

CONFIDENTIAL

Press Conference #675
Executive Offices of the White House,
August 27, 1940, 4.20 P. M.

Q Sit down, Mr. Godwin.

Q (Mr. Godwin) Here I am, staggering. I sat through Russ Young's budget hearing. (Laughter)

THE PRESIDENT: Was he good? (Laughter)

Q (Mr. Godwin) He was wonderful.

THE PRESIDENT: Did he know his stuff?

Q (Mr. Godwin) No. (Laughter) I wish you had been there to see this.

THE PRESIDENT: How did you happen to discover --

Q (Mr. Godwin, interposing) I just wanted to see Russ at a budget hearing.

A delegation wanting more relief, see? You have heard of that?

THE PRESIDENT: Yes.

MR. DONALDSON: All in.

THE PRESIDENT: I think the only news of interest I have is that today is a red letter day in American history. I very nearly issued a national Proclamation on the subject. It is Steve's (Mr. Early's) birthday.

CHORUS: Happy birthday to you.

THE PRESIDENT: So I leave him in your tender care. Maybe you will get a free drink out of it, I don't know.

Q. Maybe. (Laughter)

Q How about getting a piece of news out of him? (Laughter)

THE PRESIDENT: A piece of news out of him -- that is an idea.

I do not think I have anything else. We had one rather remarkable thing happen. During the past week the Navy employment

in Navy yards and stations, shore establishments of various kinds, increased 33 per cent in one week, so that we are getting up to what you, who were with me, know what I was aiming for, which was full production.

Q Any idea of how much of that came from WPA people previously unemployed?

THE PRESIDENT: Only what we took up in one or two yards. I asked the question what percentage of these permanent employees had been taken off our WPA rolls and, as I remember the figure at Norfolk, it was 40 per cent of the WPA rolls had gone on permanent, and they hoped to get another ten, and I think in most places you will find that average is about right.

Q Mr. President, are you ready, or can you make any contribution to the argument that was started by Senator Byrd that 343 planes have been ordered since you asked for 50,000? You know what I am talking about.

THE PRESIDENT: Oh, I suppose it is largely a question of terminology.

Q We thought probably you might have some further figures.

THE PRESIDENT: Oh, I have got all kinds of figures and it depends on whether we are talking about the same thing or not, or about something slightly different. For example, there are three types of figures you can take. You can take the total of signed orders, just for the American Army and Navy, or you can take a lot of categories, or you can take signed orders for all types of production, or you can take signed orders for combat planes and leave out all other types of planes, and you come to another category, or you can take all planes that are being worked on for the United States and other governments, or you can take all planes that are being worked on, actually worked on, production started, for just the United States Government, or, third, you can take all planes that are being worked

on of a combat type.

In other words, we haven't yet got to the use of identical language.

Q Well --

THE PRESIDENT (interposing) And the fact of the matter -- I suppose the easiest way of doing it is to put it in this way: What we are interested in at the present time is two things primarily. One is training of pilots and, therefore, a very large number of the planes that have been built are training planes because it is essential that we have pilots to be able to fly them. And the second thing is to increase the production capacity of the United States to build planes. And, taking it by and large, both of the objectives are coming along in excellent shape, considering -- considering --

Q (interposing) Considering what?

THE PRESIDENT: And May (Miss Craig) says "What?" Right. Considering the fact -- several facts: that on the twenty-eighth day of June, just for example, a large pile of contracts, ready to be signed -- and Congress changed the law so that they all had to be rewritten. That is No. 1.

No. 2, the major part of the appropriation for planes, the larger part, much the larger part, is in the Appropriation Bill which is still in the Congress of the United States.

Q I cannot hear you, sir.

THE PRESIDENT: Much the larger part of this order is still in the bill which is still in the Congress. It passed the House and passed out by the Senate Committee and it is still on the Senate floor and it has not come to me for signature and I cannot order planes.

Q Is that what Senator Byrd is proposing to investigate?

THE PRESIDENT: I think so -- I hope so. (Laughter)

Q Are you going to --

THE PRESIDENT (interposing) Now, we will talk about production -- production. I will give you some figures. About -- what was it? The first of September last, wasn't it? that the war broke out -- the productive capacity for military planes and Naval planes of all kinds, which includes training planes, was about 6,000 a year, about 600 a month, and this month we are turning out, actually turning out and delivering at about the rate of 10,000 a year. By the first of January that ought to be up to about 13 or 14 thousand a year, and during 1941, again the productive capacity will be up to somewhere around 24,000 a year. The productive capacity in 1942, early in that year, will be 36,000 a year.

Those figures come from Mr. Biggers and on actual contracts -- mind you, there is a difference between contracts and planes on which work has begun without a contract -- Biggers says this: he says, "War and Navy have under contract and undelivered 3,361 and, in addition, there are being built under letters of intention -- in other words, the work is going on; the contract has not been signed; we are waiting for legislation; we are waiting for the tax bill, too, but the work is going ahead -- 3,054 airplanes and 600 Navy planes. Is that right, Steve (Mr. Early)?"

MR. EARLY: Yes, sir.

THE PRESIDENT: Six hundred Navy planes. Now, there hasn't been a contract signed for any of that 3,000 or any of the 600, but the work is going on.

Q That would be in addition?

THE PRESIDENT: In addition, yes.

Q That 6,000, that work is actually being done?

THE PRESIDENT: That is under contract -- that is work that is actually being done on it.

MR. EARLY: On all of them.

THE PRESIDENT: On all of them. The work is being done, actually.

Q At the present time would it be possible to increase the number of planes under construction for this Government without reducing the number under construction for other governments?

THE PRESIDENT: No, not at this time, because you have a capacity. You have a productive capacity. If your productive capacity is, say, a thousand a month, that is 12,000 a year, you can only turn out 12,000 a year. Then you come to an entirely different question: How much of those 12,000 should stay here and how much should go out of the country? That is an entirely separate question.

Q As I read those figures, that means a little more than 10,000 planes are being built?

THE PRESIDENT: They are being delivered today at the rate of 10,000 planes a year. In other words, 800 and something (a month).

Q The work is being done on them?

THE PRESIDENT: They are being delivered at the rate of 10,000 a year and, at the present rate of delivery, it is 800 and some planes. Next month it will be 900 and some planes and the month after that a thousand and some planes -- actually delivered.

Q The figures that John Biggers gave you were 6,361 and 3,054 plus 600?

THE PRESIDENT: That is right.

Q Is that included in this rate?

THE PRESIDENT: No. Those are for the War and Navy Departments.

Q This rate you spoke of -- 800 a month, is that another addition?

THE PRESIDENT: Yes.

Q My question was misunderstood. I added those figures -- I just added them -- as work being under construction without contracts.

THE PRESIDENT: Yes, the last two. The first bunch of 6,361 is what the War and Navy Departments have under contract today, that is to say, signed contracts. The last two figures represent what the Army and Navy are having built, that number under letters of intent, and the work is under way.

Q Can the same thing be said, as to satisfactory progress, on Army materiel other than airplanes? Tanks, et cetera?

THE PRESIDENT: Except for this Appropriation Bill.

Q Is there satisfactory progress? Are you satisfied with the progress?

THE PRESIDENT: Yes. Of course you have to recognize one simple fact.

For example, some of the light planes, I mean light tanks, were given, as I remember it, to the Baldwin Locomotive Company because we had built, in the past, what the Army had put in for. But these new orders are perfectly colossal compared with the old, what the Army considered as needed, the old needs before this German attack this spring, so it means that Baldwin has, for instance, on light tanks, has to get special tools for it. In other words, you cannot build a tank with an automobile outfit.

They let, the other day, that contract -- what was it? -- \$50,000,000 for medium tanks to Chrysler. My Lord! he has got to put up a new plant for it, and here he gets a \$30,000,000 order and he gets \$20,000,000 by loan -- isn't that right?

Q Yes, sir.

