

CONFIDENTIAL

Press Conference #698,
Executive Offices of the White House,
November 29, 1940 - 10.40 A.M.

MR. DONALDSON: All here!

THE PRESIDENT: I don't think there is any news. I am having Senator Harrison, Senator George, Chairman Doughton and Mr. Cooper, the Secretary of the Treasury, and I don't know whether -- (the President paused)

MR. EARLY: Sullivan, I think.

THE PRESIDENT: And the Director of the Budget -- just to talk; it will be exploratory, no decisions. I think that's about all there is.

Q Mr. President, have you heard any talk about the possibility of a sales' tax to finance the additional cost of government?

THE PRESIDENT: No.

Q Would you look with favor upon such a proposal?

THE PRESIDENT: No.

Q You would not, sir?

THE PRESIDENT: No.

MR. GODWIN: Is that (referring to the statue on a table in the corner) the Hatch Act? (Laughter)

THE PRESIDENT: It is a great question of who it looks like most.

Q Wendell Willkie? (More laughter)

THE PRESIDENT: Several people have said they thought they looked like it.
It's good.

Q Is it your "loyal opposition," Mr. President?

THE PRESIDENT: No; it says, "I am Democrat." (Laughter)

Q Who said that?

THE PRESIDENT: No, actually, a gentleman from Texas brought it in. Actually, it was done by a Mexican artist in San Antonio, and it is his conception of what a "foighting Oirish Democrat" looks like! (Laughter)

Q I see a picture of Steve (Mr. Early) coming out of the Station, Mr. President! (Prolonged laughter)

MR. EARLY: "Knee action." (More laughter)

Q Mr. President, have you seen the Philippine amendment yet, sir?

THE PRESIDENT: I don't think so; I think that is being given a recommendation.

Q Mr. President, there is a vacancy on the Public Utilities ^[Division?] Commission.

THE PRESIDENT: I will look it up.

Q Mr. President, the Census Bureau was going to send you some figures on reapportionment.

THE PRESIDENT: Steve (Mr. Early) says that's not ready; about Monday.

Q Does this exploratory meeting deal mainly with taxes, or expenditures?

THE PRESIDENT: Both.

Q Can you tell us anything about your trip, Mr. President?

THE PRESIDENT: Not yet; I don't know. I hope to get off next week; and it's perfectly vague where I go. You can say that if I should have to go more than twelve hours by rail I will have something available by air that would get me back here in about twelve hours.

Q You mean to say you would fly back?

THE PRESIDENT: Yes.

Q That's a story!

THE PRESIDENT: That's a real story -- but only in case of emergency.

MR. GODWIN: There has been a suspicion, tradition, or rule that the Secret Service would not permit you to fly.

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THE PRESIDENT: I don't think so; they have said it would be very difficult, that I would have to have a whole armada of planes to take them along.

(Laughter)

Q Did you have to sell this idea to the Secret Service?

THE PRESIDENT: I haven't even told 'em! (Laughter)

Q That ruins one idea.

Q Who is the real boss here, Mr. President?

THE PRESIDENT: I don't know; I think it is one of those things that could be amicably worked out, without laying down a rule.

Q Mr. President, Representative Smith of Virginia has put in a bill providing for life imprisonment for sabotage of industries; would you care to comment on that?

THE PRESIDENT: I don't believe I could. Only life imprisonment? (Laughter)

Q Nominations for the Transportation Board coming along soon, sir?

THE PRESIDENT: Steve (Mr. Early), I asked somebody to give me some recommendations.

MR. EARLY: Not in yet.

THE PRESIDENT: I have asked for recommendations and haven't had a reply.

Q Is there anything new you can tell us about European relief?

THE PRESIDENT: Still being studied.

Q Would you say what your mileage was if you have the plane auxiliary?

THE PRESIDENT: You will have to figure it out; it depends on the speed of the plane.

Q Would it cover the whole continental United States?

THE PRESIDENT: What?

Q Would it cover the whole continental United States?

THE PRESIDENT: I suppose, conceivably, it might.

Q Might it be a naval flying boat, sir?

THE PRESIDENT: It could be all kinds of things; it could be a stratosphere thing.

Q When was the last time you were up in the air, Mr. President? (Laughter)

THE PRESIDENT: Not since Chicago, '32.

Q Mr. President --

THE PRESIDENT: (interposing) I was up a lot in the early days -- the war days.

Q Can you tell us about your conference with Dr. Armand Hammer on the naval defense bases?

THE PRESIDENT: Never talked about it.

Q He rather gave the impression that you had talked about it.

THE PRESIDENT: No, he gave me a long book here which I have not had a chance to look at yet. If you are really interested, you may look at it. It has (picking up the book) 28,636,940 news clippings.

Q All for Willkie? (Laughter)

THE PRESIDENT: What?

(The question was repeated.)

THE PRESIDENT: No; no, but these news clippings are on a bill proposing settlement of World War debts. I thought it was political, but it isn't, for it says, "Leasing of Pacific Bases and Granting Credits to Great Britain," and then each paper that has favored it, editorially, with the circulation of the paper after it; and there are 28,000,000 of those; and -- 0, yes, editorials favorable for buying the earth, 5,577,580; unfavorable, 456,832. It is a very interesting compilation -- which I, haven't had time to scan. (Laughter)

Q We understand you still have a rule of twelve hours from Washington -- either plane or whatever it is?

THE PRESIDENT: That's right.

Q There have been some reports of rather extreme difficulty with negotiations on the base in Trinidad.

THE PRESIDENT: I think that is practically settled.

Q When do you see Chairman Dies?

THE PRESIDENT: Twelve o'clock, I think.

MR. EARLY: Noon.

Q Will it be a long conference?

THE PRESIDENT: I haven't the faintest idea.

Q Do you have anybody else with Mr. Dies?

THE PRESIDENT: No.

Q Yesterday Mr. Secretary Ickes said, when questioned regarding a letter of resignation, "If there is any news on that, it will have to come from the White House." Can you tell us anything about it, sir?

THE PRESIDENT: I think not.

Q Is there any comment on your conference with the members of the Defense Commission yesterday afternoon?

THE PRESIDENT: No, we talked about a good many things. The aluminum story was given out, I think, by Stettinius.

MR. EARLY: Yes.

THE PRESIDENT: The question of building up certain machine tool bottlenecks was taken up and referred to Mr. Knudsen, especially in regard to the speeding up of the time for building destroyers.

Q Anything new on priorities?

THE PRESIDENT: No.

Q Mr. President, do you anticipate that there will be any necessity now, on the basis of what you said at the last Press Conference, about putting

priorities on airplane industries?

THE PRESIDENT: Airplane what?

Q Commercial airplanes.

THE PRESIDENT: I don't believe so.

Q Last night there was a story that came out from the National Defense in connection with the Priorities Board in which it was indicated they would make some statement today about making this speed-up without priorities. I imagine that came from here; do you know anything about that?

THE PRESIDENT: They said they were very glad for what I said about working this out without any formal order. I am inclined to think it will be worked out without any formal order.

Q Will the speeding up of the delivery of destroyers have anything to do with the delivery to England of more destroyers?

THE PRESIDENT: No, this relates to a long list of new destroyers which were contracted for -- allocated to be delivered last August, I think, or September; and the date of completion of those destroyers is much too far off. In other words, they will wait their turn to be begun.

Q Mr. President, some time ago we asked a question which you answered favorably, in the affirmative, if you were satisfied with progress being made on the defense program; may we ask that question again now? -- are you satisfied with the progress being made on the defense program?

THE PRESIDENT: No and yes; if you begin to specify and ask me some particular item out of a great many hundreds of items, I would probably say no on that one item.

Q Generally, you are satisfied with the progress of the program?

THE PRESIDENT: Yes.

Q There are reports that armor plate is going to Japan and that is holding up the construction of our own new cruisers and battleships.

THE PRESIDENT: No, Stettinius says the armor plate is in infinitely better shape -- in fact, you might put it as ahead of schedule. It is better than 3 months ago we thought it would be at this time. I think Stettinius can give you some figures.

Q On this trip next week, is it possible you might see Mr. Camacho?

THE PRESIDENT: No.

Q When will you get this report?

THE PRESIDENT: I don't know.

Q The officials of Greece have renewed the plea, I understand, for aid from this country, and Under Secretary Welles has already said it would be given sympathetic consideration. Can you tell us whether you think it possible to extend any material aid to Greece, under the present circumstances?

THE PRESIDENT: You will have to ask Mr. Welles about that.

MR. GODWIN: Thank you, sir!

CONFIDENTIAL

Press Conference #699,
Held on Board the President's Train,
Enroute Washington, D. C., to Miami, Florida,
December 3, 1940, 12 M.

Q Good morning, Mr. President.

THE PRESIDENT: How are you?

Q Well.

THE PRESIDENT: How are your seagoing legs, and how are you? (To newspaper-woman): If you were in sailor clothes I might take you along. Sit down over here.

Q Couldn't you tell us where you are going?

THE PRESIDENT: I wish I knew. Well, I'll tell you. The last time we started I told you about some phoney islands that weren't on the map. This time I won't deceive you at all. We are going to Christmas Island to buy Christmas cards then we are going on to Easter Island to buy Easter eggs.

Q Are you going to arrive there on Christmas Day?

THE PRESIDENT: We have to get there before then to get the cards off.

Q Do you think you might stop in to look at any bases?

THE PRESIDENT: I haven't the faintest idea. Obviously I have a general idea but I am not going to even tell you that, not even a general idea. I don't believe there is any other news and I wish we could have arranged it so that outside of the Three Musketeers the rest could have gone along to justify expenses at Miami. I honestly tried to work it and couldn't.

