

CONFIDENTIAL
Press Conference #372
White House Executive Offices,
June 8th, 1937 - 4.10 P.M.

THE PRESIDENT: I think that the only news is that I am sending up to the Speaker of the House a supplemental estimate of appropriation to the United States Maritime Commission for ten million dollars. And, in addition thereto, an authorization to contract for additional ~~construction~~ amounting to one hundred and fifty million dollars.

The reason for this is very simple: If we are going to have a Merchant Marine, we have got to buy a Merchant Marine.

Q Sir, was that last figure one hundred and fifty million dollars?

THE PRESIDENT: Yes, one hundred and fifty million dollars. Joe Kennedy will give you the details of this program. It is caused largely by the fact that we have not been building any ships and we are in a bad way. Except for oil tankers, there is not a single sea-going vessel of the passenger or combination or general cargo-carrying type under construction in an American ship-yard today and, for the fifteenth consecutive year not a single sea-going ship of the general cargo-carrying type has been built in an American ship-yard for foreign trade.

Q How many years was that, Mr. President?

THE PRESIDENT: The fifteenth consecutive year. This is approved by the Maritime Commission and the Budget Office and it is going up today.

Q Does that program take into consideration where those ships are going to be built?

THE PRESIDENT: In the United States.

Q I mean from the point of view of the capacity of ship-yards.

THE PRESIDENT: No. I suppose they will be built wherever they can be built properly.

Q What is the immediate ten million dollars for?

THE PRESIDENT: To start the program.

Q Is any part of this sum to be used as operating subsidies?

THE PRESIDENT: No, all ship-building.

Q Including that ten million dollars outright, sir?

THE PRESIDENT: Yes. It is part of what is called the construction fund for the U. S. Maritime Commission as of June 29, 1936, revolving fund.

Q Mr. President, does this show how many ships should be started under this program?

THE PRESIDENT: No. You will have to get those details from Joe. I have not got it here.

Q Do you know under what terms this money is spent?

THE PRESIDENT: You will have to get that from Joe.

Q Can we discuss with you the possibility of private financing for the twenty-five per cent that is necessary to build this program?

THE PRESIDENT: No. I suppose they are going to get it, otherwise the thing won't go ahead under the law.

Q There was some question as to whether they could finance it.

THE PRESIDENT: I assume he would not ask for the money unless he thought that the private financing could be arranged.

Q Does this include money for ships to succeed the Leviathan?

THE PRESIDENT: I don't know. I think that has already been provided for but I am not sure.

Q You said, "If we are to have a Merchant Marine we must buy a Merchant Marine." Are those the words you used?

THE PRESIDENT: Yes. In other words, putting up the money to build it, which is the same thing.

Q Is there any estimate of how much of this money would be spent in the next fiscal year?

THE PRESIDENT: No.

Q Mr. President, is this needed also as a naval auxiliary?

THE PRESIDENT: Well, they all become naval auxiliaries in case of war.

Q Mr. President, some of our columnists are becoming quite agitated about the fact that certain Federal employees will have to pay income taxes and others do not, etc. Is there anything you can say about that?

THE PRESIDENT: It is a perfectly simple thing. I have always advocated that employees of any Government agency should pay income taxes just like any other citizen. I always advocated that, but it seems to be a question of what they call constitutional law as to whether a State can tax a Federal salary or whether the Federal Government can tax a State salary. If it can be done by legislation in the States and in the Congress of the United States, that would be fine, but it is a great question as to whether it would be unconstitutional and I don't know.

Q The Constitution might be amended. (Laughter)

THE PRESIDENT: How soon? (Laughter)

Q Proposals have been made. It would mean quite a bit of money raised that way.

THE PRESIDENT: Maybe the States would ratify it and maybe they would not, I don't know.

Q There is another related subject: What about tax-exempt securities?

THE PRESIDENT: I've always felt the same thing about tax-exempt securities. I don't think there ought to be any. There again, I would say that you have to get a constitutional amendment for it. How long it would take to ratify that, the Lord only knows.

Q But not for Federal securities?

THE PRESIDENT: For all securities. All Government securities. As a matter of fact, you know the Federal bond issues for the last few years have not been exempt as to income or inheritance taxes.

Q The State cannot tax those anyway. The State income tax cannot apply to those - I mean those bond issues you are talking about.

THE PRESIDENT: That is another part of the problem.

Q Has the Treasury made any effort to determine the net loss through the issuance of tax-exempt bonds?

THE PRESIDENT: I imagine they have figures and that they are very large.

Q That would be offset somewhat by the increased interest rate on that?

THE PRESIDENT: Yes.

Q. Mr. President, can you say who is going to be the new Assistant Secretary of State?

THE PRESIDENT: No, I do not know yet.

Q How about the new Assistant Secretary of War, Mr. President?

THE PRESIDENT: I don't know yet, or the new Park Commissioner, or lots of other things. (Laughter)

Q Any comment on the resolution introduced in Congress yesterday to investigate the interference with mail in the strike area?

THE PRESIDENT: No. The only thing I know about it is that I read the debate in the record this morning. Senator Barkley and Senator Vandenberg and Senator Robinson all took part.

Q. Have you any comment on the report that Jim Dooling is trying to get New Deal support for Senator Copeland for Mayor of New York? (Laughter)

THE PRESIDENT: I suppose the proper answer on that is that it is purely a local matter. (Laughter) Which is, perhaps, more wicked than it sounds.

Q Mr. President, Senator Borah said that your wages and hours and child labor bill might well be amended to include an anti-monopoly law. Would you favor any such amendment as that?

THE PRESIDENT: I suppose it might be but you know I am always a little bit suspicious of any suggestions to make the passage of the law through Congress more complicated.