THE PRESIDENT: -- from RFC. He gets a \$30,000,000 order, \$30,000,000 for tanks and \$20,000,000 for a plant. I suppose it will take

Chrysler a great many months before he gets that actually into full production because nobody could possibly build a tank without the equipment to build a tank, and the same way with a plane.

They think that things are coming along, on the whole, very well. We are waiting -- of course, we are held up by this \$5,000,000,000 Appropriation Bill quite seriously.

Q Is it a fair inference from these remarks of yours on airplanes and other Army materiel that you are satisfied with the production rates?

THE PRESIDENT: All I can tell you is a simple thing and that is that the best business brains we are able to get together seem satisfied with the production, considering the status of the legislation -- and I am putting that other consideration in.

Q Do you feel, Mr. President, that any delay is being caused by a demand on the part of industry, as a whole, for unreasonable profits?
There has been a good deal of talk on that in Congress.

THE PRESIDENT: I have taken a simple position on that and that is that it is up to the Congress to pass whatever excess profits tax Congress thinks should be put on in order to prevent the creation of another crop of American millionaires. And that is the position of every responsible businessman who is now working with the Government, the same as mine, every one of them. Knudsen feels the same thing. That legislation, we hope, is on its way through. The contracts are ready under that legislation and the contracting parties, that is to say the industrial makers of these machines, seem to be entirely satisfied, as long as they know where they are going. That is all they are asking. They want information and nothing else, and that was put up to the Congress -- I think, oh, about the twentieth day of June -- the tenth day of June -- something like that.

Q Would it be a fair thing to picture the American industry doing this job just as well as it makes iceboxes and automobiles, after they get this legislation and other things out of the way?

THE PRESIDENT: When they know where they are going, when we get the appropriations through, and the third thing is when we get the Draft Bill through. Those three things. That is all there is to do that is causing any delay at all.

Q Is there any delay in tooling on account of this --

THE PRESIDENT (interposing) In some things tool making is part of the bottleneck, in others it is not. It depends entirely on the article.

Q Does any bottleneck in tool making have any relation to the failure of Congress to act?

THE PRESIDENT: No.

Q Mr. President, you said these contracts are being made with this excess profits legislation in mind?

THE PRESIDENT: You have them all sitting on the desk, waiting to be signed up.

Q As soon as the legislation is passed?

THE PRESIDENT: Yes, except the contracts that have already been let and signed.

Q Are those now supplemented by the letters of intention?

THE PRESIDENT: The old ones are; the new ones are not.

Q In other words, it is an informal one?

THE PRESIDENT: Yes.

Q I think you included the Draft Bill in the three things. Will you explain why the Draft Bill is holding up any speed or anything? I cannot quite say I understand it.

THE PRESIDENT: Because if and when the Draft Bill goes through we will

need a lot of other things, undoubtedly, and we cannot -- there are all kinds of preparations we cannot make until the thing goes through.

Q That has to do with your plans rather than any drag on industry?

THE PRESIDENT: Yes.

Q Do you have any figures, sir, that show how many of these contracts have been signed since the Defense Commission started in business?

THE PRESIDENT: No.

Q I wondered if all these contracts you spoke of are since the Defense Commission began operation?

THE PRESIDENT: No. Some are and some are not. I do not think there is any relationship.

Q Do you agree with your rival, Mr. Willkie, that there should be a formal head of the Defense Commission?

THE PRESIDENT: I don't know. I don't know nothing about politics.

(Laughter)

Q Mr. President, are you going to fill the vacancy on the Labor Board soon?

THE PRESIDENT: Still working on it. I am working on the problem; I do not know.

Q Nothing decided yet?

THE PRESIDENT: No.

Q Mr. President, I will ask you in another way: Do you still regard air defense as auxiliary to the Army and Navy and not coordinate?

THE PRESIDENT: What is the difference between auxiliary and coordinate?

Q I think there is a great deal of difference.

THE PRESIDENT: Go ahead and define it for me.

Q In one way the air force is set up of itself, with its own head and as a separate force, and, as an auxiliary, it fights under the direction

of the Army or the Navy.

THE PRESIDENT: In the long run it comes to very nearly the same thing, but in actual operation it has been found by armies of various kinds that the operating efficiency is the primary point and you can get it either way, either way. It depends largely on who is there and who is not.

Q Mr. President --

THE PRESIDENT (interposing) And, in our service, there seems to be almost complete unanimity in favor of our method, which is very little, in operating efficiency, different from the German method or any other method.

Q Mr. President --

THE PRESIDENT (interposing) In other words, did you ever hear of a mountain out of -- out of a molehill, out of the imagination? We are looking for efficiency and we are getting it.

Q And it is still auxiliary?

THE PRESIDENT: I don't know whether it is auxiliary, cooperative, coordinated or some other term. That is a thing for what you call a lexicographer.

Q Chairman Walsh uses the word "auxiliary."

THE PRESIDENT: Well, I am not a lexicographer. I am getting things done.

Q Mr. President, would it be possible to find out how many contracts for planes have been signed under the Defense Commission setup?

THE PRESIDENT: I haven't the faintest idea.

Q It is very difficult to get those figures.

THE PRESIDENT: Why does the number of contracts enter into it?

Q To be frank, the purpose is to find out how many had been signed before the Defense Commission took over.

THE PRESIDENT: You mean contracts or planes?

Q Both.

THE PRESIDENT: I have given you the number of planes. I could not tell you which ones were signed before the Defense Commission was appointed and which were signed afterwards. I do not think it makes any difference.

Q Mr. President, have you signed the National Guard Bill, sir?

THE PRESIDENT: It hasn't come yet. There it is -- Pa (General Watson) says it is on its way.

Q There has been some suggestion that the industrial mobilization plan, which has not been made public, does not quite coincide with the defense organization you set up. I believe Mr. Willkie said that yesterday. Do you propose at any time to make this plan public?

THE PRESIDENT: Why should I? Why should anybody, any more than you would make public the plan of the Civil War? This is 1940.

Q That would imply, sir, that the plan has been antedated?

THE PRESIDENT: You do not even know whether I have accepted it in toto, or 90 per cent, or $87\frac{1}{2}$ per cent, or 73 per cent, and it makes absolutely no difference to anybody. We are working today -- 1940 -- and I am not interested in any previous plans. They may be identical and they may not.

Q Do you think any of this delay in Congress can be charged up to purely political opposition to the Administration?

THE PRESIDENT: No, I would not say that; I might say, "other political reasons."

Q What is the difference between "other political" and "purely political reasons"?

THE PRESIDENT: Because it depends on the fellow. Some of them want to

stay here and not go home. Some of them are afraid of expressing themselves by a vote, as we all know. That has to be off the record because I cannot criticize Congress.

Q Have you any other business for Congress after this defense -- these three defense items?

THE PRESIDENT: Nothing important. I suppose there will be -- what do they call it? at the end -- a final Deficiency Bill, or something like that.

Q How about a new Postmaster General?

THE PRESIDENT: Oh, I will give you something on that -- in a few days.

(Laughter)

Q Heard anything about Nathan Straus planning to resign?

THE PRESIDENT: I have not heard of it.

Q Another question: Do you have any preference, or is there any decision yet on which agency handles the defense housing program -- building houses for workers near factories?

THE PRESIDENT: Well, I will ask you a question. I will give you two places; one place is near a very populous city, near it, where there is all kinds of money that can put up the money for homes for workmen under the FHA. That is the first case. There is another case of a city where they have a very excellent U. S. Housing Authority, an organization, and they need there a combination of slum clearance and additional quarters. Obviously that is a USHA job. Well, down around, south of Jacksonville, out in the palmetto scrub, they are building a new Naval Air Station. There is no community near it. It needs some civilian workers' quarters. You can't get any private capital to go in and it is the type of work that the USHA has not done, that FHA hasn't done. Who should build that? Should the

Navy build it?