Q Mr. President, if you are going to put in at one specific island we might be able to fly down there.

THE PRESIDENT: That always reminds me - it really wasn't a trick on my part. It concerns Herbert Bayard Swope, who at that time was really one of the

top men on the old "World" - during the summer of '19 - and we carefully worked up the NC boat flight to Europe. It was to be the first continuous regular flight of planes across the ocean. We fitted out three of them at New York. There were an awful lot of stories - everybody wrote it up - big personnel. We sent a ship to Newfoundland to fuel them up and another to the Azores to fuel them up. About two days before they were to push off I received a telegram from Herbert Bayard saying, "Do you really think these ships will get through and is it important enough for me to go down to Lisbon to cover it?" I thought it was a big story, wired back and said, "Think it of utmost importance. Strongly recommend you go to Lisbon and be there by Thursday," because it was always possible they would have got to Newfoundland, refueled, refueled at the Azores the next day and got to Lisbon the next. Herbert Bayard packed up and went down to Lisbon. The weather was bad and it was a dreary place. He gets down there and the three boats, due to stress of weather, were held up in New York, expecting to go the next day, then the next and the next day. They were there for 5 days. At last they hopped and got as far as Newfoundland, where the fog shuts in and they were ready to hop the next day. Herbert Bayard cabled me, "When are they leaving?" They were 5 days in Newfoundland, then hopped off and only one of them got safely to the Azores. The other two were in the ocean. The plane at the Azores busted an aileron and took two full weeks to get to Lisbon, and every day Herbert Bayard would sit on the end of the pier. He never forgave me.

Q We would just as soon do the same thing here in Jamaica.

THE PRESIDENT: Yes?

Q Do you think you would be interested in looking in on the Atlantic Patrol Squadron's maneuvers?

THE PRESIDENT: There aint no such thing.

Q What are they?

THE PRESIDENT: The Patrol Squadron is out on patrol.

Q He means the Atlantic Squadron.

THE PRESIDENT: They are out on duty.

Q There are some maneuvers of some sort. Secretary Knox is going down.

THE PRESIDENT: They are having the usual winter landing parties on Culebra Island - mostly Marines. They have at the same time, I think, the attack in the middle of the night, and defense in the middle of the night. It is primarily a landing party. It isn't the Patrol Squadron - they are out working.

Q Can you tell us, Mr. President, when you are coming back and where?

THE PRESIDENT: I haven't got the faintest idea - I really haven't. We have talked about four different ports, all the way from Texas to Norfolk.

Q Where is the fishing good at this time of the year?

THE PRESIDENT: There won't be much fishing. That fishing stuff is the bunk, as we know.

Q Can't you give us any hint where we might waste a week or ten days?

THE PRESIDENT: Hialeah isn't open yet, is it?

Q Is the dog going aboard?

THE PRESIDENT: Yes, and he is very good too. We had him on the POTOMAC the other day and he was just as good as gold. The chief trouble was to keep the crew from feeding him.

Q You have the same trouble with Pa Watson, don't you? (Laughter)

THE PRESIDENT: Yes, yes.

CONFIDENTIAL

Press Conference #700
On Board U.S.S. TUSCALOOSA,
Eleuthera Island, B.W.I.,
December 13, 1940.

(The President, H.R.H., The Duke of Windsor, Messrs. Cornell, Reynolds and Durno were present.)

(Press representatives were introduced to H.R.H.)

HRH: You have been with the President some years? Do you like these trips?

Q Yes, very much. Your Highness, I suppose since you became Governor of the Bahamas you have given some thought to the question of mutual defense of the islands?

HRH: We have not organized any defense. There are no British defenses here. In what way do you mean?

Q Mutual defense.

HRH: Surely. You know about how you would use your bases here in connection with our problem at the present time. Whatever the President wants we will give him the best we have.

Q Do the people under your jurisdiction look with favor on the establishment of these bases?

HRH: Oh yes, of course. The only way you can develop these islands is to have separate developments. The Government cannot do much developing on its own because they haven't got the funds. We welcome any endeavor - the people who will come and spend money, train and teach the natives in agriculture or anything that is suitable for them. We have four thousand islands of different sizes and about 60 of them are here.

Q When are you planning to return to the States, at a later time?

HRH: I talked to the President - one of the things that I hope we shall be

able to adapt in a small way here is a CCC, because we have a fairly serious unemployment problem here, but at the moment it is fairly well taken care of by private enterprise. (The Duke then named a number of large scale employers). Suppose that circumstances should prevent them from continuing, well, then we should have quite a bad problem. I would like to build up an organization that could be quite easily enlarged. I asked the President if later on, perhaps in the new year some time, he would give me a letter of introduction to the authorities who run the CCC, especially the one for colored people. I hope to come over later on after taking it up with my Executive Council. I hope to come and study later on. The President said he would be very glad to have me. We would have segregated CCC camps - the white people won't affect it in any way. It is the unskilled colored people that are the problem in our islands - they don't know how to feed and get pellagra. It will teach them to eat and advance skilled trades. They are a little shy of anything new. The President said he knows these islands very well (much better than I do) and he thought it would be possible to do something.

Q Is this your first meeting, Your Highness?

HRH: No. We met in 1919 when he was Under Secretary of the Navy with Secretary Daniels. We had our pictures taken at Annapolis when I was inspecting the Regiment of Midshipmen.

THE PRESIDENT: (To Press) Are you all fixed up? I gave you a clean bill of health and told H.R.H. I would censor anything you wrote.

I went out this morning and caught a little yellow fish that long (indicating).

HRH: Just trolling.

THE PRESIDENT: Yes, trolling. General Watson caught a fish and Harry Hopkins caught a fish that I think is the record fish of the trip.

(H.R.H., The Duke of Windsor, left the ship)

Q Mr. President, after your tour here of the four bases, I think the country would be very interested in having any report or reaction that you might have after your examination.

THE PRESIDENT: I want really to go down to the cabin and show you the chart.

(Durno produced a chart - conference continues on deck.)

Now number one is a movie I saw the other night. You can't use this - it is March of Time. It illustrates. The whole emphasis of March of Time was on the defense of the Panama Canal, which is, of course, a very simple thing to say, because it over-simplifies the entire problem. Actually the Panama Canal is only one point, the other points having to be equally guarded. The coast of the United States - it is just as important as the Panama Canal.

Q The Gulf and East Coasts?

THE PRESIDENT: Yes, and Central America as a whole and South America.

Q Are you saying this for publication then?

THE PRESIDENT: No, I am giving it to you for background. Now thinking in terms of this map, clear up to Newfoundland, it is obvious that the further you can keep a potential attack against the American continent from the continent, or a base near the continent, keep it away from there, (indicating on map), the safer it is for the continent. That means that we want to be as far out as we can, as far away. Newfoundland is as far away as we can get in the north. Bermuda is as far away as we can get off the coast. The Bahamas are away in. There is nothing in the way of an island between Bermuda and Puerto Rico, so we shall do the next best thing,

which is some place in the Bahamas, and always remembering that it is part of the plan to keep things as far away from the continent as we can. Then there is something in the Bahamas, as a base there has another object, which is to act as one of the stepping stones for the maintenance, in case of attack, of the southern end of the outer line. In other words, the Windward and Leeward Islands. Then the other thing for background too, that I would emphasize, for there is no such thing as a Gibraltar. Impossible. You have got to have a great many places to act as bases because naval war in these waters is so much more motive than it is in any place like a narrow strait like Gibraltar itself. Even if the island of Puerto Rico were fortified all the way around and you had a million people in it, all that an attack force would have to do would be to pass by on one side or the other.

As you know I have been in Newfoundland and know that geography, and I did not go to Trinidad because I know Trinidad very well, but I did want to see St. Lucia and Antigua because I had never been close inshore around there, but only at a distance. As you look at distances in this plan of stepping stones, a stepping stone to any one of them has to be good for three things. The first is seaplanes, the second is land planes and the third is ships. Because any one of these bases for land planes or seaplanes has got to be maintained and supplied by the ship method. Take the islands that we have seen - Jamaica is taken in turn - it merely might be called on the inside of the outer line, not in the outer line, and it is a stepping stone to the Canal, Central America and Colombia, and planes or patrol ships based there are nearer to the Western Caribbean than from Guantanamo Bay. But it is not part of the outer line. Excellent harbor - it would need some dredging - but could be made submarine proof.

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In other words, large Navy ships could lie in there behind nets and be safe.

Q Along the shore.

THE PRESIDENT: Yes, no difficulties there. St. Lucia - a good lee, a good anchorage for smaller ships and apparently in every way satisfactory for land and seaplanes. Antigua - very good for land and seaplanes, not so good for ships. The proposed base at Mayaguana Island is by no means satisfactory because, as you know, we couldn't anchor there. There is no lee with an anchorage. You are either in a thousand fathoms of water or on the beach. I see no reason why you shouldn't say that and also say that we have looked at three other places - Long Island, where we were yesterday; and Little San Salvador, which is just around the point from here; and this island of Eleuthera, and we still haven't found a satisfactory place, and will probably, on the Bahama Base, have to take the best we can find, and it won't be very good, but it is a near stepping stone.

Q Is there anything at Nassau, Mr. President?

THE PRESIDENT: No, you are too close to Miami.

Q About 70 miles?

THE PRESIDENT: (Indicating) There is Miami and there is Nassau. The ideal place is Mayaguana. Long Island is good because there is Puerto Rico, and Long Island to Miami is about the right distance.

Q Mr. President, I take it that Mayaguana Island is not at all settled on?

THE PRESIDENT: No, it isn't. Merely held up, and we will hold it in abeyance until we can get back and look at some more places.

Q How do they word the spelling of that name - "M-a-y-a" or "M-a-r-i"?

