissuade the House from passing the bill, the House expressed overwhelming support for McReynolds by passing the bill with a vote of 376 yeas, 13 nays, and 42 representatives not voting.⁶⁹ The House passing a bill granting the president power in the cash and carry sections emphasized the change in the discussion of discretionary power from the previous neutrality legislation. Allowing the president discretion in the cash and carry sections was the most significant breakthrough for internationalists at that point. The House bill was the most discretionary power President Roosevelt and Secretary of State Cordell Hull could have expected from a distrustful Congress. However, the Senate and the House had to decide whether they would pass the more mandatory Senate bill or the flexible House bill.

⁶⁷ Ibid, 2

⁶⁸ Neutrality Act of 1937. S.J. Res. 51, 75th Congress, 2267

⁶⁹ Ibid, 2410

Without hesitation, the Senate rejected the House amendments to the Pittman Bill, and Senator Pittman requested a conference with the House. Senator Pittman, Senator Borah, and Senator Joseph T Robinson of Arkansas were appointed to the committee.⁷⁰ Pittman stood firm behind his version of the cash and carry provision. However, Senators Borah and Robison preferred the House's discretionary power. Noticeably, members of the Nye Group, who avidly opposed permissive legislation, did not have a representative on the committee.⁷¹ The House agreed to the conference, appointing Representative McReynolds, Representative Luther Johnson of Texas, and Representative Sol Bloom of New York to support discretionary legislation and Representative Fish and Representative Joseph W. Martin of Massachusetts as minority representatives.⁷² The conference committee quickly reached an impasse. For over a month, Senator Pittman refused to include any additional discretionary power not granted in his bill. In the end, pressure from President Roosevelt persuaded Senator Pittman to concede to the discretionary powers in the House bill.⁷³ In June 1937, in a *World Affairs* article, McReynolds explained that during this conference the legislation was made permanent other than the cash and carry provision, which the committee agreed to a two-year limitation. The committee believed the provision to be experimental, and the House representatives thought the limitation would convince the Senate to agree to their amendments.⁷⁴

The House only had to make minor concessions by including a mandatory travel ban and barring American merchant ships from being armed while trading with belligerents. The House adopted the conference report with little opposition. Isolationist senators from the Nye Group

⁷⁰ Ibid, 2487

⁷¹ Divine, *The Illusion of Neutrality*, 162–99.

⁷² Neutrality Act of 1937. S.J. Res. 51, 75th Congress, 2662

⁷³ Divine, *The Reluctant Belligerent 2nd Edition: American Entry into World War II*, 13–38.

⁷⁴ McReynolds, "Our Neutrality Bill," *World Affairs*, June 1937, 87.

objected strongly to the flexibility of the House's cash and carry clause. However, the objections did not significantly influence other senators as they adopted the report with a vote of 41 to 15 on April 29th. The bill had to be rushed to President Roosevelt, and on the morning of May 1st, Roosevelt signed the new neutrality act.⁷⁵

The passing of the Neutrality Act of 1937 began America's turn towards internationalism. The disposition in Congress remained isolationist in 1937, but not the strict isolationist mentality seen in 1935 and 1936. Congress began to worry about the effects mandatory embargoes would have the economy as conflict continued to escalate in Europe and Asia, thus leading to the adoption of the cash and carry principle. The policy allowed America to continue trade with countries without risking their safety. By forcing neutral and hostile countries to come to America to buy and transport goods, Congress avoided the issues that caused Americans to be involved in World War I. The inclusion of flexible legislation and discretionary power given to the president conveys the changing attitude away from strict neutrality legislation. With the fear of economic hardship from the Great Depression, America wanted to find the balance between neutrality and economic prosperity through trade. The power given to the President in the Neutrality Act of 1937 allowed for exponentially more profit than any mandatory provisions would have. The staggering support for cash and carry provision and discretionary power for the president in the Senate and the House of Representatives proves Congress had begun to worry more about economic gain rather than total neutrality.

The Neutrality Act in Practice

The passing of the Neutrality Act of 1937 was the most significant concession isolationists made to internationalists in the 1930s prior to the repeal of the arms embargo in

⁷⁵ Divine, *The Illusion of Neutrality*, 162–99.