In other words, doesn't it depend largely on where the thing is and what it is? It is just a matter of common sense. In other words, you cannot have one agency and one rule to do the whole thing. As a general proposition we want to get as much private capital into this as we can and we want to eliminate as many slums as we possibly can. At the same time, we want to get the quarters built. They may be way off in the wilds and the Army or Navy would do it in that case.

Q Are you going to be host to Princess Martha of Norway at Hyde Park this week?

THE PRESIDENT: I do not know.

Q Could you tell us the latest developments on Naval and Air bases offered by Britain?

THE PRESIDENT: Nothing yet, Pete (Mr. Brandt).

Q One other question on this controversy on airplane production: Do you feel there is any justice in the accusation, which some of us have seen in print, that there is a sit-down strike by American industry which is holding up construction?

THE PRESIDENT: I am told by Mr. Knudsen and Mr. Stettinius and the other members of the Council that they have not seen any of that yet, and I guess they know probably pretty well.

Q Mr. President, were Senator Byrd's figures as to airplanes incorrect as applied to the combat type of the Army and Navy over the period he covers?

THE PRESIDENT: Yes, they were incorrect in this sense, that the actual figures were correct and the implication was dead wrong.

Q That is the way --

THE PRESIDENT (interposing) That is the way to talk.

Q I would like to draw you back to that housing matter again: There seems to be something stopping or holding back the Housing Bill on the House side --

THE PRESIDENT (interposing) I know there is.

Q -- as far as I know. Do you know anything about that, sir?

THE PRESIDENT: I think there are too many ramifications. I think that is about the easiest way of putting it.

Q As I understand it, you would like to see the bill passed?

THE PRESIDENT: Sure. I have to get houses.

Q Thank you, Mr. President.

CONFIDENTIAL

Press Conference #676,
Held in the Study of the President's Home,
at Hyde Park, New York,
August 30, 1940, 10.45 A.M.

THE PRESIDENT: I do not think I have a single blessed thing, except I was sorry, really, about Collins' death. He was an old friend of mine -- I don't know how many years, a great many -- well, for a quarter of a century, I guess.

I thought I had something -- you know about tomorrow's party, and that is about all the news there is.

Q When did Hopkins (Mr. Harry Hopkins) get here?

THE PRESIDENT: Last night. There is no news on Hopkins. I can tell you frankly now, and you might just as well repeat it, if your papers will let you, he is not here on any political mission. He is not going to make any speech. He is here merely as a guest. There is no political news in it.

Q Do you approve of the amendment that was incorporated into the Draft Bill regarding conscription of industry and the power to take it over?

THE PRESIDENT: You remember the old rule of 1933?

Q No. What is that?

THE PRESIDENT: Does the President comment on legislation and amendments and bills, et cetera, while they are pending in Congress -- question mark?

Q I do.

THE PRESIDENT: That is the old 1933 rule.

Q We thought perhaps, under the circumstances, you might comment on

this a bit?

THE PRESIDENT: In other words, they wanted me to become involved in a political discussion. Is that right, Charlie (Mr. Hurd)?

Q (Mr. Hurd) Perhaps so.

THE PRESIDENT: Let us all acknowledge it and stop there.

Q (Mr. Hurd) It is distinctly part of the defense picture, Mr. President, just as the Conscription Bill is.

THE PRESIDENT: Take down Charlie's words because they are important.

Q Well, I will try you on this one; it interested me very much: You remember a couple of years ago, when they were first talking of expanding defense industries, some experts of the Government suggested a chain of defense plants well within the central regions of the country, in the mountain regions and out west --

THE PRESIDENT: (interposing) Who did this two years ago?

Q Government people.

THE PRESIDENT: Who?

Q In the Army and Navy.

THE PRESIDENT: Who?

Q Well, I do not know their names but that plan was suggested. At least it was discussed.

THE PRESIDENT: No, my dear child, you have got that all wrong. For a great many years -- not two years ago but ever since the Act went into effect for a review every two years or four years, whatever it was, of the general defense program, for at least fifteen years, maybe twenty years, there has been incorporated a clause by everybody that in the building of any new plant for munitions, consideration should be given to placing those new plants as far away from

any point of attack as possible. Now, that is a twenty-year old rule and that is all that happened.

Q Secretary Knox announced the award of contracts for aircraft motors, the Navy to pay for tooling the expansion and retain title to the tools. I wondered, in that connection, if there is any chance of new plants being built in the central regions? For example, that was to be for expansion of its East Hartford plant?

THE PRESIDENT: I could not tell you. Each case has to be decided on its own merits. I don't know. The general rule still holds and, as I say, it has been incorporated every two years in the report on defense to the President for at least fifteen or twenty years.

Q So far in this defense program there has been no action of that kind.

THE PRESIDENT: Hasn't there? You had better check. I think there has.

Q To place some of these plants --

THE PRESIDENT: (interposing) I think there has.

Q Anything on the appointment of the Chairman of the National Labor Relations Board?

THE PRESIDENT: Nothing yet. I don't believe there will be anything until I get back, the beginning of the week, in Washington.

Q Anything on the Postmaster Generalship?

THE PRESIDENT: Not yet.

Q May we expect it this week?

THE PRESIDENT: I should not be surprised. This week or the beginning of next.

Q Anything to be said about the conversations with Great Britain on the acquisition of bases?

THE PRESIDENT: Just that very excellent progress is being made. I think

you can say that much.

Q When might we expect some --

THE PRESIDENT: (interposing) I could not tell you. It takes a long, long time, you know, to get something done finally and in such shape that we can give it out.

Q Do you have an informal opinion from Mr. Jackson on that matter?

THE PRESIDENT: No --

Q (speaking simultaneously with the President) Has he been asked for one?

THE PRESIDENT: I cannot go into a discussion of the thing at all. It is too involved.

Q Someone has to ask the question on the destroyers.

THE PRESIDENT: The same thing.

Q Any developments on the American-Canadian Joint Defense Board -- the United States and Canada?

THE PRESIDENT: Only what Mayor LaGuardia gave out. I have not heard anything more. I am to see him on -- I think he is coming to Washington Tuesday and I will probably see him Wednesday morning in Washington. Meanwhile, the Subcommittee, as I understand, is going ahead on definite inspected work. Who is on that Subcommittee? Anybody remember?

Q Army and Navy people.

THE PRESIDENT: Yes.

Q There has been a good deal of publicity given to the contracts held by Chip Robert's firm, the fact that his firm had architects' fees on a lot of Naval building?

THE PRESIDENT: All I can say is that personally I have heard a good

deal of smoke and read a good deal of smoke. If there is any improper fire behind it, I hope that Congress will go right after it.

Q You are --

THE PRESIDENT: (interposing) But -- this is off the record so that you may have it in writing future stories -- they have used on this Chip Robert thing a word "fee," which sounds as if it were just a fee. That is because it is the technical word that is used by the Government when they let -- this is off the record -- where they let a cost plus a fixed-fee contract. In other words, a fee may be synonymous in that type of contract for the word "profits." Just for example, if the Government lets a million dollar contract, on a thing that will cost on the actual production of the work a million dollars, instead of saying to them, "We will let you have this on an 8 per cent or 10 per cent profit basis," we get a group of contractors together and say to them, "Now, your total profit can be X number of dollars, 4 or 5 per cent, say 400 or 500 thousand dollars (40 or 50 thousand dollars) in addition to the actual estimate of a million dollars." So your fee in those cases may be synonymous with profit. I don't know. You have to be a little careful so as not to let the word "profit" be confused with the word "fee."

Q How about the Guard and the Reserve officers action?

THE PRESIDENT: As far as I know, I have not had anything.

MR. HASSETT: There is nothing there this morning.

Q It seems to be a general supposition that they will be called up for the fifteenth of September. Is that right?

THE PRESIDENT: I cannot tell you because I have had absolutely nothing.