THE PRESIDENT: I always knew it as Mariguana but now on the charts it is Mayaguana, the latest spelling.

Q Did you discuss the Bahama sites with the Duke?

THE PRESIDENT: Yes.

Q Did he have any suggestions?

THE PRESIDENT: No, except that we are all for cooperating in finding a place.

Q He said that all he had to do was to accommodate you as soon as possible.

THE PRESIDENT: We also talked about the economics of the islands which is a problem in all these places. I think it is safe to say that the British and ourselves are of course jointly interested in the economics and the future of the British islands and the American islands. In other words, the economy of one sets into the economy of every other, and we talked that on every place we have been. For example, in Jamaica I talked with the Governor about some experiments they are doing on rice planting, because the population of Puerto Rico is a great eater of rice, and in the same way in Antigua we talked to the Governor about the problem of fresh milk, because if we have six or seven hundred officers and men in a place like Antigua there is an industry right away for the island to keep cows and give us fresh dairy products for the American sailors, soldiers and marines that will be down there. The same thing in St. Lucia.

Q The radio reports indicate some disagreement with the Trinidad Government on location.

THE PRESIDENT: I am sure it has not been settled. I think with us there is some problem on that.

Q Are we headed back to Charleston?

THE PRESIDENT: Yes.

Q May we say you are going on into Warm Springs?

THE PRESIDENT: Yes, going into Warm Springs and get there Sunday morning and stay there until about four o'clock in the afternoon - better say late

Sunday afternoon - and get back to Washington Monday afternoon.

Q I don't suppose we are going into the city at all. Probably West Charleston?

THE PRESIDENT: Dock at the Navy Yard. Have you had a good time?

Q Yes.

THE PRESIDENT: We have covered an awful lot of territory but did little fishing.

Q What is the mileage?

THE PRESIDENT: Over 3,000.

Q We haven't been seasick.

THE PRESIDENT: Great! We have had a little difficulty but they will live until tomorrow.

CONFIDENTIAL

Press Conference #701,
On Board U.S.S. TUSCALOOSA, Charleston, S.C.,
December 14, 1940.

THE PRESIDENT: How's the boy, Tom? (To Reynolds). Get ashore all right?

Q We came over a very narrow gangplank on a fuel oil dock.

THE PRESIDENT: Great! I am glad to see you. I had to do a little censoring of despatches but they went through.

Hello, Anne. How are you? I have missed you. I thought you were coming aboard over the hawser.

Q I tried to, but I didn't have my sailing shoes.

How's the dog?

THE PRESIDENT: I will have you know that he is a better sailor than Mr. Reynolds. He don't fall overboard.

Q (Mr. Reynolds) That's ancient history.

Q Mr. President, would you pet him just once more please? (Referring to President's dog). Would you pick him up?

THE PRESIDENT: He's not a lap dog.

Let's get to it. I think probably the best thing you can do is to talk to the Three Musketeers. They will tell you all they were told yesterday, which is a lesson in strategy that is contrary to reports you will read in most papers. Better talk to them.

Q We will yield to you, sir, then they won't quote us.

Q Could you tell us anything about the --

THE PRESIDENT: (Pictures are still being taken) I can't do two things at the same time, you will have to wait until this --

Q Can you tell us about the report that was made by the Naval Observer at Martinique?

THE PRESIDENT: There wasn't any news at all.

Q Mr. President, Secretary Morgenthau has been having conferences with British Treasury experts --

THE PRESIDENT: (interposing) I can't say anything new. He probably knows more about it than I do, or claim to. That last is off the record.

Q Mr. President, have you made up your mind on the Logan-Walter Bill?

THE PRESIDENT: Pretty well. I think your guesses are wholly correct. I think the guesses are pretty accurate.

Q Is that bill with you now, Mr. President?

THE PRESIDENT: No, I haven't gotten it yet.

Q When do you have to act on it?

THE PRESIDENT: Wednesday, I think, is the last day. Got plenty of time after getting home Monday.

Q Mr. President, on this Base situation, apparently they are not making much progress in Trinidad. Have you heard anything about it?

THE PRESIDENT: Don't know anything about it except what I read in the papers and came over the radio.

Q Still going to Warm Springs?

THE PRESIDENT: Yes, get there in the morning, leave in the afternoon and get to Washington Monday afternoon late.

Q Mr. President, I seem to be asking a lot of questions, but there were reports that Mr. Knudsen said that plane production was running thirty per cent behind schedule and Secretary Stimson said that barracks were running two months behind schedule for the conscripts. We wondered if you were going to do anything about speeding it up.

THE PRESIDENT: That's not the way it came over the radio. The ship's newspaper didn't carry it that way.

Q Can we have a couple more pictures, sir?

THE PRESIDENT: Yes. I am very much pleased with progress being made at Charleston. New ways and additional construction are being planned for in Charleston. I have been working for a number of years to increase the shipbuilding facilities of this Yard.

Q Mr. President, you are also going to go through the Yard?

THE PRESIDENT: Yes.

Q Mr. President, you won't get a chance to see any more in connection with defense progress?

THE PRESIDENT: I don't think so. I passed by Fort Moultrie this afternoon. Fort Moultrie has 2,800 men in training there.

Q Anything about the fortifications along the coast?

THE PRESIDENT: What kind of fortifications along the coast?

Q Road building projects.

THE PRESIDENT: That's out of date - Spanish War stuff.

Q They are talking about it again.

THE PRESIDENT: That's not the way to defend a nation.

Q Do you feel that the South can play any distinctive part in National Defense?

* THE PRESIDENT: I have a very good answer to that. Of these million four hundred thousand people that are going to be trained, how many are going to be trained in the South? That's a pretty good answer.

CONFIDENTIAL

Press Conference #702,
Executive Offices of the White House,
December 17, 1940, 4.10 P.M.

MR. DONALDSON: All in!

THE PRESIDENT: I have one appointment; I was going to take this opportunity of saying something to Chairman Godwin, but he isn't here in his accustomed seat today. When I came back yesterday I began to note intimations that this inaugural party was getting out of hand -- all these chairmen, et cetera, trying to make a real party out of it, and I was trying not to. In other words, simplicity I still think should be the keynote, and I am trying to catch up and find out what people have been doing while I was away.

Outside of that I have been trying to catch up on quite a number of other things.

I don't think there is any particular news, except possibly one thing that I think is worth my talking about from -- what will I call it? -- the background method. In the present world situation of course there is absolutely no doubt in the mind of a very overwhelming number of Americans that the best immediate defense of the United States is the success of Great Britain in defending itself, and that, therefore, quite aside from our historic and current interest in the survival of democracy as a whole in the world, it is equally important from a selfish point of view of American defense that we should do everything to help the British Empire to defend itself.

I have read a great deal of nonsense of people who can only

think in what we may call traditional terms, in the last few days, about finances. Steve (Mr. Early) was asking me about it this morning, and I thought it was better that I should talk to you than for Steve to talk to you; but I gave him one line which he would have used this morning if anybody had asked him, and that was this: In my memory and your memory and in all history no major war has ever been won or lost through a lack of money.

I remember very well in 1914, and I will give you an illustration: In 1914 I was up at Eastport, Maine, with the family the end of July, and I got a telegram from the Navy Department that it looked like war would break out in Europe the next day; and actually it did break out in a few hours, when Germany invaded Belgium. So I went across from the island and took a train down to Ellsworth, where I got on a thing known as the Bar Harbor Express. I went into the smoking room, and the smoking room of the Express was filled with gentlemen from banking and brokerage offices in New York, most of whom were old friends of mine; and they began giving me -- quite young -- their opinion about the impending world war in Europe. And even though I was young, I had the sense to take up some -- I suppose they should be called forms of wagers. These eminent bankers and brokers assured me, and made it good with bets, that there wasn't enough money in all the world to carry on a European war for more than 3 months -- even money; that the bankers would have stopped the war within 6 months -- odds of 2 to 1; that it was humanly impossible -- physically impossible -- for a European war to last for six months --

odds of 4 to 1; and so forth and so on. Well, actually, I suppose I must have won those -- they were small, \$5-bets -- I must have made a hundred dollars. I wish I had bet a lot more.

There was the best economic opinion in the world that the continuance of war was absolutely dependent on money in the bank. Well, you know what happened.

Now we have been getting in stories, speeches, et cetera, which have been going back a little bit to that attitude in regard to this particular war that is going on. It isn't merely a question of doing things the traditional way; there are lots of other ways of doing it. I go back -- I am just talking background, informally; I haven't prepared any of this -- I go back to the idea that one thing that is necessary for American national defense is additional productive facilities; and the more we increase those facilities -- factories, shipbuilding ways, munition plants, et cetera and so on -- the stronger American national defense is. Now, orders from Great Britain are therefore a tremendous asset to American national defense, because they create, automatically, additional facilities. I am talking selfishly, from the American point of view -- nothing else. Therefore, from the selfish point of view, that production must be encouraged by us; and there are several ways of encouraging it -- not just one, the way the narrow-minded fellow I have been talking about might assume, and has assumed. He has assumed that the only way was to repeal certain existing statutes, like the Neutrality Act and the old Johnson Act and a few other things like that, and then lend the money to Great Britain to be spent over here -- either

lend it through, as was done in the earlier days of the previous war, private banking circles or make it a loan from this Government to another government -- the British Government.

Well, that is the -- what will I call it? the banal (you will have to find another word for banal) the banal type of mind that can only think of that method.

There is another one which is also somewhat banal -- we may come to it, I don't know -- and that is a gift; in other words, for us to pay for all these munitions, ships, plants, guns, et cetera, and make a gift of them to Great Britain. I am not at all sure that that is a necessity, and I am not at all sure that Great Britain would care to have a gift from the United States -- the taxpayers of the United States. I doubt it very much.