1939. Trade with belligerent countries forced Congress to place economic security above strict isolationist foreign policy. The inclusion of discretionary power began the shift towards internationalism. The neutrality debate focused on economics and how strict neutrality could considerably impact the United States economy. The economic concern regarding trade led to the passing of cash and carry provisions. However, Americans began moving further away from isolationism after the act was implemented in American foreign policy in 1937. The Neutrality Act of 1937 was described during the congressional debate as experimental. The cash and carry provision appeared to be the best compromise between maintaining trade and avoiding war, but no one knew how the cash and carry provision would work in practice. The Neutrality Act of 1937 was tested when clashes between Chinese and Japanese troops developed into an undeclared war. What started as a debate about the balance between economic prosperity and neutrality turned into a debate about the risk of the Neutrality Act of 1937 drawing the United States into war.

At the beginning of 1937, the ambassador to Japan, Joseph Grew, informed Secretary of State Cordell Hull that the growing tension between Japan and China could interfere with American interests and would force the United States to protect themselves.⁷⁶ Therefore, the United States was prepared for conflict between China and Japan. However, when conflict began in July 1937, neither country declared war nor broke off diplomatic relations, creating an issue for the Roosevelt Administration because of a stipulation in the legislation. In the Neutrality Act of 1936, Congress made a minor amendment to the previous act, allowing the President to determine whether a state of war existed. However, this clause had little significance until the

⁷⁶ *Foreign Relations of the United States Diplomatic Papers, 1937, The Far East Volume III, Chapter 1: January 1 – July 7, 1937, Document 1.*

outbreak of the Second Sino-Japanese War.⁷⁷ Since there had been no formal declaration of war by either side, the legislation gave to President Roosevelt the power to decide whether to implement the Neutrality Act of 1937. The loophole in the Neutrality Act of 1937 began the backlash towards the legislation.⁷⁸

From July to mid-August, President Roosevelt and Cordell Hull refrained from making any statements about their attitudes towards the Japanese invasion or the possibility of implementing the neutrality act. During this time, they hoped that the conflict would not be the beginning of a major war. However, as the conflict escalated, Roosevelt and Hull realized the effects implementing the Neutrality Act of 1937 would have on both countries. China depended heavily on American imports for their weapons, while Japan was mainly self-sufficient. Japan imported petroleum and iron from America, which would not be affected under the cash and carry provision. Japan also had a large fleet of merchant ships and control of the seas. China would not have been able to take advantage of the cash and carry provision because they lacked the shipping to transfer supplies from the United States. President Roosevelt faced a choice that ruled out any possibility of impartiality. If Roosevelt invoked the legislation, Japan would benefit and if he did not, China would benefit. Isolationism throughout the 1930s had been based on impartiality, which is why isolationists had preferred mandatory legislation. A loophole in the legislation had placed President Roosevelt into an impossible position of upsetting the American people by not implementing the act or invoking the act and supporting Japan's invasion of China.⁷⁹ President Roosevelt did not implement the Neutrality Act of 1937 but stated that invoking the legislation would be considered if the conflict escalated. President Roosevelt

⁷⁷ Hull, *The Memoirs of Cordell Hull*, 467.

⁷⁸ Divine, *The Reluctant Belligerent 2nd Edition: American Entry into World War II*, 39–74, 200–201.

⁷⁹ Divine, *The Illusion of Neutrality*, 200–228.

exercised his discretionary power to allow Americans to continue trade with China and to avoid aligning the United States with Japan. The Second Sino-Japanese War put the integrity of the Neutrality Act of 1937 into question, and the decision to implement the Neutrality Act of 1937 proved to Congress and the American people that the act had flaws.

Newspapers began to harshly criticize President Roosevelt's decision to not invoke the Neutrality Act of 1937. The *Chicago Tribune* released numerous articles in the months following the beginning of the conflict between China and Japan that criticized the Neutrality Act and President Roosevelt. An article released on August 17th argued that declarations of war were outdated. The article also criticized Roosevelt because he had invoked the neutrality legislation during the Italian-Ethiopian crisis when a declaration of war had not been made. It accused him of using discretionary power to align with the League of Nations.⁸⁰ The *New York Times* harshly criticized President Roosevelt and the Neutrality Act of 1937 as well. Many articles focused on the inadequacy of the neutrality legislation to uphold American neutrality and that the act provides aid to aggressors. The *New York Times* disliked the Neutrality Act of 1937 to the point where some of its articles debated whether neutrality legislation was needed. In September, the paper published an article entitled, "*Neutrality Laws Derided by Pastor: Our Attitudes Aids Aggressors and Hampers Their Victims*," that highlighted a pastor who blamed the United States for the situation of Europe and Asia for refusing to join the League of Nations.⁸¹ Another article,