Q Mr. President, did Mrs. Harriman (Minister to Norway) tell you anything on her return from Norway that would clarify the speculation on European famine this winter?

THE PRESIDENT: Not yet. I am seeing her next week, as soon as I get to Washington.

Q (Mr. Reynolds) The New York Times, in reporting Mr. Wallace's speech, quotes Mr. Wallace as indicating the Republican Party as the party of appeasement. Do you concur in that sentiment, sir?

THE PRESIDENT: I don't think that needs answering. It speaks for itself excellently -- as I said in my telegram to him.

George (Mr. Durno), haven't you got anything to say? You are awfully quiet.

Q (Mr. Durno) I am not going to ask any questions.

THE PRESIDENT: Nothing local either.

Q Would you like to comment on the Dutchess County Fair? (Laughter)

Q No.

THE PRESIDENT: No. I am discouraged that it is raining today because I think that is pretty tough luck.

Q I am glad you picked yesterday (to visit the Fair) instead of today.

THE PRESIDENT: Yes.

Q The local papers said you were going over there tomorrow. Is that correct?

THE PRESIDENT: It is all off. At least, that is what I read in the local papers this morning.

Q Later editions.

THE PRESIDENT: Yes, they had a stop press bulletin. Didn't you see

it in the last edition of our famous local paper? It said the regiment would not be there tomorrow but they would have a big artillery drill tonight.

Q Would you be good enough to reveal the contents of the hamper (the winning ticket for which came out of the President's Club)?

THE PRESIDENT: I was pledged to secrecy.

Q I know it. Did Mr. Hassett pack it?

Q That is what I want to know.

THE PRESIDENT: I wouldn't be a bit surprised, not one bit.

Q Probably with Bassett's Ale.

THE PRESIDENT: I do not think there is anything. We leave Sunday morning and ride down most of the day and night.

Q Our communications are going to be difficult.

THE PRESIDENT: Yes, I know it; they are going to be difficult.

Q We would appreciate having text considerably in advance.

THE PRESIDENT: I am going to have -- I hope to have -- I can tell you this off the record -- I hope to have the top of the mountain speech mimeographed before we leave here. It will be grand if I can get the top of the mountain speech before we leave. The Chickamauga Chattanooga Dam speech is not written yet but I hope to get that for you on the train by -- I would say the general skeleton and gist of it by Sunday night.

Q That would be ideal.

Q The Park speech the more important of the two?

THE PRESIDENT: The radio people asked me that question and I told them offhand that the top speech would be the more important, but as I say, I haven't got to the other one yet and you never can tell

what I will do. (Laughter)

Q Do you think you will get some special inspiration on T.V.A.?

THE PRESIDENT: Yes, I might. Well, now, look -- this is still a family, off-the-record gathering -- do you think I should say something about suppression of newspapers, free speech, down in Chattanooga?

Q I understand it is a burning issue.

Q However, I noticed that there seems to be a difference of opinion.

THE PRESIDENT: Well, as a matter of fact, the poor man is out of business and his paper is, too.

Q Yes.

Q Could we have Mr. Hassett or someone read this Wallace telegram to us?

THE PRESIDENT: I will read it. (Reading)

"Your two wires--"

I sent one first, which was that I was sorry I couldn't be there, and so forth. (Reading)

"--were greatly appreciated by the Wallaces Stop I hope we have made an appropriate beginning in upholding your hands in the defense of democracy Stop It is heart warming to work for appreciation such as yours"

Signed, "The Wallaces"

Q It sounds like a night letter. (Laughter)

THE PRESIDENT: There aren't any plans for today at all. Here (indicating a huge pile of papers) is what happens when you put things through without realizing things beforehand, always. I have all of that -- I have all of that and I have two packages besides of T.V.A. leases that run fifty and a hundred dollars apiece a year and I have to

countersign three copies of each. Isn't it terrible? With my own signature.

Q Can't those signatures be delegated?

THE PRESIDENT: I have got legislation up there. I have got down to here (indicating) on this one (pile). I must have 500. You know what that means, to put signatures on all these things. I have got to get that done, I think it is before the first day of September, which is not very far off.

We are trying now to get legislation so that the President will not be compelled to sign these things physically. I have never had such a batch in my life.

Q Just one question, Mr. President: Are you personally taking part in this presentation of a check on behalf of the American school children for the benefit of British orphans?

THE PRESIDENT: No; Mrs. Roosevelt said something about it.

Q It is taking place out here this morning.

THE PRESIDENT: It is taking place out here. In the same way, and entirely between us and off the record, I said to the Missus, "What has this got to do with our schools?" She said, "Nothing at all. It could just as well be done in New York City." I think they are using her. I think that is all that is happening, just using her as background. (Laughter)

Q In all the fulminations on the Hatch Act in connection with the campaign books, I do not think you made any comment on that. Would you care to comment on that?

THE PRESIDENT: I do not know enough about it. I do not know what has happened to the books.

Q Are you preparing your speech for tomorrow (before the Roosevelt Home Club) in advance, or will that be extemporaneous?

THE PRESIDENT: I guess it will be extemporaneous. I will probably talk about local things. I think you are fairly safe in having no news on that whatsoever. There may be some well chosen phrases about planning ahead for local needs. That is old. We have done that about seven years running.

Q And long-range weather forecasts for the Dutchess County Fair?

(Laughter)

THE PRESIDENT: Charlie (Mr. Daly) isn't the local station going on the air tomorrow?

Q (Mr. Daly) I understand so; yes, sir.

Q Thank you, Mr. President.

CONFIDENTIAL

Press Conference #677,
Aboard the Presidential Special Train, en route
from Charleston, West Va., to Washington, D.C.,
September 3, 1940, 11.40 A.M.

THE PRESIDENT: Hello, good people, how are you? This was an easy trip for you, an awfully easy trip with no news. Why, there is old Fred (Mr. Essary). Fred, who let you come?

Q (Mr. Essary) I did not ask anybody's permission. I just came.

THE PRESIDENT: You just came. Gosh, I am glad that somebody got up to give the lady (Miss Fleeson) a seat. Fred, you have become a trouper again; it is all right.

Q (Mr. Essary) So I have.

THE PRESIDENT: Sit on the floor, Felix (Mr. Belair); you are too big to stand up.

Q This is the first train Press Conference since Germany moved into Denmark.

THE PRESIDENT: I guess that's right.

Q We had a big talk with you at that time about Iceland and Greenland.

THE PRESIDENT: You are learning geography. There was another Press Conference where we talked about the Celebes Islands. (Laughter)

Q We were clear to the Cocos before we knew. (Laughter)

THE PRESIDENT: I have today nothing for you as news from here, although I have something for you for your own information. It is a Washington story that will be out there in twenty-two minutes, so the story will come from Washington. I cannot add to it but you ought to know about it because you will probably get all kinds of flashes, "For God's sake, to get some news." Well, there isn't any news.

In twenty minutes there is going to the Congress the following Message, which I am going to read from the only copy I have, which is a rough copy, so there is no use taking it down.

MR. EARLY: The text will be released there (in Washington).

THE PRESIDENT: It is probably in the -- it is probably the most important thing that has come for American defense since the Louisiana Purchase. (Turning to Mr. Essary) That goes back before you and me.

Q (Mr. Essary) That is quite far.

THE PRESIDENT: How far? About 1803?

Q (Mr. Essary) About.

THE PRESIDENT: (reading)

"TO THE CONGRESS OF THE UNITED STATES:

"I transmit herewith for the information of the Congress notes exchanged between the British Ambassador at Washington and the Secretary of State on September 2, 1940, --"

in other words, that is yesterday -- (Reading)

"--under which this Government has acquired the right to lease naval and air bases in Newfoundland, and in the islands of Bermuda, the Bahamas, Jamaica, St. Lucia, --"

Q (interposing) What is that last one?

THE PRESIDENT. St. Lucia.

Q How do you spell it?