Well, there are other ways, and those ways are being explored; but they are possible. All I can do is to speak in very general terms, because we are in the middle of it. I have been at it now three or four weeks, exploring other methods of continuing the building up of our productive facilities and continuing the flow of munitions to Great Britain automatically; and I will just put it this way, as not a final other method but as one of possibly several other methods that might be devised toward that end. It is possible -- I will put it that way -- for the United States to take over British orders, and, because they are essentially the same kind of munitions that we use ourselves, turn them into American orders. We have got enough money to do it. And thereupon such portion of them as the military events of the future

would determine to be right and proper for us to allow to go to the other side, either lease the materials or sell the materials subject to mortgage to the people on the other side, on the general theory that it may still prove true that the best defense of Great Britain is the best defense of the United States, and therefore that they would be more useful to the defense of the United States if they were used in Great Britain than if they were kept in storage here.

Now, what I am trying to do is to eliminate the dollar sign, and that is something brand new in the thoughts of practically everybody in this room, I think -- get rid of the silly, foolish old dollar sign. All right!

Well, let me give you an illustration: Suppose my neighbor's home catches fire, and I have got a length of garden hose four or five hundred feet away; but, by Heaven, if he can take my garden hose and connect it up with his hydrant, I may help him to put out his fire. Now, what do I do? I don't say to him before that operation, "Neighbor, my garden hose cost me \$15; you have got to pay me \$15 for it." What is the transaction that goes on? I don't want \$15 -- I want my garden hose back after the fire is over. All right. If it goes through the fire all right, intact, without any damage to it, he gives it back to me and thanks me very much for the use of it. But suppose it gets smashed up -- holes in it -- during the fire; we don't have to have too much formality about it, but I say to him, "I was glad to lend you that hose; I see I can't use it any more, it's all smashed up." He says, "How many feet of it were there?" I tell him, "There

were 150 feet of it." He says, "All right, I will replace it." Now, if I get a nice garden hose back, I am in pretty good shape. In other words, if you lend certain munitions and get the munitions back at the end of the war, if they are intact -- haven't been hurt -- you are all right; if they have been damaged or deteriorated or lost completely, it seems to me you come out pretty well if you have them replaced by the fellow that you have lent them to.

I can't go into details, and there is no use asking legal questions about how you would do it, because that is the thing that is now under study; but the thought -- the bright thought -- is that we would take over not all but a very large number of future British orders, and when they came off the line, whether they were planes or guns or something else, we would enter into some kind of arrangement for their use by the British on the ground that it was the best thing for American defense, and that when the show was over we would get repaid in kind sometime, thereby leaving out the dollar mark in the form of a dollar debt and substituting for it a gentleman's obligation to repay in kind. I think you all get it.

Q Mr. President, that suggests a question, all right; Would the title still be in our name?

THE PRESIDENT: You have gone and asked a question I have told you not to ask, because it would take lawyers much better than you or I to answer it. Where the legal title is would depend largely on what the lawyers say. Now, for example, if you get mixed up in

the legal end of this, you get in all kinds of tangles. Let me ask you this simple question: You own, let us say, a house, a piece of property, a farm, and it is not encumbered in any way -- there is no mortgage on it -- but you had some troubles and you want to borrow four or five thousand dollars on it; and you go to the bank and you say, "I want to borrow four or five thousand dollars on my house or my farm." They say, "Sure; give me a mortgage." And you give them a mortgage, if you think you will be able to pay it off in three or four years. And in your mind you still think you own your own house; you still think it is your house or your farm; but from the strictly legalistic point of view the bank is the owner. You deed your house over to the bank; you pledge it, like going to the pawnbroker. Let's take the other side of it: The title to your gold watch is vested in the pawnbroker. You can redeem it; you can pay off your mortgage and get title to your house.

On this particular thing -- let's say it's a ship -- I don't know, I haven't got the faintest idea, in whom the legal title would be of that particular ship. I don't think that makes any difference in the transaction; the point of the transaction is that if that ship were returned to us in first-class condition after payment of what might be called a reasonable amount for the ship during that time -- the other people might have had a legal title to make it easier to require less legislation or a different form of legislation, or the title might remain in us; I don't know and I don't care.

Q Let us leave out the legal phase of it entirely; the question I

have is whether you think this takes us any more into the war than we are?

THE PRESIDENT: No, not a bit.

Q Even though goods that we own are being used?

THE PRESIDENT: I don't think you go into a war for legalistic reasons; in other words, we are doing all we can at the present time.

Q Mr. President, did you mean naval craft?

THE PRESIDENT: No, no! I am talking about merchant ships.

Q It is my understanding that this is all for purposes of background, but at one point here I was wondering whether you would attribute this to the necessity for facilities and for encouragement of production?

THE PRESIDENT: I think you can attribute this -- what we have been talking about -- to me.

MR. EARLY: That's the best.

THE PRESIDENT: Don't do any quotations on this thing.

Q Mr. President, would we take our own goods abroad?

THE PRESIDENT: What do you mean -- take our own goods?

Q As long as this is being made to our account and we are lending it to Great Britain, would we deliver the goods in Great Britain that are going to be used in that way?

THE PRESIDENT: O, I suppose it would depend on what flag was flying at the stern of the ship. You can work it out any way you want. It might be even a Bolivian flag. That question is a detail.

Q Would it be an American flag?

THE PRESIDENT: Not necessarily. That would bring up another subject; that would bring up a subject which might be a dangerous one,

quite frankly, of American sailors and American passengers, et cetera, taking the American flag into a war zone. You need not worry about that one bit, because you don't have to send an American flag and an American crew on an American vessel.

Q I was backing into the question that this whole theory of yours doesn't involve amendment of the Neutrality Act.

THE PRESIDENT: Right!

Q You referred to future orders in this connection; as I understand it, the orders the British have given would go ahead on the basis of existing contracts and would be paid for?

THE PRESIDENT: Yes, I think so. They have plenty of exchange, you know. There doesn't seem to be very much problem about payment for existing orders, but there might be a problem about paying for additions to those orders or for replacement of those orders now.

Q Is this a safe conclusion on what you have said, that what the British are interested in is to have us lend them the supplies?

THE PRESIDENT: That's the point. I am trying to eliminate the dollar mark.

Q Does this require Congressional approval?

THE PRESIDENT: O, yes, this would require various types of legislation, in addition to appropriation. Let me give you an example: Let's take anything -- a shell factory; and the present shell factories are all filled up with orders a year -- two years -- ahead; but they need more shells now, and the shell manufacturers say, "That is all very well, but we have got to get a new factory." And the United States Government has ordered several new factories

and put up the money through the R.F.C. or some other way for the capital. We haven't loaned the capital for that new factory. Well, if the British wanted a new factory for additional shells, or went above present orders, if we take that order over we would do the financing of the factory just the way we have done it for ourselves, thereby increasing the productive capacity for turning out shells.

Q Mr. President, before you loan your hose to your neighbor you have to have the hose. I was wondering, have you any plans to build up supplies? There has been a good deal of discussion about lack of authority to tell a manufacturer he should run two or three shifts a day. There is no one now that has that authority.

THE PRESIDENT: Isn't there?

Q I don't believe so.

THE PRESIDENT: I think so, yes. After all, you have to follow certain laws of the land. Of course the law is, and always was -- in the World War, for instance -- that the contract by the Navy, for instance (I used to place a great many of them) -- all of those contracts were signed by the Navy, the Secretary of the Navy or the Assistant Secretary of the Navy. That, never, in the history of the United States, has been taken away from the two main contracting departments.

This is a pretty important thing to remember, and a lot of people in the last week or two forgot that fact. There never has been one individual in this country, outside of the Army or Navy, to do anything more than recommend very strongly that they do thus and so and supervise it -- supervise the keeping up to date;

and if they do not keep up to date, there are lots of things that have been done in the past and would be done in the future. You just follow even what was done in the World War.

The number of perfectly crazy assertions that have been made in the last couple of weeks by you children who didn't grow up until after the World War is perfectly extraordinary. You assigned all kinds of authorities and powers to people in the World War that never existed, except in the figment of imagination. I went through it. I happen to know.

Q Mr. President, on your statement that we never would get into war for legalistic reasons -- could you amplify that a little?

THE PRESIDENT: Only this, that I would not try, from what I have said, to make it appear -- who was it who asked that question a while ago?

MR. EARLY: Jim Wright.

THE PRESIDENT: Jim Wright asked as to whether any of these steps would be a greater danger to the United States of getting into war than the existing situation, and the answer is, No, of course not. In other words, we are furnishing everything we possibly can at the present moment. This will make easier a continuation of that program. That's all there is to it.

Q Mr. President, it is interesting about taking over the future orders for the British, but Mr. Knudsen says that the first half of that is crucial. Can you do anything more than you are doing?

THE PRESIDENT: Except efficient people) that's what he is trying to do -- push them.

Q Mr. President, has the division of orders been changed? It was

50-50 the last time.

THE PRESIDENT: That was a rule of thumb. In some places it is 40-60 and in others 60-40.

Q Mr. President, do any production delays at the present time indicate any need for authority to take over plants?

THE PRESIDENT: That is a thing I asked Steve (Mr. Early) to look up this morning.

MR. EARLY: No one is reporting today, sir.

THE PRESIDENT: That is a thing I asked Steve to report on. No one reported today. But I think it is fair to say there are two or three companies under investigation.

Q Mr. President, do you expect to place this general idea before this session of Congress?

THE PRESIDENT: Either that or something similar.

Q Within a few days?