⁸⁰ "U.S to Reveal Stand on War in East Today: Expect Neutrality Bars to Go Up Shortly," *Chicago Tribune*, August 17, 1937. <https://www2.lib.ku.edu/login?url=https://www.proquest.com/hnpchicagotribune1/historical-newspapers/u-s-reveal-stand-on-war-east-today/docview/181923446/sem-2?accountid=14556> (Accessed March 5th, 2024)

⁸¹ "Neutrality Laws Derided by Pastor: Our Attitude Aids Aggressors and Hampers Their Victims, Dr. Van Burkalow Says," *New York Times*, September 20, 1937. <https://www2.lib.ku.edu/login?url=https://www.proquest.com/hnpnewyorktimeswindex/historical-newspapers/neutrality-laws-derided-pastor/docview/102287409/sem-2?accountid=14556> (Accessed March 6th, 2024)

“Neutrality Called Weak and A Need, Dr. Eichelberger Says It Will Not Keep Us From War”, focused on a debate of whether America could remain neutral with the amount of conflict overseas.⁸² The Neutrality Act of 1937 undermined the isolationist policies that these more isolationist newspapers supported, causing them to voice their anger and confusion regarding American foreign policy.

The *Washington Post* had a history of supporting President Roosevelt, and in July, it published articles that supported the decision not to invoke the Neutrality Act. They featured Senator Key Pittman of Nevada and his belief that the act would do more harm than good and endanger American lives if invoked. The same article praised Roosevelt for protecting American interests in Asia.⁸³ However, even the *Washington Post* could not support President Roosevelt’s decision after Japan invaded Shanghai in August. They released many articles throughout August urging for the neutrality act to be invoked and criticizing Congress and President Roosevelt for passing legislation that put the United States in a position that threatened American neutrality. The *Washington Post* focused on the morality of not invoking the neutrality act rather than the economic downsides of the cash and carry provision. In an article entitled, “What Price Neutrality?”, they stated, “Several Americans have already been killed in the hell which has been let loose at Shanghai. And it is altogether probable that more of our citizens may be slaughtered.”⁸⁴ President Roosevelt’s decision to not invoke the neutrality act caused Americans

⁸² “Neutrality Called Weak and A Need, Dr. Eichelberger Says It Will Not Keep Us From War- Voorhis Disagrees, Our Legislation Debated: Spanish War and Aims of Dictators Figure in Arguments Before Virginia Institute.” *New York Times*, July 9th, 1937.

<https://www2.lib.ku.edu/login?url=https://www.proquest.com/hnpnewyorktimesindex/historical-newspapers/neutrality-called-weak-aneed/docview/102336322/sem-2?accountid=14556> (Accessed March 6th, 2024)

⁸³ Barnet Nover, “Neutrality: Senator Pittman’s Second Thoughts.” *Washington Post*, July 31, 1937.

<https://www2.lib.ku.edu/login?url=https://www.proquest.com/hnpwashingtonpost/historical-newspapers/neutrality/docview/150979227/sem-2?accountid=14556> (Accessed March 6th, 2024)

⁸⁴ “What Price Neutrality,” *Washington Post*, August 15, 1937.

<https://www2.lib.ku.edu/login?url=https://www.proquest.com/hnpwashingtonpost/historical-newspapers/what-price-neutrality/docview/150924146/sem-2?accountid=14556> (Accessed March 6th, 2024)

to doubt the effectiveness of neutrality legislation and the Neutrality Act of 1937 forced the United States into a situation where impartiality against belligerents was impossible.