THE PRESIDENT: S-t. L-u-c-i-a, period. Now, I am not fooling on those.

These are real places. (Laughter) (The President continued reading)

"--Trinidad, and Antigua, and in British Guiana; --"

Get out the map. We haven't even got an atlas on board. That is terrible. (Reading)

"--also a copy of an opinion of the Attorney General dated August 27, 1940, regarding my authority to consummate this arrangement."

Q (interposing) What was the date?

THE PRESIDENT: August twenty-seventh. And also, (reading)

"The right to bases in Newfoundland and Bermuda are gifts -- generously given and gladly received."

Mind you, all these places being mentioned are what they call
Crown Colonies.

Q Are these 99-year leases, Mr. President?

THE PRESIDENT: Yes. (Reading)

"The other bases mentioned have been acquired in exchange for fifty of our over-age destroyers."

Q This is breaking out of Washington? (Laughter)

THE PRESIDENT: This is breaking out of Washington. This is not a Press Conference; just a little information conference.

Q No connection between those bases and the destroyers?

Q Which of the bases are being leased?

THE PRESIDENT: They are all ninety-nine years but Newfoundland and Bermuda are gifts. In other words, there is no exchange in relation to them.

Q No quid pro quo?

THE PRESIDENT: No quid pro quo on those at all. You see the point?

Q Mr. President, what is the differentiation between those two?

THE PRESIDENT: Oh, all kinds of things that nobody here would understand, so I won't mention them. It is a fait accompli; it is done this way.

Q The release clause applies also to the two gifts?

THE PRESIDENT: Yes. (Reading)

"This is not inconsistent in any sense with our status of peace. Still less is it a threat against any nation. It is an epochal and far-reaching act of preparation for continental defense in the face of grave danger.

"Preparation for defense is an inalienable preroga-

tive of a sovereign state. Under present circumstances this exercise of sovereign right is essential to the maintenance of our peace and safety. This is the most important action in the reinforcement of our national defense that has been taken since the Louisiana Purchase. Then as now, considerations of safety from overseas attack were fundamental.

"The value to the Western Hemisphere of these outposts of security is beyond calculation. Their need has long been recognized by our country, and especially by those primarily charged with the duty of charting and organizing our own naval and military defense. They are essential to the --"

a lot more geography for you -- (Reading)

"protection of the Panama Canal, Central America, the Northern portion of South America, The Antilles, Canada, Mexico, and our own Eastern and Gulf Seaboards. Their consequent importance in hemispheric defense is obvious. For these reasons I have taken advantage of the present opportunity to acquire them."

That is all.

Q Mr. President, when will the destroyers be sent to Great Britain?

THE PRESIDENT: Oh, some of them are -- I don't know; reasonably soon.

Q Would it be a fair assumption to say that some are on the way?

THE PRESIDENT: No, I would not say that.

Q Will the British send crews over to take the destroyers?

THE PRESIDENT: I don't know; I don't know.

Q Where are the destroyers now?

THE PRESIDENT: I don't know.

Q Mr. President, does this require Senate ratification?

THE PRESIDENT: Listen: (reading)

"I transmit herewith for the information of the Congress -- "

these notes and the opinion. And, at the end, I say, (reading)

"For these reasons I have taken advantage of the present opportunity to acquire them."

Q Mr. Jackson's opinion?

THE PRESIDENT: It is all over; it is all done.

Q Mr. President, when might work start on these bases?

THE PRESIDENT: Don't, please, go any further than this. As soon as we can. In other words, I cannot tell anything about it -- they are all "if" questions. If you go beyond this, they are all "if" questions, every one.

Q Can you say which will be Naval bases and which air bases?

THE PRESIDENT: That is an "if" question. You will see by the notes that accompanied this that there is to be created, on both sides, a board which will take up the question of the location, and that board either has been announced in Washington, or will be very soon, and either has proceeded or is about to proceed with its duty.

Q Might that be comprised of officers from the services?

THE PRESIDENT: That board is proceeding or will proceed almost immediately on its duties.

Q How close is the formula that you have used to make this public to the procedure President Monroe used in announcing the Monroe Doctrine? Wasn't there an exchange of correspondence?

THE PRESIDENT: I think that was employed too.

Q An exchange of correspondence?

THE PRESIDENT: Of course there was no mutuality in the Monroe Doctrine. There is mutuality here.

This has to be for background -- it is for your own information, historical, without attribution. In about -- I cannot give you the exact dates -- about 1803, Napoleon was at war with Great Britain. France was a belligerent and we were scared pink because France had bought from Spain the whole of the Louisiana Territory,

and especially the mouth of the Mississippi. That was the important thing to our defense. France had a very weak army down there in Louisiana -- I think they had one regiment, something like that, for the whole of the Territory. We were scared to death that there might be, as an outcome of the Napoleonic wars, some threat or some danger of some power going in there and going up the valley to connect up with Canada, the back part of Canada, thereby confining the states practically to this side of the Mississippi.

There was an awful lot of discussion about it and everybody was yelling, "For God's sake protect us," all over the country, "by acquiring, if you can, this mouth of the Mississippi." Of course we, none of us, in those days -- I mean, they, none of them, realized what they were getting with the Louisiana Purchase, that they were getting that tremendous back country that went clear up to Montana, but they saw it primarily from the standpoint of the mouth of the Mississippi and the control of the main stem of the Mississippi.

So Jefferson sent Monroe and Chancellor Robert R. Livingston over to Paris --

Q (interposing) One of your relatives, wasn't he?

THE PRESIDENT: Relative, yes. He was my wife's great grandfather.

(Laughter)

And they went to Paris and negotiated with Napoleon, who was a belligerent, fighting Great Britain at the time. In fact, he was fighting over most of Europe. They made this deal for the purchase of the whole thing from Napoleon for a price of -- as I remember it -- what was it, \$15,000,000.?

Q Yes, sir.

THE PRESIDENT: And Napoleon, at the same time, verbally agreed that a portion of that money would be spent over here in buying certain Naval supplies and certain food supplies that he needed over there for the continuation of his wars. The contract was signed over there in Paris and Monroe and, I think, Livingston hopped the first sailing boat they could and came back to Washington and announced the thing had been done. Thereupon there ensued a long session in the Cabinet and every other place as to whether such a thing could be done. You see, there was nothing said about it in the Constitution.

Q I thought Jefferson did it -- made the Louisiana Purchase?

THE PRESIDENT: But it was Monroe and Livingston who made the actual purchase. They brought back a signed contract to him. He said, "Fine. I accept it," and then there ensued this discussion in the early days when the Constitution had never been tried out very much. There wasn't anything in the Constitution about it and to put the thing up to Congress would have involved a delay. Now, the main thing was to put our hands on it, to take it, to get it, and Jefferson thereupon, as soon as word came from the two commissioners, proceeded to take over Louisiana. It was a *fait accompli*. He got the opinion of the Attorney General that he could do it without a treaty, do it for the national defense as Commander in Chief and do it as President, as well, in an obvious emergency.

And, later on, he asked, not the Senate but he asked the Appropriations Committee of the House to please appropriate \$15,000,000. to him as an item in an appropriation bill, which was done. There was never any treaty, there was never any two-thirds vote in the Senate,

and today Louisiana is about one-third of the whole of the United States.

And we are going back a hundred -- about a hundred and thirty-seven years -- for our historical precedent authority. It is a very interesting thing.

Q Did Mr. Jackson, in setting up his opinion saying that you had authority to do that, set forth the Louisiana Purchase as a historical precedent?

THE PRESIDENT: I think that is mentioned in it.

Q Can you tell us a little more of the bases on which he decided you did have the power? Can you describe a little bit more as Commander in Chief of the Army and Navy?

THE PRESIDENT: I stopped being a lawyer twelve years ago. It is full of all kinds of citations. I haven't got a copy with me.

Q Any value placed upon the destroyers?