THE PRESIDENT: No, probably not until the 3rd, because the thing has not only to be worked out here but in London too.

Q Mr. President, is there any plan under consideration for building up our Defense Program because of this?

THE PRESIDENT: Well, that's a pretty general question; on what, for example?

Q I wondered if you had any specific program for building up any phase of defense.

THE PRESIDENT: You can't answer a general question like that. If you ask about an article that is coming along in good shape, the answer is No. It depends on what you are talking about. Before I left I think we talked about the Navy destroyer program

which, in my judgment, was completely insufficient because a lot of the planned destroyers could not be laid down except in turn. In other words, after No. 1 Destroyer had been built and launched from the ways, then they would start No. 31 of the destroyers on the same ways, build that and launch it, and after that was launched they would put No. 61 on the same ways, and that No. 61 would not be launched for perhaps four years from now.

Well, now, the answer to that program, which was laid down by the Navy Department, was that in my judgment it was too darned slow. And how can you speed it up? By building more ways. So that was an illustration of how the program as laid down proved insufficient and we are now studying how we can build more destroyer ways.

Q Mr. President, Mr. Knudsen said the whole Defense Program was lagging pretty severely; do you see anything in this picture that would require you to extend the present limited emergency?

THE PRESIDENT: No; that again is largely a legalistic problem. It is a great question whether it would speed it up or not -- a great technical question.

Q Mr. President, when the Government refuses to take in a union man on a defense project, don't you think it is because the unions ask exorbitant fees?

THE PRESIDENT: You would have to give me the name of the man and information about the case.

Q How about eliminating the Friday to Monday blackout?

THE PRESIDENT: It depends entirely on the particular type of industrial plant and the conditions in the locality, and the type of

workmen that are used. There is no generalization that is possible; and the one thing we have got to avoid, all of us, is generalization. Now for example on that, there are certain -- well, you take down here in the Washington Navy Yard, there are certain very, very skilled trades, and there is a shortage in those trades and because there is a shortage we probably have to employ the people in that particular trade, because there is no relief, no additional labor in that trade, we have to employ them more than 40 hours, and for the extra hours they get time and a half for overtime.

You take the other extreme -- common labor; there's plenty of it. With common labor it is not necessary in that particular yard to work men overtime and yet you can run the yard 6 days a week, or even 7 days a week. It takes a lot more work on the part of management to work out, but you can employ one group of common labor the first 5 days in the week, 40 hours -- that is, 8 hours a day; and then another group you can employ on Tuesday, Wednesday, Thursday, Friday and Saturday and give them Sunday and Monday off; and another group you can employ Wednesday, Thursday, Friday, Saturday and Sunday and give them Monday and Tuesday off; and in that way you can keep a plant going 7 days a week if you want to. It takes a little more -- what shall I say? -- figuring it out on a sheet of paper, a little more trouble; and some people will get their holiday in the middle of the week for a while, and others will get it at the end of the week; but it can be done, and it is being done -- that is the point of it -- in a great many plants in the United States. It is being done,

and that can be extended to a great many other plants. It is a nuisance from the point of view of plant management; we all know that.

There is still another point -- plants which obviously could not run 7 days a week, the plant that has to be laid up for repairs 1 day out of 7; or a part of a particular plant has to be laid up for repairs and closed down 1 day out of 7. You see you can't apply a general rule. It's just plain immature to try to do it. It's people that understand manufacturing that will be the first to say you can't apply a general rule.

Q Mr. President, one argument that is advanced is where it is necessary for a man to work 55 hours a week, a trained man, and he can't be replaced; and since the public is begging for this armament, that is putting undue stress on the public's shoulders -- time and a half.

THE PRESIDENT: In the case of that particular man that is irreplaceable working 55 hours a week, we are trying, as you know, to train other people to fit into those positions. It takes time to do it, but gradually we are getting a large number of people who are trained to do these specialized jobs.

Q Mr. President, on this defense setup, do we understand you to mean that you are not interested in appointing a chairman of the National Defense?

THE PRESIDENT: I would not draw any inferences on a detail. That is a pure detail.

Q One more question: I believe Mr. Knudsen referred to the blackout of machine time rather than human time. I believe he was refer-

ring quite specifically to the fact that the machines were shut down between Friday and Monday.

THE PRESIDENT: You have got to tell me the machine and the trade that runs the machine.

Q He didn't say.

THE PRESIDENT: In some cases, yes; in some cases, no. The objective is to keep all the machines that will run 7 days a week in operation 7 days a week.

Q Thank you, Mr. President!

CONFIDENTIAL

Press Conference #703,
Executive Offices of the White House,
December 20, 1940, 10.40 A.M.

MR. DONALDSON: All in.

THE PRESIDENT: I think you people are crowding me a little; there isn't any news today -- really, literally, there isn't any news. In other words, I am not ready on anything.

Q About this announcement of the rearrangement of the Defense Commission setup -- is that --

THE PRESIDENT: (interposing) No, no, just a newspaper story; might have been any one of them -- four or five different setups, with combinations thereof, that are being considered; neither has been decided on yet.

Q Mr. President, did you have any special instructions that you could tell us about for Ambassador Leahy?

THE PRESIDENT: Just the usual ambassadorial instructions. I did give him -- I see no reason why this should not be known -- a personal note from me to the Marshal, which merely says that the Admiral is a very old friend of mine and that I feel sure that he will be -- what do you call it? -- persona gratissima to the Marshal; and I added a little note that I felt sure they both talk the same language. That was about all -- just a personal note to the Marshal.

Q Mr. President, do you have anybody in mind to succeed the Admiral as Governor of Puerto Rico?

THE PRESIDENT: Not yet.

Q How did you write that -- in French? (Laughter)

THE PRESIDENT: Don't put it into the national program -- that's the only thing! (Laughter)

Q Well, sir, I don't know, but I think that would be about the only thing in it for me!

Q Mr. President, there was a rather interesting story broke in Chicago yesterday of a municipal judge having a little minor tax matter with the local Bund; and in the raid the officers found what purported to be a ledger of Bund members in the United States who have joined the armed forces of the United States. Had that been brought to your attention?

THE PRESIDENT: No, really; that is very interesting. Well, of course -- I suppose this better be off the record -- there are a lot of people who are not members of the Bund, and who have not joined the armed forces of the United States in that guise, who are doing just as much for the objectives of the Bund as if they were. I don't think I need to elucidate on that at the present time.

Q I notice you are reading the Congressional Record! (Laughter)

Q Could it be that Louis Ludlow and Joe Kennedy had anything to do with that? (Laughter)

THE PRESIDENT: I said I would not elucidate any further. (More laughter)

Q That was all off the record?

THE PRESIDENT: Yes, all off the record.

Q Mr. President, have you persuaded anybody to go to London yet?

THE PRESIDENT: I haven't chosen anybody, or even asked anybody! (Laughter)

Q Mr. President, can you tell us anything about this story that the United States is to take over thirty Danish ships?

THE PRESIDENT: That's a brand new one on me. This is also off the record -- just for your own guidance: Before you people write anything about requisitioning or commandeering foreign-flag ships in our harbors, you better look up the law. I am having it looked up at the present time, but so far -- this is off the record -- so far we haven't found anything in the law that would enable us, if we wanted to, to commandeer, let us say, Danish ships. Maybe there is something that somebody can find, but so far it has not been found.

Q Does the looking up of the law indicate you are trying to do it?

THE PRESIDENT: I want to find out every right that we have; it doesn't mean that we have to do it.

Q Does the law permit the owners of those ships to sell them?

THE PRESIDENT: They can sell, yes; but again comes the question if they sell -- I am just giving you what might be called a skimming of the law, because we are not sure about it yet, but it looks as if, if the Danish owners of these ships would sell, we would have to pay duty on them -- the purchasers over here -- before we could fly the American flag; and if we could fly the American flag on them, we would have to keep them out of the war zone. There are all kinds of complications.

Q But suppose they sold directly to Canada or Great Britain in our port?

THE PRESIDENT: You are getting awfully suppositious now, because nobody has ever suggested that -- I mean the owners of the

ships haven't.

Q Do you intend to ask the new Congress for more money for the R.F.C. for building munitions factories?

THE PRESIDENT: Again you better check on the law. My impression is that there is enough in it for all purposes. You better check on it, though.

Q Is there anything you can tell us about the strengthening of the Asiatic fleet?

THE PRESIDENT: I don't think there is; one C.A. was brought back and another C.A. was sent to replace her. A C.A. is a heavy cruiser.

Q Mr. President, the editorial writers and some of the commentators said this plan of leasing and lending would require the repeal of the Johnson Act and the Neutrality Act.

THE PRESIDENT: I think I said the other day it would require Congressional action, but not necessarily the repeal of the Johnson Act. Probably not.

Q Mr. President, the Duke of Windsor last night signed a bill authorizing the United States to build a base on Mayaguana Island, which sounds very much like the one you and he discussed.

THE PRESIDENT: I think I told some of you people on coming down to Charleston about the stuff, the awful nonsense, being written about those bases. There are only three out of eight on which there is any delay in making a definite decision as to location -- three out of eight. One is Trinidad; of course it is a very big island -- quite a number of sites. One is Bermuda, where it is a problem of interfering least with 'American tourists' sleep

and happiness. (Laughter) And the third is the problem of Mayaguana; and as I told the boys the other day -- three of you saw it -- they got there before sundown -- about sundown -- and we tried three separate times to find a place where the anchor could reach down to the bottom and at the same time not have the ship blow ashore; because under the water, at the water's edge, there is a cliff, and if you are just outside the cliff you are over thousands of feet of water -- can't anchor; and if your hook falls on the cliff, under the conditions that fit, it is too close to the shore. So, having tried until dark to find a place to anchor, with a 30-mile wind blowing, I stood off, and we stood off, up and down, all night under way.