Q Mr. President, yesterday you sent this request from the striking steel workers to the Labor Board. After consideration they decided that they did not have jurisdiction to intervene in the steel strike. I wonder if you see any other possibilities of Federal intervention?

THE PRESIDENT: I have not had any report back from them. I don't know. Nor have I had any report from the Labor Department.

Q Mr. President, Mr. J. P. Morgan does not seem to agree with you as to income tax law evasion. Can you say anything on that?

THE PRESIDENT: Bob, I can tell you something off the record on that. A good friend of ours came in today and wanted to know how much Charley Michelson had paid Jack Morgan to make the statement. That is off the record, though. (Laughter)

MR. MICHELSON: And I refused to answer.

THE PRESIDENT: And Charley refused to answer.

Q Has any compromise been worked out on the Wagner Housing Bill?

THE PRESIDENT: Not yet. They are still striving manfully.

Q They are still hoping for it?

THE PRESIDENT: On the housing situation, I can talk for a second and give you some background on it. The problem seems to be this: Of course, we do want to start housing and we know one simple fact and that is that you cannot clear slums and get a return on your money to the extent of 100% of what you spent. You cannot do that and at the same time provide housing for the lowest income group. It just cannot be done. Like every other nation of the world - every other community where they have undertaken the problem, in order to secure low enough rents for the lowest income group, you have got to make a gift of some kind through a Government agency. Such gift would come either through the Federal Government or the State Government or the local government and would be a gift of money or a gift of labor or a gift of tax-remission or all three combined. It seems to be, of course, varying in different com-

munities but, on the average, both in Europe and here, somebody has to provide about 40% as a gift towards the project where it is to benefit the lowest income group. In other words, they will only return a low percentage of interest and amortization on about **six** per cent of the cost. Now, as I say, that varies slightly down to 50% or up to 65 or 70% depending on the community.

So, there are the two theories, one the original suggestion in the Wagner Bill that that contribution should be in the form of an annual subsidy over a very long period of years - as high, as I remember it, as sixty years - obligating governments of various kinds such as State and Federal and local, for that length of time ahead. The money would be used to reduce the rentals and bring **them** within the low income group. Under that method we probably would get more slums cleared away. There would be a larger building operation than under the other method.

The other method does not obligate governments over a long period of years ahead but makes a gift - a donation - to the extent of approximately, say, 40%. Again that is a combination of Federal, State and municipal. On that basis private capital can be borrowed for the other 60% with or without some kind of guarantee, like the Federal Housing Act, and pay itself out.

In that case, you do not get as much housing but, on the other hand, you do not obligate the nation or the State or the locality for a great many years ahead. It is more on the "pay as you go" principle.

They are trying now to reconcile those two theories and so far they have not been able to do it, but we are very anxious to get them reconciled in some way and get some legislation through this session.

That is about the long and short of it without details.

Q Which method do you prefer, Mr. President?

THE PRESIDENT: I don't think we ought to obligate this Government or any other government for a six-year period ahead. But, on the other hand, there may be some kind of a slight compromise that could be made in order to work this thing out.

Q How much of the money for the merchant marine comes back, Mr. President?

THE PRESIDENT: You will have to ask Joe Kennedy. I don't know. I am not up on that.

Q Have you determined how much you can afford in this year's budget for housing?

THE PRESIDENT: I think the first thing to do is to work out the principle.

Q Has your supplemental estimate gone up to the Hill as yet?

THE PRESIDENT: I have just signed it and it is going right up.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL**Press Conference #373****Executive Offices of the White House****June 11, 1937, 10.35 AM**

THE PRESIDENT: I don't think there is any news at all this morning. I am going over to Annapolis late this afternoon or this evening and get on board the boat and I will get back late Sunday afternoon or Sunday evening.

Q Are you going to try out Jimmie's sailboat?

THE PRESIDENT: I don't believe so, but I may. You never can tell.

Q In view of Senator Lewis' address to the American Medical Association, have you any legislation in mind with respect to Federalized medicine?

THE PRESIDENT: No.

Q Did you see the address before it was made?

THE PRESIDENT: I only saw the headlines and I cannot comment on it.

Q Getting back to your Annapolis visit, can you tell us who will be in your party?

THE PRESIDENT: The Attorney General, the Secretary of Agriculture and Mrs. Wallace, Jimmie and Miss LeHand.

Q Mr. President, is there any decision likely soon on the

gun calibres of new battleships, for their main batteries?

THE PRESIDENT: I think we have to make a decision within the next two or three weeks.

Q Mr. President, can you tell us what you expect to take up with the Japanese Economic Mission?

THE PRESIDENT: I think it is just to say, "How do you do." I do not think there is any agenda.

Q Have you seen the Connally hot oil extension bill, or has it come in yet?

THE PRESIDENT: I don't think it has come in yet.

Q Mr. President, there is a local commutation matter before you with respect to the life of a person. (Thomas Jordan) Have you disposed of that matter?

THE PRESIDENT: It has not come in yet. I think it will be in today by noon.

MR. McINTYRE: It has not been received here as yet.

Q Mr. Doughton yesterday told the House that he hoped to bring in a bill affecting the corporate surplus taxes. Is that part of your legislative program?

THE PRESIDENT: I have not seen his statement and I cannot comment on it.

Q On that medical matter, did you give Senator Lewis any particular message to take to that convention?

THE PRESIDENT: I cannot comment on it because I have not read it at all.

Q Have you anything to say about violence in the labor disputes?

THE PRESIDENT: Nothing this morning.

Q Mr. President, can you tell us what you conferred about with Dr. Gruening and Governor Winship the last two days?

THE PRESIDENT: On all kinds of things relating to Puerto Rico -- everything.

