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On the Ambassador's instructions I spoke, soon after 10 o'clock this morning, to Mr. Stephen Early at the White House, who told me in confidence that the President was then in conference with a number of officials and members of the Administration in regard to the question of destroyers, naval bases etc; that efforts were being made in New York through the special committee of the William Allen White Committee which has been working on this subject (Mr. Herbert Agar etc.) to "educate the press"; that, although he (Mr. Early) would not be seeing the President before his press conference at 10.30 he very much doubted whether he would make any positive statement on the subject to-day; but that it was quite possible that matters would have progressed far enough for a positive statement to be made tomorrow.

Mr. Early entirely approved our attitude of advising London to continue to refuse to make any statement until we had some indication here of the line which the President considered to be tactically the wisest; and he promised to let me know as soon as he had any indication of such a definite line being taken.

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The Columbia Radio news commentator this morning said that authoritative sources in London confirmed the idea of some sort of a deal in regard to destroyers and air or naval bases; but that they repudiated any idea of a transfer of territory. Mr. Oliver of Reuters tells me that the only actual message he has seen is the following United Press message dated London yesterday:-

"Authoritative sources indicate that 'unofficial conferences' have taken place in London and Washington concerning the leasing of air and naval bases on British West Indian islands by the United States".

Since the foregoing was written I have spoken to Mr. Dudley of the B.L.I. in New York who tells me that the latest edition of the New York Times, which must have gone to press about 4 o'clock this morning, contains the following story, without a "date line":-

"Prime Minister Churchill has communicated directly to President Roosevelt a proposal that the United States deliver 50 or more over age destroyers to the British in exchange for this country's choice of naval bases in British possessions in the Western Hemisphere, according to well authenticated advices from London received last night in New York.

The President is considering the proposal with a view to presenting it to Congress, it is understood. Under the proposal, the United States would have its choice of bases in possessions from Newfoundland down to Jamaica and Trinidad and even to British Guiana. These bases, Mr.

Churchill is understood to have informed Mr. Roosevelt, can be arranged on a 99 year lease with the physical details agreed upon by naval experts of the two nations after survey.

On the British side of the exchange, Mr. Churchill is said to have asked for the delivery of the destroyers as soon as possible.

The Prime Minister is understood to have made no proposal regarding the units of the British Fleet which would complement the American Fleet for the subtraction of these destroyers. But it was recalled that in his speech before the House of Commons on June 4th Mr. Churchill said that the British Fleet would resist the Germans to the end and in the event of defeat such units as might survive would continue to defend the Empire.

This was taken to mean in Washington that a number of capital ships in that event would be passed on to Canada and the British possessions in the Western hemisphere and would therefore automatically serve as accessories to the United States navy should this nation come in conflict with Germany.

The proposal does not contemplate the transfer of any islands or other possession to American sovereignty."

If this is the "education of the press" to which Mr. Early referred, the White House seems to be playing a rather peculiar game.

M.H.H.  
August 16th, 1940