That is not a very good place, but, on the other hand, while we looked at a number of other places, we hadn't come to any conclusion, and we are still looking. Maybe we will have to go back to Mayaguana, because Mayaguana has very excellent seaplane landing facilities -- in other words, a lagoon, a shallow lagoon, that seaplanes can land on; but it has not got any anchorage for ships for the island, and we are looking for a better place -- and we haven't found it. When we find it, there won't be any problem with the Bahamas.

Q Could you please furnish the Press with the common spelling of "under way" (under weigh?)?

THE PRESIDENT: It's an old Navy dispute -- nobody knows. (Laughter)

Q Mr. President, would you indicate whether announcement of change of defense setup would be made later in the day?

THE PRESIDENT: Defense what?

Q (The question was repeated.)

THE PRESIDENT: I can't make any promises; I don't know.

Q Mr. President, since you have told us the substance of this letter to Marshal Petain, would you care to release the letter?

THE PRESIDENT: No -- personal letter.

Q Why is Ambassador Leahy going over on a destroyer, Mr. President?

THE PRESIDENT: Well, because his wife is going, and it seems the easiest way of doing it.

Q There would be considerable delay in going over on a merchant ship?

THE PRESIDENT: Yes.

MR. GODWIN: Thank you, Mr. President!

CONFIDENTIAL

Special Press Conference #703-A, [Commission?]
 Called after meeting of Advisory Defense Council,
 Executive Offices of the White House,
 December 20, 1940, 5.00 P.M.

THE PRESIDENT: I think you might as well all come in. It will save you running around to get a little piece here and a little piece there, getting an inaccurate story as a result, which you would otherwise have to do. Am I right, Fred? (Mr. Essary)

Q (Mr. Essary) Do it often.

Q It will also preserve Steve's (Mr. Early's) sleep too.

THE PRESIDENT: That's right.

Well, the story -- let me put it this way: About a month ago it became apparent that we were coming to the end of the study period, and had learned thereby of certain needs. During the past month the various methods of organization to meet those needs have been studied and all manner of suggestions had been received. There were two or three cardinal principles which, of course, are not accepted but are understood -- this is off the record -- by editorial writers who don't know a thing about Government business, but who are perfectly willing to write about it, and one of them is the fact that you cannot, under the Constitution, set up a second President of the United States.

Q Are you back on the record?

THE PRESIDENT: Yes, talking about a principle. In other words, the Constitution states one man is responsible. Now that man can delegate, surely, but in the delegation he does not delegate responsibility away from the ultimate responsibility that rests

on him.

The second principle is that this is a Government of laws as well as of men, and the administrative procedure has to follow as closely as possible the laws of the United States, or ask for changes in the laws -- one or the other. If it is possible to accomplish better organization through existing laws without asking for changes, that's the method of procedure.

The third criterion is the thing that is so often forgotten by amateurs, and that is that in every process of production there are three elements, which in practically no case vest in any one individual's experience.

Let's take, as an illustration, any article: a gun, an aeroplane, an office desk, or a lamp. The three elements are, first, the combination of the buyer and the user. Now, it is very important to turn out articles which are satisfactory for the buyer and the user. In the case of the national defense program the buyer and the user, because it is military and naval, are the two defense departments, the War Department and the Navy Department. That is one element. The other two elements are things we have talked about and written about -- they are nothing new. They are management and labor. Number two is management, and number three, labor.

Into the production of every article there goes those two elements, and as I said before, it is impossible to find any one Czar or Poobah or Akhoond of Swats, who combines all three of those elements in his own person. Therefore, the amateurs who talk about sole responsibility in one man, prove their

ignorance. Nobody ever found that paragon yet, and as I explained the other day, nobody did in the World War either. Fred (Mr. Essary) knows. I always use Fred because Fred and myself are contemporaries. The rest of you are just children.

And, therefore, with those two primary considerations in mind, first, that I had to if I could, operate under existing law and, secondly, find some kind of organization to represent those three elements, I looked around and found what most everybody had forgotten. That was that a couple of years ago, in the first Reorganization Bill, wasn't it, Harold? (addressing Budget Director Harold Smith) -- in the first Reorganization Bill, we provided for providing a father for certain fatherless children. One of them was the Budget Office, as it was called in those days, and it had no father. So, under the Reorganization Bill, we set up in the office of the President of the United States, several offices, one of them the Office of the Budget, with a Director. There was another orphan, the National Resources and Planning Committee, as it was called at that time. ^[Planning Board] It didn't belong to anybody. The Secretary of the Interior was on it but, obviously, it was doing as much work for other departments and agencies as for the Interior Department, so we set up that as an office under the President.

And then there were certain remains of what used to be called the National Emergency Council, which had to be preserved, but it didn't belong in any one existing department of the Government. So we put the Office of Government Reports under the office of the President. What else was there, Harold? (Smith replied he

HCB-8-7-56

could not recall.)

Well, there are the Administrative Assistants, that is another. Then there was a clause called Clause Six, which said -- I can't quote, but in effect, "There is hereby authorized an Office of Emergency Management in the office of the President." But I told Congress at that time that there was no sufficient emergency to set it up. All I wanted was authority to set it up in case at any time in the future we needed it. So, there it is on the statute books, with very broad powers -- real powers. Have you got it there, Harold?

DIRECTOR SMITH: I haven't, Mr. President.

THE PRESIDENT: Never mind, it had very broad powers.

Now, in that Office of ^[FOU] Emergency Management, because of the powers given to it, I can do a number of things. And I am setting up in that authorized Office of Emergency Management a new organization called the Office for Production Management for Defense. You can leave off the two words "for Defense" if you want to. It will be called the "Office for Production Management."

We then come down to the problem of how to simplify and concentrate responsibility. And coming back to the parable of the desk and the gun, or whatever it is that is made for defense, we still have those three elements. And therefore the Office for Production Management will consist of those three elements, divided among four people -- the Director, Mr. Knudsen, and the Associate Director, Mr. Hillman. That gives you the two elements of management and labor, and the third element, which is what I call the buyer and the user, will be the Secretary of War and

the Secretary of the Navy, because the two of them put together are the buyer and the user of all these things that are turned out. You see the point?

So from now on the responsibility for turning out this production and purchasing, and priorities, those are the three important things -- production, purchasing and priorities -- will be in the Office for Production Management.

Q What becomes of the Defense Commission?

THE PRESIDENT: I am coming to that now.

The Defense Commission, the Advisory Commissioners of the Council on National Defense, remain just as they are exactly, because in the case of almost every one of the seven they have a great many functions, each one, which do not directly relate to production management, such as --- well, I will give you some examples.

For example: Stettinius, in his office, is responsible for the coordination of the entire steel production of the United States, of the problem of keeping on hand enough copper at all times, of providing enough wool at all times. Now, when you think of it, the majority of all steel produced goes to civilian and not to defense purposes. The overwhelming bulk of all copper that is used in the United States goes to civilian and not to defense purposes. The same thing is true of wool. The overwhelming majority of all the wool used goes into the clothing of the one hundred and twenty-five million people who are not in uniform.

The same is true in the case of Chester Davis. The great

bulk of all agricultural produce goes into civilian use rather than into Army and Navy use.

The same thing is true of transportation -- Ralph Budd. I suppose when this program gets going at its maximum capacity of production, somewhere between five and ten per cent of the transportation of this country will be defense transportation. The other ninety or ninety-five per cent will be normal civilian transportation.

And so it goes. That is why there is a very definite need for the continuation of the work of these Advisory Commissioners. But they act strictly in accordance with what I have just said. The Advisory Commissioners, seven of them, each one responsible for his own field, the coordination of the civilian life of the nation with this Office of Production Management.

Now, there are three main heads that fall under the Office of Production Management. One is the actual production of more munitions, which would probably either run as one organization -- I mean, as one office, or two offices, or three offices -- with some of the people who are at work at the present time. For instance, it might include Biggers. It might include Stettinius on the production of steel castings, aside from the collection of raw materials, which is a different thing. Anyway, it is separate. It is -- what shall I say? what is the word? I hate the word "Bureau."

Q A Subdivision?

THE PRESIDENT: It is a subdivision under this Office for Production Management, and it might have several bureaus in it.

Then there is Number two -- the office with a Director for defense purchasing, which will be headed, as it is today, by Don Nelson. Then there is the third subdivision, called the Defense Priorities Board, which may shift from time to time in its personnel. But at the present time it would be composed of Mr. Knudsen and Mr. Hillman; and Mr. Henderson on prices, because prices and priorities are intimately related. It would include Mr. Stettinius in that portion of his field which relates to raw materials, and Mr. Nelson, so that there will not be any clash between different articles. It would be run by an Administrator, who would carry out the orders of that Priorities Board. The reason is this -- I will give you some simple examples for the sake of argument:

Suppose the production office wanted to buy some of -- let's go back to the old thing of the desks -- and there was an awful shortage, and at the same time Mr. Nelson in the Defense Purchasing Agency wanted to buy a lot of desks. In view of this shortage there would be a conflict of priorities, and the two of them would take it to this Priorities Board, thresh the thing out, reach a decision and tell the Administrator how those desks were to be delivered.

Now, that is the simplest thing. If you could have seen some of the charts, and suggestions and plans that have been made, you would give me a vote of thanks for having gotten this simple evolution of the program out.

Q Mr. President, do you feel you have ample power under the Emergency Act to create this without going to Congress?

(The President did not have time to answer before the next

question)

Q Mr. President, will this be effective immediately?