Q Have you received a telegram from Arthur Garfield Hays, asking for a conference with you on his Committee's report?

THE PRESIDENT: Not that I know of. Have you seen anything, Mr. McIntyre?

MR. McINTYRE: I don't think so but I will check up on it.

Q Mr. President, do you recall the visit of Commissioner Allen yesterday?

THE PRESIDENT: Yes. (Laughter)

Q Was there any news in that?

THE PRESIDENT: The only news was that we are arranging the program for the Boy Scouts' Jamboree.

Q What did you do about it? (Laughter)

THE PRESIDENT: Well, there is going to be a parade, and there is going to be a ball game and quite a number of things. It is quite a long program -- takes about a week.

Q They were hoping you would arrange for the reception of the boys following the parade.

THE PRESIDENT: I don't think there is any reception planned. It is just a parade and I will probably drive around the camp.

Q Mr. President, may we look for an announcement on the vacancies in the Interstate Commerce Commission?

THE PRESIDENT: Pretty soon, I think.

Q Commissioners Eastman and Tate?

THE PRESIDENT: I think pretty soon.

Q How about the Communications Commission?

THE PRESIDENT: The same thing.

Q How about the Supreme Court? (Laughter)

THE PRESIDENT: Don't pin me down too much. These nominations will come along in due course -- all kinds.

Q Normal granary legislation has not appeared on any list of desired legislation. May we take that to mean --

THE PRESIDENT: I very much hope it will go through.

Q You still hope it will go through?

THE PRESIDENT: Very much, yes.

Q Does that mean we can add that to the list of desired legislation?

THE PRESIDENT: There are lots of things desired. (Laughter)

Q Do you want the Wagner Housing Bill to pass this session?

THE PRESIDENT: Yes, very much.

Q How long do you think this session is going to last?

(Laughter)

MR. YOUNG: Thank you, Mr. President.

THE PRESIDENT: Russ, you ought to say, "Thank you for nothing."

(Laughter)

CONFIDENTIAL

Press Conference #374

Executive Offices of the White House,
June 15th, 1937 - 4.05 P.M.

THE PRESIDENT: Steve, have I got any news - I don't think I have.

Q How are you going to answer the Judiciary Committee report?

THE PRESIDENT: In the first place, I haven't read it. I am taking it down with about ten or twelve other reports to read on Sunday. The second place is that the only thing I am hoping to get and hoping for is a vote; the sooner the better. The country wants it too.

Q Do you expect to get any sugar legislation? (Laughter)

THE PRESIDENT: Is that a related question?

Q There is something back of it.

THE PRESIDENT: From all I hear on sugar legislation, I don't think there will be any legislation until these lobbies get out of town. I think Congress might find it perfectly possible to pass sugar legislation then. It is the most pernicious of all lobbies since any of you people in the room have been alive. As soon as they remove themselves from the scene there will be

some hope then.

Q Do you have any hope of getting them out of town?

THE PRESIDENT: I wish they would go.

Q Can you identify those lobbies?

THE PRESIDENT: Oh, you know them better than I do.

Q There are so many angles.

Q Mr. President, what is their line of operation?

THE PRESIDENT: They are being pernicious.

Q In what way?

THE PRESIDENT: Oh, just being pernickity.

Q Any action contemplated in the steel strike - by you?

THE PRESIDENT: I think there is action going on all the time.

Q Oh, there is plenty of action.

THE PRESIDENT: Of course, we are all hopeful that it is going to straighten out.

Q You have not received word from there asking you to --

THE PRESIDENT: I asked Miss Perkins if there was any news at all when she left here about a half hour ago and she said there was none. However, she is in touch.

Q Have you any comment to make regarding the charges by the Republic Steel Corporation that the Post Office

Department has permitted steel strikers --

THE PRESIDENT: No.

Q Have you anything further on the tax avoidance investigation?

THE PRESIDENT: No; I think they are going to begin the hearings on Thursday.

Q Senator Harrison indicated today that there had already been some response by way of offers to settle.

THE PRESIDENT: I don't know; I haven't heard of any.

Q Would you care to comment on the discussion that the refusal of the Republic Steel Corporation to sign the contract is a violation of the labor law?

THE PRESIDENT: I don't know enough to be able to answer categorically, except one very simple fact quite outside of the language of the law. I think common sense dictates that if a fellow is willing to make an agreement verbally, why shouldn't he put his name to it? Now, that is just plain common sense and not a law.

Q Mr. President, any progress on the Communications Commission or the I. C. C. appointments?

THE PRESIDENT: No; I got an Assistant Secretary of War for you yesterday.

Q You remarked just now that what you most wanted in the matter of the Court was a vote.

THE PRESIDENT: Yes.

Q Can you say whether it would be a vote on the original bill or the modified bill?

THE PRESIDENT: A vote in the Senate. In other words, not a filibuster. I don't think the country wants a filibuster. I think they want a vote.

Q The national debt is destined to go above the thirty-six billion dollar mark before the end of the fiscal year or by the end of the fiscal year. Do you believe that that will be the peak and that the leveling off process ought to go on after that?

THE PRESIDENT: It ought to. You are talking about the gross debt and not the net debt?

Q Yes, sir.

THE PRESIDENT: Be sure you use the word "gross" in front of the word "debt". They are very different things.

Q Can you give us anything about the Byrnes Amendment insisting that cities pay forty per cent of W.P.A. projects?