While newspapers grappled with President Roosevelt's decision, while expressing their doubts about the Neutrality Act of 1937, a fear of totalitarianism spread throughout the United States, changing America's perspective on foreign conflict. Until 1937, the isolationists lived by the assumption that any upcoming war was of no interest to the United States. Americans wanted to deal with the widespread unemployment and poverty caused by the Great Depression. They believed isolating themselves from foreign conflict was the best way to focus on their domestic struggles.⁸⁵ However, the Second Sino-Japanese War made Americans realize they were concerned about the fascist powers in Europe and Asia. Once the conflict started, polls began asking more questions relating to war and foreign policy. In July, Gallup Polls released a study asking participants about the possibility of another world war. Seventy-three percent of participants believed that there would be another world war and listed Germany, Italy, and Japan as the countries mostly likely to be responsible for starting it.⁸⁶ The Neutrality Act of 1937 created a distrust of fascist countries that escalated as Japan continued its invasion of China and by October, President Roosevelt decided to break his silence on the crisis.

President Roosevelt had been reluctant to speak about the conflict between Japan and China and to invoke the Neutrality Act of 1937 since the United States had 2,300 troops in Peiping, Tientsin, and Shanghai as a part of a long-standing policy of protecting American nationals. Since implementing the legislation would primarily hurt China, Roosevelt worried that if he invoked the neutrality act, it would increase the danger to Americans in China. However, he

⁸⁵ Jonas, *Isolationism in America, 1935-1941*, 1–31.

⁸⁶ Gallup Organization, "Gallup Organization Poll: July 1937, Gallup Organization."

decided to give a speech that did not require a definite response or action from anyone but would counter isolationism.⁸⁷ On October 5th, 1937, President Roosevelt discussed the conflict overseas and asserted his internationalist beliefs in a speech coined the Quarantine Speech. President Roosevelt spoke out against the atrocities abroad and warned Americans that aggressors would not spare the United States. He emphasized the importance of nations working together to ensure peace.

There is a solidarity and interdependence about the modern world, both technically and morally, which makes it impossible for any nation completely to isolate itself from economic and political upheavals in the rest of the world, especially when such upheavals appear to be spreading and not declining... The peace-loving nations must make a concerted effort in opposition to those violations of treaties and those ignorings of humane instincts which today are creating a state of international anarchy and instability from which there is no escape through mere isolation or neutrality.⁸⁸

Since his inauguration in 1933, President Roosevelt advocated for collective security. Yet, he realized any attempt at cooperation with the League of Nations could be used as a reason to limit his influence in foreign affairs, which is why Roosevelt often gave into isolationist ideas throughout the 1930s.⁸⁹ However, by 1937, the Neutrality Act of 1937 had failed to keep the United States impartial in foreign conflict. President Roosevelt realized he had an opportunity to warn the United States about the threat of fascist aggressors. Though devout isolationists criticized isolationist President Roosevelt, the Quarantine Speech increased sympathy for China. In August, the Gallup Organization released a poll that asked participants which side of the war

⁸⁷ Dallek, *Franklin D. Roosevelt and American Foreign Policy, 1932-1945: With a New Afterword*, 144–48.

⁸⁸ Roosevelt, *Quarantine Speech*.

⁸⁹ Dallek, *Franklin D. Roosevelt and American Foreign Policy, 1932-1945: With a New Afterword*, 148–51.

between China and Japan they had sympathy for. It revealed that 43 percent showed sympathy for China and 55 percent had sympathy for neither side.⁹⁰ In the days following Roosevelt's speech, the Gallup Organization asked participants the same question and found that sympathy for China rose to 59 percent.⁹¹ Americans were not ready to interfere in the conflicts abroad. However, President Roosevelt's Quarantine Speech forced Americans to start paying more attention to conflict overseas and consider that impartiality may not keep them out of war.

Isolationists favored the impartiality of neutrality legislation because they wanted to avoid being drawn into war to focus on domestic problems. The Second Sino-Japanese War and the Neutrality Act of 1937 ruined the United States' chances of remaining impartial and could have aligned the United States with a fascist aggressor, which frightened Americans. A fear of fascism spread throughout the United States, leading to sympathy for China and created an opportunity for President Roosevelt to attempt to convince Americans that neutrality legislation would not protect them against wars overseas. The Neutrality Act of 1937 made Americans' belief in the mandatory neutrality legislation falter. The wavering support for mandatory legislation played a significant role in the repeal of the mandatory arms embargo in 1939 and the rise of internationalism in the United States seen throughout 1938 and 1939,

Conclusion

Throughout 1938, President Roosevelt actively overcame his isolationist tendencies and attempted to move the United States foreign policy toward preventing war. By 1939, Congress repealed the arms embargo to support England and France after they declared war on Germany

⁹⁰ Gallup Organization, "Gallup Poll # 1937-0094: Pensions for World War Veterans/Political Parties/Picketing, Question 3, USGALLUP.ST1237.R05."