THE PRESIDENT: Yes. In other words, this being a Holiday Season, with Christmas coming, it will take a little time to get the wording of the Executive Orders -- it will be done by Executive Order -- and the total length of time to put it into actual effect will be eight, or say, ten days. And they (meaning Orders) will be coming along from time to time.

Q Mr. President, could I ask one question? You mentioned that Management and Labor are co-equal. Will Mr. Knudsen and Mr. Hillman have more or less co-equal positions on this?

THE PRESIDENT: I think it is fair to assume you will get unanimous agreement.

Q Mr. President, in outlining these three subdivisions, you gave us a Director for defense purchasing and the membership of the Defense Priorities Board. Is there an actual Director of the Purchasing Commission?

THE PRESIDENT: That I carefully did not give you the details on. I used the illustration that we might have one office or we might have one office with several bureaus in it. It is a matter of pure detail.

Q Mr. President, when you were describing it you named the Secretaries of War and Navy both. Does that mean they will vote as one, or have two votes?

THE PRESIDENT: No, they will agree. They won't vote. I don't think you will ever find a vote taken.

Q Mr. President, will Mr. Nelson have contract signing powers for the Army and Navy?

THE PRESIDENT: No, you can't do that under the law. He will plan, schedule and coordinate all defense purchases, and clear all contracts prior to execution. But, under the law, they have, those contracts, to be signed by the Army and Navy.

Q Mr. President, is that designed, for example, to do away with conflicts which have arisen when Hillman, for example, did not know that a contract was to be awarded to the Ford Motor Company?

THE PRESIDENT: Look here. (Holding up chart) That is all down on this line. Look at this chart. These three subdivisions -- everything that is done -- goes on up here between Knudsen and Hillman, and the War and Navy. Everything goes up that way.

Q Mr. President, does it seem to you that you have ample personnel at the present time to carry through this program?

THE PRESIDENT: I should say so.

Q Mr. President, will the Commission continue to meet with you every week as it has been?

THE PRESIDENT: I don't know.

Q Will they have headquarters in the White House by any chance?

THE PRESIDENT: No, they will not.

Q Mr. President, do you think there will be a material speeding up of the program as a result of this?

THE PRESIDENT: I didn't say that because the program has been speeding up every twenty-four hours. Therefore, I would not put it that way. You see what I mean? And let me talk off the record to you on one other thing:

The thing we talked over at the meeting just now is the kind of thing you can't print because people would say it was a slam at somebody. Do you realize that sometimes people have to get the country excited? Now, all right. The country needed to get excited. Therefore, I was tickled to death when Bill Knudsen told those people the other day that his airplane program was thirty per cent behind. Behind what? Did you ever think of that? He was trying to impress the United States with the need for speed, the need for pushing this thing. Grand! So I was very much pleased. But what is he behind? Let us analyze.

He was behind an estimate, thirty per cent behind an estimate made back last August. Now, anybody that knows anything about it knows that he could have put it the other way around. If he wanted to, he could have said, "Last August when we didn't know anything about it, our estimate was thirty per cent too high. We estimated thirty per cent higher than the country could have done."

Now, somewhere in there, actually in between the two, is probably -- I don't want to bring good old Bill in -- somewhere in between lies the real truth. And, personally, I think that the estimate of last August was impossible for human beings to have carried out. It was too high. Hold it to a rule of thumb -- let's say it was fifteen per cent too high. Then we ought, if perfect, to have been fifteen per cent better than we have been. But the objective which he had in mind, which was a good one,

was to get the people in this country a bit scared. He let them believe that we were actually thirty per cent behind and that we have to speed up to catch up.

The reason I say "off the record" is that it is so terribly difficult to explain a thing like that in a story or radio speech to anybody else. But a psychological method like this is a very good one.

Q Mr. President, are they very off schedule? What do you expect to get?

THE PRESIDENT: Well, it is the old story. You have heard it before, and I think it started with T. R. He said, "Always ask for twice as much as you expect to get."

Q Mr. President, as this now stacks up, will you be the top?

THE PRESIDENT: No, I am not the top, except constitutionally. The responsibility of that you cannot divest yourself of. It rests in this office of which Knudsen is Director and Hillman Associate Director, and the Secretaries of War and Navy who are the orderers and users, are the other two people.

Q Mr. President, just to what extent can you divest yourself of responsibility?

THE PRESIDENT: I can't, under the Constitution. Because, unfortunately, I took an oath.

Q Mr. President, will this Board have power to make decisions and all that, without referring them to you?

THE PRESIDENT: Yes, sir.

Q Mr. President, you don't have to give the final approval?

THE PRESIDENT: No, no, but believe me, if they make some kind of a

decision which goes wrong and I say that it is contrary to the national interest, I will probably call them in and say, "Here, here, what is this?"

Q Mr. President, will they have power to make long-range policy decisions and do planning on a broad gauge, such as increasing the ratio of planes that we are supplying to Britain?

THE PRESIDENT: No, that is a military question. That is purely a military question. In other words, the policy is definitely outlined. Today we give everything to England that we can possibly spare in the judgment of the military experts.

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CONFIDENTIAL

Press Conference #704,
Executive Offices of the White House
December 27, 1940, 10.45 A.M.

MR. DONALDSON: All in!

THE PRESIDENT: Sorry to be late; it isn't my fault -- it's all the fault
of that clock the Gridiron Widows gave me!

Q What time did you set that clock?

THE PRESIDENT: Oh, early! Call me early, Mother dear! (Laughter)

Q Did you receive an opinion from Mr. Jackson on the seizure of foreign ships?

THE PRESIDENT: No.

Q Mr. President, the Japanese press this morning carries reports that the
United States will withdraw all its shipping from Japanese waters and
also withdraw its consuls from Manchukuo and Japanese-occupied China;
any comment on that?

THE PRESIDENT: No, except that I am interested in the source of it.

Q Mr. President, a Japanese raider blasted out of existence the Nauru Island.

THE PRESIDENT: The what?

Q The Nauru Island, south of the Equator. The report is that the Japanese
raider blasted the island out of existence.

THE PRESIDENT: Probably an earthquake. (Laughter)

Q It had a flag, sir! There was a Japanese flag hoisted on the earthquake!

THE PRESIDENT: That's awfully interesting. That's -- what do you call it?
-- seismological.

Q That is an island with a British mandate that was formerly German. This is
Australian news given out by the Australian press.

THE PRESIDENT: With that long history, but no future history.

Q Who is going to conduct the funeral ceremonies? (Laughter)

Q Mr. President, the suggestion has been made --

THE PRESIDENT: (interposing) This is a very interesting conference; go ahead.

Q The suggestion has been made by several Senators that this Government now take the lead in trying to establish a negotiated peace, or take an active part in such an effort. Have you any comment?

THE PRESIDENT: The easiest way is to say, I have no news on that.

Q Does that imply there is something going on?

THE PRESIDENT: I just said I have no news on that.

Q Will there be some news on that Sunday night?

THE PRESIDENT: I cannot tell; I have only got to Draft No. 2.

Q Mr. President, there were published in the Congressional Record today some letters from Nicholas Murray-Butler to you suggesting the advisability of forming a Department of Insular Possessions, in view of our acquisition of leaseholds. Have you any comment?

THE PRESIDENT: No, I don't think I have any news on that, either.

Q Mr. President, do you have any news on the Reuther plan?

THE PRESIDENT: It is being studied. It was undertaken with the utmost seriousness. It is a question of industrial production that none of us would really know anything about or be able to offer any opinion about until further study, and that study is being given to it; and if we can work out something that will be helpful, it will be a real contribution.

Q That will require plans for the entire industry, won't it?

THE PRESIDENT: That is being done. This is a little different method. It is a question of technical management. If I were -- what do you call them? -- a commentator, I would stop, and just say it was beyond my ken.

MR. GODWIN: If you were a commentator, you would not stop -- I'll tell you that! They never do! (Laughter) To whom did you turn over this plan Murray gave

you for study?

THE PRESIDENT: To the Knudsen crowd. That includes Army and Navy.

Q Mr. President, it is suggested that you may have had something to do with this air truce over Britain and Germany.

THE PRESIDENT: Air what?

Q Truce.

THE PRESIDENT: No, I don't think so.

Q Mr. President, is there anything in regard to the aluminum supply?

THE PRESIDENT: No; again I would not care to comment.

Q Mr. President, when will the Executive Orders be out on the new Production Management?

THE PRESIDENT: They are being worked on at the present time; I don't know when the Budget and other people will have them ready -- in a few days.

Q Mr. President, in your discussion with the Budget, can you give us any tentative figures? I have seen reports you are thinking about \$10,000,000,000.

THE PRESIDENT: I haven't even seen an over-all total; I hope to get it in about five minutes.

Q Do you intend to have a Budget Press Conference?

THE PRESIDENT: O, yes!

Q Do you propose to go to Congress in person, or haven't you thought of that?

THE PRESIDENT: I don't know; I haven't thought of it. Senator Barkley is here, or was here yesterday, and I probably won't take it up until the Speaker gets back. Of course I always fit the time to the convenience of Congress. It may be the 3rd or 4th, or it might be the 6th.

Q You mean for the Budget Message?

THE PRESIDENT: O, no -- the Annual Message. The Budget Message would normally follow along the next day.

Q Have you been in the habit of delivering it the second day?

THE PRESIDENT: Sometimes; last year it was the first day.

Q There is a story that Senator Minton will join your staff, sir.

THE PRESIDENT: I haven't got any news on that.

Q I think this is the first Press Conference since a German official spokesman in Berlin declared that the seizure of foreign-flag ships in American waters would be a "warlike" act and spoke of our foreign policy as one of "pinpricks".

THE PRESIDENT: We haven't got any "official spokesman".

Q When do you think you will be finished with your speech for Sunday night?