THE PRESIDENT: I can undertake to give you a little

background on it, if you want. It is background that relates to two phases. The first phase relates to the fact that no two communities are in the same position, either on their need for relief or the ability to provide relief. Each is a case by itself. A rule of thumb for forty per cent might work all right in perhaps the majority of cases. But, if it is made a hard and fast rule, there are going to be a great many cases where hardship will result. The other phase of it relates to the method proposed for avoiding the hardship. We can say to such community and State, "If you will take the pauper's oath and come down to Washington, the President of the United States is hereby constituted a Moody's Manual." You all know what Moody's Manual is, only the President has to do something that Moody's Manual does not do. Moody's Manual is a credit rating. The President, under this proposal, is asked not to give information but to find facts. Now, you cannot find facts about any community. Whatever is found is a matter of opinion. Necessarily, the President, under this proposal, is asked to appoint a Commission or an Inspector or an Investigator

to give him an opinion as to whether the community ought to have a higher city tax or a county tax or whether the community is really unable to provide the forty per cent.

It seems to me that that is pretty tough, not only on the President, but on the communities of the United States. I think it asks the Federal Government to make findings of fact about local governments which never were contemplated either by the Constitution or by any history of the past.

I don't want to be put in a position of having to say that Community A is sufficiently solvent to increase their taxes and that I hereby suggest to the Mayor and Common Council that they should increase the taxes, or to say that Community B is busted and I hereby give them a certificate of bankruptcy -- of pauperism. It just isn't done. So much for background.

Q Do you favor the proposal of Senators Hatch and Murray for a Commission to be appointed to investigate the whole relief problem, with the idea of drafting a permanent program for relief?

THE PRESIDENT: I would just as soon see a program like that

go through. As a matter of fact, whether or not the program does go through, there will be a report along that line anyway. For example, that was the subject of our discussion this afternoon.

We were trying to get to a point where we could see the forest and not the trees. In other words, relief is a very small component part of a much bigger question in the United States. We were analyzing today, and will continue to do so, the needs of the nation. We are doing it from a good many different angles. We are taking up, for example, the number of families in this country in different areas - city, suburban, farm, north and south and west - where the family income is such that the standard of living is so far below any decent standard that we ought to do something about it. Well, the figures are pretty appalling and my statement, made on several occasions, about one-third of the population being ill-housed, ill-nourished and ill-clad, is apparently substantiated.

When one-third of the nation hasn't got any buying power, therefore it ought to be to the interest

of every business man to try to help that one-third of the country to get buying power. It is going to increase the wealth of the country if we can get that buying power for them.

Now, as to unemployment relief, whether it be for those who cannot work - the unemployables - or for the employables, the more we attack the basic problem of getting a better standard of living for the one-third at the bottom, the quicker we will get rid of relief. It will even bite into the care of the unemployable because there will be some member of the family who will be able to take care of him.

It goes into all kinds of relief questions and that is why I say we have been looking at the whole situation. Incidentally, as far as we have gone, the picture shows that if we continue along a big, broad, national plan - and I am talking to you perfectly frankly about what we are driving at and the great majority of you in the room will be able to understand - there are very few of you who won't understand and a few who don't want to understand, but the great majority will be able to and want to --

what we are trying to do is to build up national income with special reference to increasing the share of the national income of those lowest one-third, otherwise we will always have them with us and always have relief with us. If we can increase the share of the national income of this one-third, while at the same time increasing the total of the national income, we automatically balance the Federal budget. Because this whole thing can be done, as far as we can see at the present time, with a tax standard. I don't mean the individual forms of taxation but a tax standard which will bring in substantially the same number of dollars in relation to the national income as it brings in at the present time. It means not only a balanced budget, it means taking care of and improving the lot of this lowest one-third. It also means, in all probability, a sufficient balance in the national Treasury to start paying down on the debt.

The whole thing proves up. It is not just guesswork. I think probably some time this summer or this fall I will make a fireside talk or talk to you people about some more of the details of this objective, but

it is going along awfully well.

Q With whom, sir, are you discussing this matter?

THE PRESIDENT: With this study group that I have in from time to time. The list is out in the Press Room and the names differ with the subjects that we discuss. We have talked about agriculture, relief and quite a number of other subjects.

Q The estimate for 1937 national income is somewhere about seventy billion dollars based on the sixty-three billion dollars of this year. Do you set any goal that would take care of this one-third? Is it hundred billion?

THE PRESIDENT: There you go; it is awfully difficult to put it that way. In other words, if we set a goal for a hundred billion and we fall short on it, we are going to be called crazy for taking that figure and not meeting it. In other words, in effect, what we are doing is working on the assumption that the general national program is going to continue and that, if it continues, national income as a whole will not fall off. Now, it may go up at the rate of ten per cent a year, or it may go up at the rate of

two per cent a year on the question of speed, but in any case we will be able to reach the desired result - in one case more quickly if it is ten per cent and in the other case more slowly if it is two per cent.

Q Have these studies reached a point where any additional Federal action may be needed? You talk of continuing the general national program as it is now?

THE PRESIDENT: No; no new action in the sense of taking a line that has not been taken before. The only new action would be in the sense of amending what we have already started. Well, just to take a simple illustration: Dependent children. Query: Is the present rate of ten dollars a month high enough? Now, we might want to add to that. Then, the question of the wages and hours bill. Child labor. It is on the assumption that legislation of that kind will be passed. Now, of course, that is not new legislation because it carries out a principle of policy that was started in 1933. It got kicked in the eye and now we are reviving it. There are all sorts of factors. I have to talk generally what people, in writing, -- what do you call that kind of story?

Q Dope?