THE PRESIDENT: You are thinking in terms of dollars and cents and pounds and shillings and pence and you should, in a great emergency, remove pure figures from your mind. Some people will say, undoubtedly, -- this is still off the record -- that, from the point of view of dollars and cents, it is not a good deal. And others will say, "My God, the old Dutchman and Scotchman in the White House has made a damned good trade." Personally, you can take your money and take your choice. Personally, I think it is a damned good trade.

Q Are we back on the record again?

THE PRESIDENT: No, you are not on the record.

Q For the record, Mr. President, is it proper to say that these destroyers are released to the British in fee?

THE PRESIDENT: Yes, in fee.

I have not finished the story. There is also to be given out in Washington, simultaneously, -- you will have to leave this off the record as coming from me; make it just pure information -- a restatement by Prime Minister Winston Churchill on what he said on the fourth of June to Parliament, and this is a restatement to the effect that the British Fleet, in case it is made too hot for them in home waters, is not going to be given to Germany or sunk.

Q What is the status of that statement? Are they using it?

THE PRESIDENT: They are using it, I do not know how. In other words, the declaration of June fourth, which was perfectly clear and obvious, is reiterated and restated now.

Q In this correspondence that will accompany this (release)?

THE PRESIDENT: Yes.

Q Is that part of the quid pro quo?

THE PRESIDENT: What?

Q Is that part of the deal?

THE PRESIDENT: No, it happens to come along at the same time.

Q Fortuitously.

THE PRESIDENT: Fortuitously, that is the word.

Q Can you help us draw conclusions, not as coming from you but for our own guidance? Would that mean moving the Fleet to Canada?

THE PRESIDENT: No, no. Get out your atlas. It might go to whatever place in the British Empire needed it for defense. That is the point. It might be Canada, it might be somewhere else. The Lord only knows.

Q It might be the Great Bay of Bermuda, sir?

THE PRESIDENT: Nobody knows.

Q Have the British set out in these negotiations exactly where they are to be located, these bases, or --

THE PRESIDENT: (interposing) Well, that is set out but it is sort of silly. For instance, Newfoundland, as will appear in the notes accompanying this, the Newfoundland base or bases -- again you have to know your chart -- will be roughly the south shore of Newfoundland, including the Avalon Peninsula, which is a thing that sticks out in a southerly direction and on which St. Johns is situated --

Q (interposing) Does that include Botwood?

THE PRESIDENT: Again you don't know your maps. I have a map mind and can explain things. Take it this way: Newfoundland is, roughly, a square with a long thing sticking up north, that is the Northern Peninsula, and right where the thing sticking up north comes in on the north shore is Botwood. Down on the south shore is the Avalon Peninsula on the extreme eastern end. That is a straight shore line with a lot of fjords in it, and our base will be somewhere on the south shore.

Then, in Bermuda, it will be on the east coast, or on the Great Bay. Of course that is obvious because you couldn't go to the west coast; there are a lot of reefs.

In the Bahamas it will be on the southerly side. Wait a minute, it will be on the -- they run -- I will have to describe it as this: the Bahamas run on Crooked Island Passage. There are some further over east of it but the main Bahamas run from northeast to southwest of the entrance to the Crooked Island Passage and probably it (the base) will be somewhere in there. In other words, we are referring to it as the easterly side of the Bahamas.

Q What I meant is, do we have the right to choose?

THE PRESIDENT: It will be done by the Joint Board.

Then, on Jamaica, it will be on the south shore of Jamaica --

Q (interposing) Kingston?

THE PRESIDENT: -- which is quite long.

In St. Lucia, it will be on the lee side, which is the westerly.

In Trinidad, it will, obviously, be on the Gulf of Paria, because there is no other place and, in Antigua, it will be in the only harbor, which, again, is on the lee side.

In Guiana, it will be at a point within, roughly, fifty miles of Georgetown, which is the capital.

In other words, there is plenty of leeway as to the actual site, but the whole thing has been very, very carefully picked out as to general location.

Q The British Honduras is not mentioned?

THE PRESIDENT: No, no.

Q Might I ask here if we acquire any interest or lease or otherwise in the Duke of Windsor? (Laughter)

Q Does this understanding postulate the establishment of an agreement?

THE PRESIDENT: No, there is nothing said here.

Q In other words, would it postulate that --

THE PRESIDENT: (interposing) I would stick to this. You have all this information. In other words, don't say this is the forerunner of this, that or the other thing. You might hit but the chances are ten to one that you would miss.

Q Just for background or better understanding, because the editors will probably ask us, what is the legal difference between destroyers

and torpedo boats, or, going back to the Attorney General's ruling on that before?

THE PRESIDENT: You mean torpedo or mosquito boats?

Q Mosquito.

THE PRESIDENT: You will have to get the opinion. He held that we couldn't turn over the twenty boats in that opinion.

Q Would the overage thing have anything to do with it?

Q That is probably it.

THE PRESIDENT: I do not know. I could not tell you. Maybe it is because they are built for war purposes and are not stricken or strikable from the list.

Q Will there be any joint control of the base or will there be sovereignty?

THE PRESIDENT: Nobody knows what sovereignty is. There will be complete American control. That word "sovereignty," you know, went out some years ago.

Q Did the British lay down any conditions, sir, that the fifty destroyers, including the twenty mosquito boats, must be in condition?

THE PRESIDENT: No.

Q They practically all are?

THE PRESIDENT: They practically all are.

Q Mosquito boats are not mentioned.

THE PRESIDENT: No, mosquito boats are not mentioned in there.

Q Will this apply to airplanes as well as ships?

THE PRESIDENT: All it says is, "air and naval bases." I think it is the other way around, "naval and air bases."

MR. EARLY: I think you might explain that the Message is going up today and that the House is in session but not the Senate.

THE PRESIDENT: It is primarily a question of synchronization -- this is off the record. We had to pick a time which was mutually satisfactory for the British and ourselves. That is about the size of it. And for several days -- today was the day decided on, even before the Senate decided to adjourn over until tomorrow. But the House is in session today and, as you know, very often I send up Messages when there is only one house in session and then, furthermore, Lundeen's tragic death will probably cause the Senate, when they do meet tomorrow, to transact no business but to adjourn immediately in his memory.

Q Is Churchill sending a similar Message to Parliament?

THE PRESIDENT: I do not know whether he is, or whether he is just making a statement. I do not know even whether Parliament is in session, but there is something being given out at five or six o'clock this evening.

Q How long have these negotiations been under way?

THE PRESIDENT: I would be afraid to say because I am doing so damned many things these days. I'd say several weeks. That covers a multitude of sins. That means anywhere from two up.

Q We cannot deliver these destroyers ourselves, can we?

THE PRESIDENT: What?

Q We cannot deliver these destroyers ourselves, can we?

THE PRESIDENT: Sure.

Q I mean, take them over?

THE PRESIDENT: Oh, no; not over there.

Q Mr. President, can you tell us anything about your travel plans?

THE PRESIDENT: No, except that I have still got a good many plants, localities to look into. I promised somebody to do the Philadelphia and

Camden area some day. I have no plans ahead, literally. I have promised to do the New York and nearer points of New Jersey. And I should do, if I can get around to it, I should do the Pittsburgh area because that is just about -- well, it is pretty well within my limit of travel and maybe -- I do not know -- how long does it take to go to, well, let us say half way down Kentucky and half way down Ohio? I want to stay well within twelve hours of Washington.

MR. EARLY: Over night.

Q If you went by air you could go way out to the Coast?

THE PRESIDENT: I am not going by air. The Secret Service won't let me.

Q Any chance you might go to Wright Field or Dayton, Ohio?

THE PRESIDENT: You will have to give me a check on that. That is within the overnight limit, which is all right.

Q Sparrows Point and Curtis Bay are not far away?

THE PRESIDENT: Oh, no. You can put that in because I am certainly going over to Baltimore, very certainly. I can do that some afternoon when I have nothing else to do.