THE PRESIDENT: As you know, Steve (Mr. Early) will ask for it about 1 o'clock; and I will get it to him as soon as I can. The way it is going, it is pretty difficult to put two hours of what I want to say into half an hour. I doubt very much if Steve will have it before 4 or 5 o'clock in the afternoon.

MR. EARLY: 5 or 6.

Q Have you thought about the First Circuit judgeship assignment? It has been empty a long time.

THE PRESIDENT: No.

Q How about the Governor of Puerto Rico and Virgin Islands?

THE PRESIDENT: Not ready quite yet.

Q Wouldn't this be -- this being a dull day -- a good time to tell us what you are going to talk about Sunday night?

THE PRESIDENT: I have only got to Draft No. 2; Draft No. 7 or 8 may be very different.

Q Has Secretary Stimson submitted his resignation?

THE PRESIDENT: No, of course not.

Q Do you have any comment on the letter you received yesterday from the 170 prominent people?

THE PRESIDENT: No.

Q About that story on withdrawing all shipping from Japan, you said you would like to hear the source of it.

THE PRESIDENT: I have never heard of it before.

Q Senator Thomas said that we are negotiating for bases covering the western entrance to the Canal.

THE PRESIDENT: It's remarkable what people will say!

MR. GODWIN: Thank you, Mr. President!

Q One more question, Mr. President; Have you made up your mind about the London Ambassadorship?

THE PRESIDENT: No, not yet.

MR. GODWIN: Thank you, Mr. President!

CONFIDENTIAL

Press Conference #705,
Executive Offices of the White House,
December 31, 1940, 4.10 P.M.

THE PRESIDENT: Where's the fat boy?

Q He's resting up for New Year's Eve! (Laughter)

THE PRESIDENT: Probably made a mistake in his calendar and thought it was yesterday! (More laughter) Really, isn't Earl here?

Q No.

THE PRESIDENT: May (May Craig), you sit down there.

MAY CRAIG: Think I should?

THE PRESIDENT: Sit down there. (She did so.)

MR. DONALDSON: All in.

THE PRESIDENT: I suggested it was safer for my health to have the windows open behind me so that the draft would blow from me to you rather than from you to me.

Q It's a little early, Mr. President! (Laughter)

THE PRESIDENT: So many people have colds around these parts; the White House is no exception -- a lot of colds around here.

I don't think I've got anything -- not today.

Q Mr. President, do you have any comment or any reaction to the statement in Mr. Hitler's order of the day to the German armies in which he mentioned democracies?

THE PRESIDENT: Haven't heard of it.

Q Had you seen any of the reaction to your speech in Germany?

THE PRESIDENT: Oh, yes, this morning's paper.

Q Mr. President, the press in Germany this afternoon charges that your speech was filled with notorious untruths; it was stale, spiteful, and filled

with monumental untruths. (Laughter) I think they are questioning your veracity. (More laughter) Would you like to comment?

THE PRESIDENT: I don't think so.

Q Can you comment on the statement yesterday of Verne Marshall about the peace proposal that was said to have been brought to you by W. R. Davis?

THE PRESIDENT: I don't think so, any more than what the State Department said.

Q Do you plan any conversations now with the Irish Legation here looking toward cooperation on those ports?

THE PRESIDENT: No.

Q I was talking about some remarks in your speech that Ireland was in danger. Anything further on that?

THE PRESIDENT: No.

Q Can you say anything about whether or not the Production Management will give any increased authority to those people of the Defense Commission on the question of decentralization?

THE PRESIDENT: No. That is a terribly general question; can you give me a specific case?

Q Will Mr. Davis, for example, have any more authority to plan for decentralization of plants?

THE PRESIDENT: What Mr. Davis?

Q Mr. Chester Davis.

THE PRESIDENT: No, that would have to be taken up with the whole Advisory Committee. Two of the members of the new Office of Production Management are members of the Advisory ^[Commission] Committee.

Q There have been some reports, Mr. President, that they have not been able to get their ideas on decentralization across because they lacked authority.

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THE PRESIDENT: Authority?

Q Lacked authority to get it across to their own members.

THE PRESIDENT: That's nutty; it doesn't make sense. (Laughter)

Q Mr. President, in your speech Sunday night you spoke of the fact that this country has no intention of sending an expeditionary force outside our borders. Some newspapers and some Members of Congress have made the claim that they thought you should have been more specific and mentioned the individual armed forces. They thought not mentioning the Navy, for example; there still was a possibility that we might send a naval force. Would you care to comment on that?

THE PRESIDENT: Only this: I read all kinds of things in the paper that I personally had never thought of in my life. I find interpretations galore in the Press and in the Congress that just hit me between the eyes because I had never thought of them.

Q Some of those interpretations in Mr. Wheeler's speech last night, Mr. President?

THE PRESIDENT: I don't know; I didn't get a chance to read it.

Q Referring back to the Defense Program for a moment, there have been a lot of labor protests over the last Ford contract.

THE PRESIDENT: I think that is a matter under discussion up there at the present time. I don't think there is any news on it. I do know that it is under investigation and study and discussion and everything else up there in the Office of Production Management and in the Office of the Advisory Commission Council and in the Labor Department and Wages and Hours and NLRB and I think a lot of other places.

Q What are your views on that, Mr. President, not necessarily the Ford Company defense contracts but in general?

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THE PRESIDENT: When you ask me that, it is a little bit as if you had asked me, as some people did back at the time of the Flint sit-down strike, whether it was legal. Well, now, to have answered that question that day would have been very bad governing of the United States, because the objective was to end that strike without bloodshed. Of course it was illegal -- everybody knew that. It was a question that should not have been asked at that time, because we had a much higher objective in mind than to pass on the legality of it; we had in mind the objective of getting the people out of the factory without bloodshed and without calling out the troops. I suppose that is the best illustration I can give.

Q Mr. President, do you have any comments to make on your conference with Mr. Berle today on the St. Lawrence Waterway?

THE PRESIDENT: No. They are getting, I think, to the point where they have a substantial agreement in mind between the United States and Canada, and the next step is to talk with various leaders on the Hill in regard to it.

Q Would you discuss the question whether it would be a treaty or legislative action?

THE PRESIDENT: That is one of the questions involved.

Q They are taking that up?

THE PRESIDENT: Yes.

Q Mr. President, do you have any comment to make on the suggestions made in some sources -- notably, Al Smith, for example -- that these various organizations such as the William Allen White Committee ought to "pipe down" and let the Government run the foreign policy?

THE PRESIDENT: Sometimes I have that idea, and sometimes I'm "agin" it, de-

pending on which way those organizations are tending. (Laughter)

Q Mr. President, have you had any recent conversations or conferences which would lead you to expect any imminent changes in the personnel of the Defense Commission?

THE PRESIDENT: No.

Q Mr. President, have you made up your mind whom you are going to send to Puerto Rico as Governor?

THE PRESIDENT: I think that will go up tomorrow.

MR. EARLY: Not tomorrow.

THE PRESIDENT: The first day.

Q Mr. President, you sent a message to the King of Italy and -- which wishes the Italian people peace next year; would it be permissible to draw a distinction between Mr. Mussolini and the Italian people?

THE PRESIDENT: You started to say, the King of Italy and the Queen of Italy! (Laughter) No, those messages between heads of peoples are drawn up between the foreign offices; nobody should read anything into that type of New Year greeting.

Q Mr. President, is there any further policy on the lend-lease plan that you can tell us?

THE PRESIDENT: No, there wouldn't be very much on that. You know the plan; you know the situation. A plan of that kind, after all, requires fairly general language, because, for example, it can't all be in the details; it can't be covered by complete legislative detail. I will give you a very simple example: If we were to send three anti-aircraft guns over to England and one of them was put up on the west coast of Scotland, and never was fired -- put up as part of their anti-aircraft defenses and never was fired but was kept in good order; well, obviously,

the gun would come back -- the actual gun. All right, take No. 2 gun that was fired a good many times but was still all right except that it needed relining; if it was relined it would be just as good as before, and before it was returned to us, somebody relined it over there. And your third gun happened to have a bomb dropped right square on top of it and it was bent all to pieces and could not be returned and could not be repaired and could not be put in shape; then they would have to give another gun in place of it. That is what I call detail. The objective is to get a gun back for each of those.

Q My question was directed specifically to the nature of legislation, if legislation will be necessary.

THE PRESIDENT: Well, if you have any ideas on it, it will be very helpful, because what I want to do is to get legislation in such language that we get three guns back. You see the point? We don't know whether it would be the same gun in the first place, or the second gun relined, or a completely new, different gun in the third place. I would like to have somebody put that in language for me.

Q Does that have to be a gun, or could it be tin or rubber or something else?

THE PRESIDENT: That depends; it might be tin or rubber; in other words, a replacement that could be decided on by two friendly nations.

Q Mr. President, could it be islands off the Atlantic coast?

THE PRESIDENT: Oh, no, no, no! That's silly.

Q Mr. President, are you making any New Year resolutions?

THE PRESIDENT: I will make the usual one -- make a resolution to try to be on time at Press Conferences -- and it never works! (Laughter)

Q Is that the only one?

THE PRESIDENT: The only ones I know of that are serious.

Q Mr. President, can you tell us, do you have an approximate date on which your lend-lease plan will go into effect?

THE PRESIDENT: Whenever Congress acts on it.

Q Do you have an idea when the British will be running out of cash?

THE PRESIDENT: No, no, no. I would not worry an awful lot about that. In other words, they are not going to be solvent next Monday and insolvent the week after.

MAY CRAIG: Thank you, Mr. President!

THE PRESIDENT: All right, May! Happy New Year to you all!

Q (Many voices) Happy New Year to you!