THE PRESIDENT: No, I mean the factual stories. It is awfully hard for them to get it in. The matter of expenditures for relief, for example, is intimately tied up with the operation of the Unemployment Insurance Act. It is actually tied up with it. It is intimately tied up with the problem of Old Age Security. For instance, some of the figures today show that four per cent - oh, this is rough - four per cent of the population a few years ago, in 1929, were over sixty-five; today over five per cent are over sixty-five. In a very few years, eight per cent will be over sixty-five and if the present maturity tables continue to show up as favorably as they are doing, in the same proportion, before most of us are dead, there will be fifteen per cent of the population over sixty-five years old. Now, all of that is very, very helpful on the problem of taking care of the older people who cannot get work through an insurance plan, an insurance plan that pays for itself.

Q Does the same thing apply to re-employment? Are you speaking of that as applying to unemployment insurance

and social security, tying that in with relief also?

THE PRESIDENT: Yes. For instance, the figures today show that we have very, very definite knowledge of certain things. The Employment Bureau has six million people, without duplication, on its rolls. They are people who are looking for jobs. That is a perfectly definite figure. Now, the total number of people on relief in the United States, that is to say Federal, State and local, has gone down in the past year from five million one or two hundred thousand to three million seven hundred thousand. That includes all the unemployables. We have all of those figures. We know all of those facts.

Q Mr. President, a few days ago you spoke about having Congress close the loopholes in the income tax law. We wonder if you have anything to say about Congress making a new loophole for themselves to slide through on the District tax.

THE PRESIDENT: I got dizzy reading about the District taxes about a month ago and I quit.

Q Were they too high? (Laughter) What made you dizzy?

THE PRESIDENT: All the proposals. They had the wildest

proposals I have ever seen, but there were some very good ones.

Q What were the good ones?

THE PRESIDENT: The income and inheritance. Why should we escape them in the District?

Q Is the sales tax all right?

THE PRESIDENT: You know I have never liked the sales tax - nationally. About it locally, I don't know.

Q Does the increase in real estate taxes in the District suit you?

THE PRESIDENT: I don't know; all I do know is that the rents are darned high, and so do we all.

Q On that income tax, do you want that to apply to Senators and Congressmen?

THE PRESIDENT: Do they pay in their own States?

Q No; they pay the Federal tax.

THE PRESIDENT: They do not pay in their own States?

Q In New York a bill was just passed which would require them --

THE PRESIDENT: Yes; I am all for applying the same rule to Government employees that we do to everybody else.

Q You would favor the income tax and the inheritance tax?

THE PRESIDENT: I don't know a darned thing about the District tax bill. Please.

Q May I get one point clear? There seems to be a drag on our economic system by reason of the fact that one-third of the population is down.

THE PRESIDENT: Yes.

Q And if the plan formulated by you and your study group is effective, there will be an increase in that group of people so that they will no longer be a drag and everybody is happy.

THE PRESIDENT: Yes, and in the Budget.

Q Wouldn't that require a general overhauling of the Federal tax picture?

THE PRESIDENT: No.

Q You mentioned a tax standard as being required by which that was to be accomplished.

THE PRESIDENT: What I meant by the tax standard was that on a given amount of national income -- well, say we have sixty-three billion dollars this year of national income and on present taxes we bring into the Federal Treasury six billion dollars. I am not talking about the details. If we have ninety billion dollars we

bring in nine billion dollars.

Q May we say, "Thank you." (Laughter)

CONFIDENTIAL

Press Conference #375

Executive Offices of the White House,
June 18th, 1937 - 10.40 A.M.

(Earl Godwin showed the President an old print of the White House, giving a view of the South Portico and the lay-out of the South Grounds.)

THE PRESIDENT: You know, last year they dug up the old cow stable of the White House under the front porch. It had the Masonic emblem over it.

Q Under the front porch?

THE PRESIDENT: Yes, under the front porch. And the rear used to be used as the front of the White House. That came out in Murray's History of the United States in 1839.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news today. I am going tonight to the Little Cabinet dinner as their guest down at Sumner Welles' place and then from there I'm going down to Fort Washington, get on board the Potomac, and get back here Sunday afternoon.

Q Will you land here, sir, or at Annapolis?

THE PRESIDENT: I think so, but I don't know.

Q Any speeches there tonight?

THE PRESIDENT: No, no.

Q Not like your last visit to Mr. Welles' place? (Referring to the President's visit the previous summer to the home of the Assistant Secretary of State, where he met a large group of Maryland Democrats and arranged for a speech at Baltimore)

THE PRESIDENT: No, no. (Laughter)

Q Did Vice President Garner indicate to you when he would come back?

THE PRESIDENT: He told me he hoped to be back in a few weeks.

Q Mr. President, have you received any commendatory telegrams on the personnel of the [Federal Steel Mediation Board] AcB 7-21-55

THE PRESIDENT: I don't know; I have not seen any mail at all.

MR. EARLY: Pa Watson congratulated you this morning.

THE PRESIDENT: Oh, yes; he congratulated me this morning. Charlie Taft was in Pa Watson's Battery, so it is all right.

Q Have you any comment on the financial mission's arrival here today to seek gold credit?

THE PRESIDENT: I don't know enough about it. They are going to see the Treasury people.

Q Can you give us some of the details on this Jefferson Island party?

THE PRESIDENT: I don't know; I am the guest. (Laughter)

Q Will you talk to all those people in private conference?

THE PRESIDENT: Can you imagine that?

Q Neither can I.

THE PRESIDENT: Neither can they, so that we are all unanimous.

Q What are you going to do down there?

THE PRESIDENT: Sit around and have a good time, Phil Pearl to the contrary notwithstanding. I read his crazy story (laughter). That is all right, Phil.

Q I thought you were a member of the Jefferson Island Club.

THE PRESIDENT: Yes, I was one of the original members. I am a guest member. (Laughter)

Q A paying guest? (Laughter)

THE PRESIDENT: I guess I will probably get my share of the bill; that is all right; I usually do.

Q Mr. President, do you care to comment on the alleged Japanese refusal to approve fourteen-inch guns?