⁹¹ Gallup Organization, "Gallup Poll # 1937-0100: Finances/Senator Black as Supreme Court Appointment/China and Japan, Question 1, USGALLUP.GFB1838.R07."

for invading Poland.⁹² Historians who have examined the United States' involvement in World War II argue that the repeal of the arms embargo in 1939 was the beginning of the United States internationalism prior to their involvement in the war. However, the repeal of the arms embargo resulted from the Neutrality Act of 1937. The Neutrality Act of 1937 initiated the United States' shift toward internationalism with doubts about isolationist legislation beginning in 1936.

The Neutrality Act of 1936 did not include a provision that covered trade commodities other than arms, ammunition, and implements of war. During the Italian-Ethiopian conflict, the Roosevelt Administration emphasized a moral embargo, encouraging Americans not to trade with Italy. While Americans generally supported the moral embargo, the Spanish Civil War changed the neutrality debate. With Germany, Italy, and the Soviet Union becoming involved, the Spanish Civil War threatened the entire world. President Roosevelt once again emphasized a moral embargo to stop Americans from becoming involved. Nevertheless, under the Neutrality Act of 1936, the government could not legally restrict trade.⁹³ The Spanish Civil War caused Americans and Congress to question the effectiveness of the Neutrality Act of 1936 and whether to include discretionary power in the neutrality legislation.

By 1937, Congress realized that a mandatory trade embargo could have hurt the United States economy. However, as more countries engaged in conflict, trade threatened to drag the United States into war. Congress had to revise the neutrality legislation and attempt to balance economic prosperity with their desire for isolationist policies. The creation of the cash and carry provision won support from isolationist and internationalist members of Congress. Isolationists promoted the provision because it could protect the United States without hindering trade, and internationalists favored the legislation because it favored England and France. The

⁹² Divine, *The Illusion of Neutrality*, 228, 335.

⁹³ Divine, 130–33, 168–70.

overwhelming support is why Senator Key Pittman of Nevada and Tennessee Representative Sam McReynolds were able to include discretionary power in this provision. They designed their bills to give President Roosevelt significant power, and isolationist members of Congress accepted since the other mandatory embargoes were still in place. The passing of the Neutrality Act of 1937 was the first significant compromise between isolationists and internationalists in the 1930s, allowing President Roosevelt the most influence in foreign policy since his inauguration in 1933.⁹⁴

In the last six months of 1937, the beginning of the Second Sino-Japanese War and President Roosevelt drove the United States further towards internationalism. Since neither China nor Japan issued a formal declaration of war, President Roosevelt had the power to decide whether to implement the Neutrality Act. If President Roosevelt implemented the neutrality act, China would have suffered while Japan benefitted, aligning the United States with a fascist aggressor. As a result, President Roosevelt did not invoke the neutrality act.⁹⁵ President Roosevelt's decision outraged newspapers, leaving them confused, and Roosevelt's decision destroyed confidence in neutrality legislation. As Japan continued its aggression against China, Americans became more concerned with conflict overseas than in the years prior, which only escalated after President Roosevelt's Quarantine speech. President Roosevelt spoke, as an internationalist, about the conflict abroad, marking a shift in his outlook on foreign affairs and causing Americans to question if impartial neutrality legislation could keep the United States out of war.

The Neutrality Act of 1937 played a pivotal role in the United States' shift towards internationalism in the 1930s. The cash and carry provision was the first step towards

⁹⁴ Wiltz, *From Isolation to War, 1931-1941*, 56–57.

⁹⁵ Divine, *The Illusion of Neutrality*, 220–28.

internationalism, and the Neutrality Act of 1937 in practice forced Americans and Congress to consider whether impartiality against all countries engaged in foreign conflict was the best policy for the United States and whether they were willing to let aggressors overseas threaten international peace.

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