Q Any defense projects in the Middle West -- Iowa, Kansas?

THE PRESIDENT: They are all working.

Q Any you can visit, I mean?

THE PRESIDENT: I cannot because you get beyond the 12-hour limit. Take the easiest example: I have had to spend hours because this particular thing happened to time into the opening of the Great Smokies' Park, consequently I have had to make an awful lot of arrangements to get this Message to the Congress today. The thing was decided on Sunday night, when the Secretary came on the train.

Q What would be the line, the Mississippi River?

THE PRESIDENT: Over night.

Q In connection with your trip today to Charleston, I believe in the Appropriation Bill there is a \$20,000,000. item for the expansion of that plant. Is it the intention of the Navy to go ahead with that?

THE PRESIDENT: Right, there is.

Q Any thoughts on possible use?

THE PRESIDENT: As I said over the mike (over the radio), it has a sentimental background on my part. Here is something you can write a story on --

Q (interposing) We have a story.

THE PRESIDENT: You have a story but it is being handled by your Washington office so you do not have to write about it. If you want a real story, today was a sentimental journey because, in the spring of 1917 we had this very large building program for battleships and battle cruisers and destroyers, et cetera and so on, and the productive -- I can almost say this in my sleep -- back in 1917 the productive capacity of the country was too small. There wasn't enough in the way of armor plate-making facilities. There were three companies at that time that could make armor plate, and only three: Bethlehem, Midvale and Carnegie. At the same time, there was a shortage in shell manufacturing.

You see, we already had our orders in before the war began, before we got into the war, for guns, which some of us older people remember. I think it was in February, 1917, before we got into the war, that we got a special appropriation for guns to arm the merchant-ships, and they were essentially the same type of gun that we were putting on destroyers, so they worked both ways.

But there was this bottleneck -- which was a subsequent term --

in armor plate and heavy shells. So we built, with the help and advice of Midvale and Carnegie and Bethlehem, this plant out here, and Joe Daniels came out and laid the cornerstone of it, or dedicated it, in August, 1917, and the plant was actually operating in nineteen hundred and -- I'd say the spring of 1918, the following year, and we were turning out the armor plate and some very heavy shells. You saw today some experimental shells which were built in 1921 or 1922, 18-inch. There has never been a gun made to fit it but there were the shells still there.

Q Weren't some guns actually made?

THE PRESIDENT: I don't think so. I think there was a 16-inch gun but not an 18-inch.

Then in 1919 the plant was kept going, and in 1921 came the famous Disarmament Naval Conference and we ceased all operations in building. I have forgotten how many, I think there were six big battleships and cruisers, and we junked the battleships and changed the battle cruisers into airplane carriers and they are still with us, the LEXINGTON and the SARATOGA.

Because of the lack of need, from that time on, of armor plate, the Administration, after that Conference, I think, closed down the Charleston plant entirely and put a lot of grease on its machinery. Two or three years ago the Navy Department wanted to sell the plant, the whole works, and I said, "No. I think some day we might use it."

The world situation was getting worser and worser and I thought we might just as well keep it as long as we had kept it that long. Meanwhile we had moved a good deal of the smaller machine tools down to other Government yards, but the structures are all right and the

very heavy press and some of the heavy machine tools and furnaces are perfectly all right. They moved out everything, practically, from the shell plant and kept the armor plate with the heavy machinery in it.

Last June (1939), three months before the European war broke out, we ordered the plant put back into commission, the first part of it, which was the armor plate plant, because we are getting a bottleneck on armor plate for this vast program of ships calling for armor. That is actually in operation and it is going to be expanded and expanded with that \$20,000,000. And furthermore, out of -- I do not know whether it is out of the same \$20,000,000. or another appropriation -- we are starting, as you saw today, under Captain Pfaff, the old shell-making plant, but instead of making shells we are going to turn it to making guns because, at this particular time, we are more short on guns than we are on shells.

Q Will that be Naval guns, sir?

THE PRESIDENT: Yes.

Q Is it correct to say that you and the Secretary (Mr. Daniels) were influenced, back in 1917, in building this plant because of the fact that the three bidders for armor plate submitted identical bids?

THE PRESIDENT: You are a little bit wrong on your dates. We did have an awful lot of trouble. It is an amusing story. Back in 1913, just after Joe Daniels and I went in there, we found three or four battle-ships that needed armor contracts. The previous price had been \$460. a ton and the new identical price from these three companies was \$520. a ton, and the cost of construction and the cost of labor had not gone up in the meantime, so old Joe Daniels sent for them. I loved his

words. He said, "Gentlemen," -- there were three of them -- he said, "this, I am afraid, is collusive bidding for you, all three, to arrive at exactly the same figure. I am afraid I have got to throw the bids out and ask for new bids." And one of them stepped forward and said, "Mr. Secretary," with a perfectly solemn face, "Mr. Secretary, it was a pure coincidence." And Daniels said, "Well, the bids are all rejected and we will open new bids at 12.00 o'clock tomorrow. Sharpen your pencils, think it over during the night and don't have another coincidence," -- (Laughter)

Q Mr. President, --

THE PRESIDENT: (interposing) -- which was rather nice. And then came the other part of the story.

About -- oh, they came in the next day with identical bids again, still \$520. They had the same coincidence in the night. Daniels sent for me and when I came to him he had a newspaper under his hand. He said, "Do you see who has landed?" "Who?" He said, "Why, Sir John Hatfield." I said, "Well, who in hell is Sir John Hatfield?" "Why," he said, "he is one of the three or four great armor plate makers in England and makes a lot of armor plate for the British Navy." He said, "Can you take the train right away?" "What do you want me to do?" "Go up to New York, see Sir John Hatfield and ask him if he will take this order for this armor at \$460. or less," which was the previous year's price.

I went up and saw Hatfield. He said, "Give me the specifications, although I know them more or less offhand, and I will send a cable and let you know tomorrow." I said, "Wait a minute now. The Secretary and I are using you, quite frankly, we are using you to

force down the American price. We do not want to buy this in England if the American producer of armor will come down to \$460. a ton." He said, "I know that; you do not have to tell me that." I said, "In other words, if you bid \$460. a ton and the Americans do not come down to the price, you get the order, but if they do come down to the price, we will give them the order." He said, "It is all right with me."

The next day I got a telegram, "Firm offer making all the armor plate you need for \$460." So we sent for the three gentlemen and showed them the telegram from Hatfield and Daniels sent them out and the next day we got all our armor plate from them for \$460. a ton.

Q Was there some association between that incident and the decision to manufacture armor?

THE PRESIDENT: Perhaps we had that in the back of our heads.

Q In a recent Press Conference you said our plane production capacity is now 10,000 a year, if I recall it correctly. Can you say what proportion is going into planes for the United States and what proportion for foreign consumption?

THE PRESIDENT: No, I couldn't tell you because I don't know.

Q Thank you, Mr. President.

CONFIDENTIAL

Press Conference #678,
Executive Offices of the White House,
September 6, 1940, 10.50 A.M.

Q It is a beautiful day.

THE PRESIDENT: Lovely, and it will be even better in the country.

Q We hope the rain has stopped.

THE PRESIDENT: Yes, we had a bad time, didn't we, last time? It was awful.

MR. DONALDSON: All in.

THE PRESIDENT: I do not believe I have a thing.

Q Going away over the week end?

THE PRESIDENT: Leave tonight; go up to Hyde Park and come back on Monday or Tuesday.

Q Any inspections?

THE PRESIDENT: Not this trip.

Q Mr. President, news dispatches from Costa Rica this morning represent the President of that country as quite willing to dispose of a lease on one of the Costa Rican islands to us for a base.

THE PRESIDENT: I think there are probably only two things to be said on that, which are both equally pertinent. The first is that there is complete cooperation between Costa Rica and the United States in the defense of the Americas. The other thing is that in regard to the particular island that was mentioned, I have -- I think the easiest thing to do is to refer you to George Durno. There are four people in the world who probably know more about the Cocos Island than anybody else in the world. One is George --

Q (interposing) Tom Reynolds?