THE PRESIDENT: Fred (Essary), I haven't seen anything from the Department at all. We are hoping to get all the replies in, and then they will bring them over to me.

Q Did you notice the size of the bids on the new battleships?

THE PRESIDENT: I did.

Q What do you think of them?

THE PRESIDENT: On the face of it, we can build them cheaper in Navy Yards.

Q Are you going to?

THE PRESIDENT: I don't know; I haven't taken it up yet.

Q Mr. President, you talked over background last Tuesday on the forty per cent WPA amendment. Senator Robinson has now introduced a twenty-five per cent amendment.

THE PRESIDENT: I haven't seen it, so I cannot comment on it; I haven't read the language.

Q Mr. President, do you still desire the passage of the ever-normal-granary legislation this session?

THE PRESIDENT: Same answer; I hope so.

Q Have you any comment on the reported decision of the

Congressional leaders to let that go over until the next session?

THE PRESIDENT: No.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #376

Executive Offices of the White House,
June 22nd, 1937 - 4 o'clock P.M.

(Earl Godwin accidentally dropped a beer bottle opener on
The President's desk.)

Q And he is connected with the Boy Scout Jamboree. (Laughter)

THE PRESIDENT: No wonder he got a little pink over it.

(The President mentioned the fact that he had left his
glasses over at the House.)

Q Do you have to have them to read?

THE PRESIDENT: I can read perfectly well, but I am sup-
posed to use them. Half the time I don't.

Q How is your cold?

THE PRESIDENT: A great deal better. It was only on one
side of my nose, the rest of my nose was all right.

Q You did not get any pains?

THE PRESIDENT: No, just an athletic nose.

Q Do you think it is due to air-cooling?

THE PRESIDENT: I think it is this darned air-cooling.

They certainly haven't solved air-cooling, not for
a minute.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think I have anything. The

Assistant Secretary of the Navy, I think, announced the award of the two battleships to the two Navy Yards. That was the cause ^[because] of the very large differential in price. The Government will save a good deal of money.

AcB
7/21/55

Q Mr. President, has the gun calibre question been solved yet?

THE PRESIDENT: No, but you have had a good deal of dope on it, haven't you - the State Department and Tokio? Off the record, draw your own conclusions.

Q Part of the explanation down at the Navy for the reason that the building of a battleship in private yards would cost more than in Navy Yards was that the private yards had certain expenses imposed by the Government that the Navy Yards did not have, such as Social Security, and the question arose in some of our minds on what happens to the Navy Yard worker when he gets laid off if he does not have the benefits of Social Security.

THE PRESIDENT: I think on that question, the Government ought to give the same kind of Social Security there as it does in Civil Service.

Q Is he a per diem man?

THE PRESIDENT: Yes, or per week. I don't know how he is

paid but of course, as a matter of fact, the total of all those additional expenses, such as the giving of bonds by the private concerns -- (interrupted)

Q Income tax?

THE PRESIDENT: (continuing) and so forth and so on --

Well, income tax, they have to earn the money first -- all of it does not come up to the ten million dollar difference in the bids.

Q To carry out your thought of Social Security in Navy Yards as in private yards, would that require legislation, or is it one of those things --

THE PRESIDENT: I don't know; I suppose it does but, frankly, I don't know. --

Q Will you take steps toward that end, Mr. President?

THE PRESIDENT: Oh, I think so. Don't ask me when, because I don't know.

Q Mr. President, lately you re-appointed a number of district attorneys whose terms had expired. Can you say when you are going to end the patronage war in Southern California?

THE PRESIDENT: I don't know. Is there a row on in Southern California?

Q The term expired over two months.

THE PRESIDENT: I didn't even know it; I will have to plead guilty.

Q Anything about the re-appointment?

THE PRESIDENT: No, I didn't know a thing about it.

Q We have two police judges; they are about four months old.

THE PRESIDENT: They are about four months old, are they?

Q Yes, sir.

THE PRESIDENT: Well, they **have** almost become mature.

Q They are still getting paid.

THE PRESIDENT: Nothing new.

Q Anything new on the strike situation?

THE PRESIDENT: No. I believe there was a statement by the Mediation Board just within the hour or something like that. I have not seen the text.

Q There is some sort of a report that Mr. Girdler has been asked to come to Washington.

THE PRESIDENT: Not that I know of.

Q There have been frequent reports that you have been in constant touch with Girdler. Can you tell us whether they are true or not?

THE PRESIDENT: While a certain element in the Press - a very small element - represents that I am taking a

vacation; if you really knew the inside story, I am on the telephone or working. I talk to a great many different people. My "complete holiday" on Sunday, for instance, when, of course, I was away from my desk, - well, I think I worked on Sunday from ten o'clock in the morning until half-past midnight. Yesterday I wasn't at my desk but I worked from nine-thirty in the morning until one o'clock this morning. Now, of course, I cannot tell you the people that I call up. I talked to a lot of people. That is nothing new. I talk to lots of people all the time, day in and day out.

Q Mr. President, any comments you care to make on the Belgian Premier's visit to Washington?

THE PRESIDENT: Except that I am going to be very glad to see him.

Q Tell us what you are going to talk about.

THE PRESIDENT: A fellow Zeelander. (Laughter) I think I told you what I am going to talk about before: Pole to Pole and right around the middle.

Q Have you disposed of the sugar lobbyists yet?

THE PRESIDENT: I have a report that three of them were seen moving out of town; good.

Q Will you accept an early adjournment of Congress?

THE PRESIDENT: I accept an early adjournment of Congress?

(Laughter) Read the Constitution.

Q That is the theory.

THE PRESIDENT: The only time that the President enters into the adjournment of Congress is when the two Houses disagree on adjournment and the President, under the Constitution, may then, in such event, prorogue the Congress. I think in the national history the President has never done it.

Q That is the theory. (Laughter)

THE PRESIDENT: It seems to be the practice too.

Q They get some suggestions.

Q There are some stories that you wanted a ninety-day recess of Congress.

THE PRESIDENT: I have read more stories in the papers than you can shake a stick at. They get a new one about once every three days. I am going to clip them some day and tell the story on the radio. It would be amusing. -- You don't think it would be amusing? I think it would be as funny as a crutch.

Q Mr. President, will the National Emergency Council be continued after the end of this year? Would it be

continued under its present-day set-up or under its present name?

THE PRESIDENT: Probably not. Things depend a little bit on the reorganization bill because if we have the reorganization bill go through at this session a good many of the functions of the National Emergency Council relating to the coordination of work between different Departments can be handled otherwise under a bill of that kind and make it possible to abolish the Council.

Q In connection with your reorganization bill, Mr. President, you know of course that there have been some moves toward splitting it on the Hill. Would you oppose passing only part of it at this session?

THE PRESIDENT: The only thing I have is that the House people think it better to get it through the House by splitting and in the Senate they don't think so. That is a matter entirely for them to decide - it is procedural.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #377
Executive Offices of the White House

June 29, 1937, 4.10 P.M.

THE PRESIDENT: I hear you had a perfectly grand time last night. (Referring to the festivities of the J. Russell Young School of Expression.) From all accounts it was a fine party.

MR. YOUNG: Yes, it was all right.

THE PRESIDENT: The reports I got say that the President and Founder of the School was in exceedingly rare form last night.

Q He surprised even himself.

MR. YOUNG: That is a great compliment, Mr. President.

Q He enjoyed his own remarks very much.

THE PRESIDENT: That was like Martin Dies down at the Island the other day. He was as clever as he could be -- that was the Demagogue Club initiation -- and he enjoyed it as much as anybody.

MR. DONALDSON: All in?

Q Are you going to have a communique with Van Zeeland?

THE PRESIDENT: Yes, you are going to have it when you go out.

Q Both of you?

THE PRESIDENT: When you go out there will be ready for you all a mimeographed copy of a joint statement by the

Premier of Belgium and myself and also a little personal statement from me.

He took the 3 o'clock plane to New York. It was very delightful to have him here and he is a grand fellow. I think the statement will be all ready when you go out.

Because I have been reading newspaper reports about receipts and expenditures of government -- as you all know my opinion, which was arrived at over a period of years, is that no newspaper man knows the difference between dollars and cents, only publishers know that -- I got Danny (Bell) to give me some figures on the debt. You cannot call this a pre-view of the first of July figures because obviously we have several days to go and these figures are as of June 26. They have four days to go but they are estimating those four days.

I am not prepared on this particularly, I just jotted down a lot of figures. Taking the April revised budget estimates on the receipts end, the indications are that we will have 50 to 60 million dollars more than the April estimates. On the expenditures end we will spend about 75 million dollars more but that is not an honest statement unless you add this to it: That of that \$75,000,000, \$40,000,000 represents an expenditure on account of investment for the Old Age Reserve account of \$14,000,000 which we had expected to put into the

account in July, in other words, the next fiscal year but the Treasury Department decided to put it in in June instead of July. It is one of those things that would have been spent anyway; it is not a thing controlled by Congress but is an Old Age Reserve account or an insurance reserve. Outside of that, the actual expenditures are only about 35 million dollars more than the estimates of April. So actually, on receipts and expenditures, and leaving out this transfer of the Old Age Reserve account from July up to June, we are between 15 and 25 million dollars on net balance ahead of the April estimates, U.P. and A.P. dispatches to the contrary notwithstanding.

You got all that, did you not?

Q Yes sir.

THE PRESIDENT: That is good. Now, there is one other thing -- two other things, that should be noted.

The debt will actually increase another hundred million dollars more than we expected because three of the financing agencies will not have collected as much as they expected in this fiscal year, that is, the RFC and the Commodity Credit -- I guess there are only two of them. But they are good debts and they will come in. They just haven't come in in this fiscal year.

Q Did you mention another one, Mr. President?

THE PRESIDENT: No, just RFC and Commodity Credit, that is all.

Now, on the total debt, here is an interesting fact. ~~These~~ are round figures, we are guessing four days.

The total debt, gross, will stand at about \$36,400,000,000 -- these are our figures -- but it is interesting to note that that includes sterilized gold which, of course, is an asset of about \$1,050,000,000. The other point is that since December 22, 1936, outside of four items, the National debt has stood still. In other words, it has increased on paper two billion dollars but, except for those four items which I will give you, it stood still. The ordinary governmental expenditures have not increased. The four items are:

\$1,050,000,000 for the sterilization fund - gold.

Then there are three reserve funds:

\$500,000,000 for the Veterans' Insurance Fund, which was, of course, connected with the payment of the bonus.

\$265,000,000 on the Old Age Pension Reserve.

About \$200,000,000 in the Unemployment Trust Fund.

Q Is that Unemployment Insurance?

THE PRESIDENT: Yes, that is Unemployment Insurance Trust Fund.

Now, those four items you will find total about two billion

dollars which represents, actually, a tiny bit more than the two million dollars increase in the gross National debt.

RFB
7-22-55

[sterilization]

Q May I ask you whether the stabilization fund money eventually might not be used to retire part of the debt? There are about two billion dollars worth.

THE PRESIDENT: Oh, well; that is like saying, "How old is Anne?" How does anybody know?

Q I wanted to see how far down we can get this debt.

THE PRESIDENT: Well, it is an asset of the Government; it is a definite asset of the Government, there is no question about that.