THE PRESIDENT: Well, he won't know -- he knows about the waters, and that is different. (Referring to the fact that Mr. Reynolds, on the last trip to the Cocos, had fallen overboard.) (Laughter)

Q Sir, is this the Cocos Island?

THE PRESIDENT: This is Cocos, and the four people happen to be George (Mr. Durno) and Ross McIntire and George Fox and myself, because we happen to be the only four who, I think, have been there on every single one of our trips. Get George (Mr. Durno) to describe the Cocos Island to you and you will get a real story.

Q (Mr. Durno) He is saving that story for himself, Mr. President. (Laughter)

Q In connection with that, sir, what will be the ultimate status of Puerto Rico? Has the Interdepartmental Commission ever made a report on that?

THE PRESIDENT: Oh, we are going ahead on a lot of things down there. Nothing new on it.

Q The Fish amendment to the Burke-Wadsworth Bill?

THE PRESIDENT: What amendment?

Q The Fish -- the delay?

THE PRESIDENT: I cannot comment on any of those bills up there. I told you before that there are three bills we are all waiting for in the Executive Branch of the Government. One is the final action on the Appropriation Bill, the second is the Selective Training Bill and the third is the Excess Profits Tax Bill. I cannot comment on any of them except to say one thing -- tempus fugit (pronouncing it "fujit") or fugit (pronouncing it "fugit") -- whichever you like -- time flies -- and that is all I can say on

pending legislation. The quicker these things come through, the quicker it will speed up national defense.

Q What you said when the Senate was debating the bill for two weeks, that a delay of two weeks would delay the selective service program a whole year --

THE PRESIDENT: (interposing) No, I did not quite say that. I think I will have to refer you to Kannee's notes. I did not put it just that way. I gave you what came over here from the Chief of Staff of the Army, and it was not quite to that effect. You had better find out what was said.

Q Wasn't it six months, then, Mr. President, instead of a year?

THE PRESIDENT: I do not know; you will have to refer to the notes.

Q Mr. President, it was a period of time? (Laughter) Does that reasoning of the Army apply in this case?

THE PRESIDENT: You cannot get me in an argument. Look up Kannee's notes.

Q In view of the fact that we cannot get anything out of George Durno, I think possibly you had not finished with Cocos Island. I want to say this to you: In the news in the last few days there came from Secretary Knox, not directly but a story which indicated that the Navy Department would like to have islands or defenses in the backyard, in the Pacific Ocean, and then --

THE PRESIDENT: (interposing) It depends which press association you read.

Q I read it in the United Press.

THE PRESIDENT: That was afterwards completely taken back because even the press association will make an awful mistake on what it

puts on the cables. Of course the U.P. is awfully sorry about that episode. It is something we don't talk about. The other press associations did not carry it.

Q I was a simple Washington reporter and had to get the facts correctly.

THE PRESIDENT: Well, look: George (Durno) will tell you the story but I can give you this on background -- no attribution. Down there on the west side of the Canal, we who have been to Cocos realize that it is a little bit of an island, with no harbor, and it comes straight out of the ocean, with these cliffs all around it. You couldn't possibly put a flying field on the island, it is physically impossible. How long is it, Dan?

CAPTAIN CALLAGHAN: Five miles.

THE PRESIDENT: Five miles long and about two miles across, and it is just, you might say, a mountain peak sticking up out of the ocean, and there are no harbors, with very, very deep water all around it. When we were there this last time, we made a complete survey of it and, like so many tropical islands without any harbor, depending on the wind and the sea, you might, on certain days of the year, probably a majority of days, use the lee side of the island as a taking-off place for planes, but you could not use it 365 days out of the year. As such, those planes would have to be based on a ship. It would be very difficult to have that ship inside of a harbor because there isn't any. By spending a lot of money you might possibly put out some very small breakwaters before you got to deep water and have a little haven that two or three smaller types of ships

could come into -- at great cost. It is in a good location, there is no question about it, but the geography (topography) of it -- all you have to do is ask George (Durno).

Q Is the Galapagos suitable?

THE PRESIDENT: Yes. And again, as to Ecuador and the United States, there is no question at the present time but that Ecuador is working with us, is wholly in accord with us as to continental defense.

Q What about Clipperton Island?

THE PRESIDENT: Well, again, ask George (Durno). Have you ever been there? The trouble with Clipperton is, if you go there again -- I am just talking for background -- I suppose you cannot land on Clipperton Island more than a hundred days a year. The surf is too great. It is a litty bitty of a coral atoll, with a shallow pond in the middle of it, too shallow for airplanes to land on. You could only land there about a hundred days a year. Do you see the limitations caused by nature to the use of that island also?

Q Mr. President, can you tell us anything more about negotiations with Canada?

THE PRESIDENT: Getting along all right. That is about all the Mayor (Mayor LaGuardia) said yesterday.

Q Did you discuss the matter of the transfer of the World War tanks yesterday, Mr. President?

THE PRESIDENT: No.

Q Mr. President, is there any move to acquire rights in the Galapagos?

THE PRESIDENT: No negotiations on at all of any nature -- anywhere.

And, incidentally, I see some of our old friends said that I had

not told the truth two or three weeks ago when I said the destroyers were not a part of what went through the other day. I think that is probably a little premature on their part to say things like that. I think that when all the papers are disclosed of the negotiations that led up to the acquisition of the bases, they will find that as of the day that I made that statement in Press Conference, it was literally true. That is all that it is necessary to say.

Q Mr. President, is there any truth in the report that the Army and Navy will furnish the foreign governments with the so-called secret bomb sights that we have?

THE PRESIDENT: I never heard of it.

Q It came out last night and this morning in the Post.

THE PRESIDENT: I never heard of it.

Q Mr. President, there has been an editorial controversy in St. Louis which is more or less a matter of national interest since both factions in the deal have reprinted their editorials in the New York Times and the Washington Star. The St. Louis Star-Times this morning is answering the attack against your destroyer armament deal. Any comment?

THE PRESIDENT: No, because I haven't read them. That is an awful admission, isn't it? Either one of them. Steve (Mr. Early) mentioned them to me en passant but did not mention what was in them. He said they were taking good advertising space and that is all I know.

Q In the correspondence relating to the bases there was mentioned other Naval equipment which we might exchange. Any other equip-

ment besides the destroyers which we are to give?

THE PRESIDENT: No. There is a lot of equipment on the destroyers.

Q That relates to the destroyers?

THE PRESIDENT: Guns.

Q There was mention of patrol boats also as a consideration?

THE PRESIDENT: Well, read what was said about them.

Q (Mr. Godwin) Sir, do you anticipate that the papers in the case that you are speaking of, in these negotiations, will be made public within the near future?

THE PRESIDENT: I think the State Department rule is ten years, (Laughter)

Q (Mr. Godwin) Well, that is not going to help in this campaign?

THE PRESIDENT: You will be alive. What has the campaign got to do with national defense?

Q (Mr. Godwin) Well, it has a good deal to do with me. I have to get excited about it.

THE PRESIDENT: You will be alive ten years from now, which is all right. You will write a good story on it.

Q Any plans for a speech in Chicago or any part of that country?

THE PRESIDENT: No, not at all.

Q Speaking of accessibility, are Mr. Kannee's notes accessible to us?

THE PRESIDENT: On some specific thing, yes.

MR. EARLY: For checking.

THE PRESIDENT: For checking, not for quotes.

Q Mr. President, have you any comment to make on the result of the Utah primary?

THE PRESIDENT: No.

Q Mr. President, it appears that Mr. Willkie has been on both sides

of the conscription of industry. Would you like to take either side against him?

THE PRESIDENT: There will be no news on that. (Laughter)

Q Thank you, Mr. President.