Q May I ask whether the expenditure figure includes \$103,000,000 for debt retirement?

THE PRESIDENT: I could not tell you that because I have not got it. I don't know.

MR. EARLY: It is on the table, sir.

THE PRESIDENT: (Examining table) This is interest on the public debt and he is talking about debt retirement. That is a different thing. Wait a minute, until I find it.

It is not here, so I cannot answer you but that is the old story as to whether you are going to have a layman's budget or an accountant's budget. Obviously, if you included it, the debt would be that much less.

Q Does that show what the estimated receipts and expenditures were in the April budget?

THE PRESIDENT: Yes, there are all kinds of items, income taxes, miscellaneous revenues --

Q Are they lumped?

THE PRESIDENT: Plus 25 million dollars on this figure.

You see, I have only got them up to the 26th of June. What I have been giving you is the estimate for the first of July, in other words all the receipts up to the 26th of June plus 25 million dollars, but actually it will be between 50 and 60 million dollars. In the same way, the expenditures show 136 million dollars up and it will be about 150 million dollars up.

Q Last night the Paris Bourse announced it is closing over today to the distraction of some people. I wonder if you could comment on that?

THE PRESIDENT: You will have to ask the Treasury Department.

Q Getting back to these figures, did they give you any estimate of the recoverable assets?

THE PRESIDENT: Total recoverable assets? No, they are not in here but I know what they are approximately.

Q What are they?

THE PRESIDENT: About \$4,000,000,000.

Q Does the accumulation of the Old Age Pension Fund and the Unemployment Insurance Fund operate to increase

the National debt? If they do, what would the National debt be if those funds were not in operation?

THE PRESIDENT: Yes, I think they do but you are getting me a little bit over my head. I think they do.

Q Isn't the Unemployment Insurance Fund made up of State money which is deposited with the Treasury?

THE PRESIDENT: Some of it is and some is not. I think we contribute to it, too, in some cases.

Q No, I think not, sir.

THE PRESIDENT: I don't know; you will have to find out.

Q How much of the National debt is represented by war debts of foreign governments?

THE PRESIDENT: Gosh, I don't have the total figures. What was it the last time, about 10½ or 11 billion dollars?

Q I believe it was about eleven billion dollars.

THE PRESIDENT: Yes, about eleven billion dollars.

Q Do you have that listed among the recoverable assets?

THE PRESIDENT: No. (Laughter)

Q While we are on this financial thing, is there any reflection here on France going off gold and devaluing the Franc and dropping from the Tripartite Agreement?

THE PRESIDENT: Oh, no; no relationship at all.

Q No reflection; no action?

THE PRESIDENT: Not a bit, no.

Q Just to get that clear, it is not assumed here that they

have left the agreement, is it?

THE PRESIDENT: You will have to ask the Treasury.

Q How much longer can they go on sterilizing gold if it costs a billion dollars?

THE PRESIDENT: You will have to ask the Treasury.

Q They won't tell us, Mr. President.

THE PRESIDENT: That is why I said, "Ask the Treasury."

(Laughter)

MR. YOUNG: Thank you, Mr. President.

THE PRESIDENT: I think everything is quiet. I am going up tomorrow and, after the wedding, I will continue to Hyde Park and stay there until Monday evening and get back Tuesday morning.

Q Have you any comment to make on Governor Earle's suggestion that you run for a third term?

THE PRESIDENT: No (laughing), you know what I have said in the past.

Q There was a morning-paper story to the effect that the President might issue a statement shortly in some form or other, perhaps a fireside talk, defining the Administration's labor policy.

THE PRESIDENT: I have not a single speech scheduled, not even a daylight speech.

Q Isn't it time to assert that policy?

THE PRESIDENT: I have not a thing scheduled yet.

Q Will you see the Brazilian Minister of Finance?

THE PRESIDENT: Very soon after I get back, Tuesday or Wednesday of next week. I will see Dr. Kung today and he is coming in to see me again on Tuesday, a week from today, for lunch.

Q Getting back to what Governor Earle said the other day, can you tell us or would you say whether you would accept the nomination?

THE PRESIDENT: Oh, my God! This is hot weather. (Laughter) Bob (Post) go into the corner over there (indicating) and put on the dunce cap and stand with your back to the crowd. (Laughter)

Q Mr. President, was the subject fully covered in an address you made in January or February?

THE PRESIDENT: My God, you will have to join Bob in the corner.

Q Mr. President, have you made any accounting of the Jefferson Island results?

THE PRESIDENT: Yes, I think there were 32 cases of beer used.

Q Of what?

THE PRESIDENT: Beer and 1,044 sandwiches and several cans of salad and a very good time.

Q Did you catch any fish?

THE PRESIDENT: I did not.

Q Before choosing my own corner (laughter) may I ask if there is anything to be said about your conference with Mr. Taft today -- Mr. Taft of the Mediation Board?

THE PRESIDENT: We talked about this Committee for Human Needs. They are going to have their campaign this year.

As to the other, well, I think I can put it this way: Charlie Taft and I agree that the Nation, as a whole, in regard to the recent strike episodes, the majority of people are saying just one thing, "A plague on both your houses".

Q Could you interpret that a little bit, Mr. President?

THE PRESIDENT: There is the old dunce cap. Isn't that perfectly clear to you? It ought to be.

Q Is that your opinion?

THE PRESIDENT: It is what we agreed.

Q The majority of Americans?

THE PRESIDENT: That is what Charlie Taft and I agreed was the general feeling in the country.

Q What are you going to do about the plague, Mr. President?

THE PRESIDENT: I think that covers it all right.

Q Can that be quoted directly?

THE PRESIDENT: You can use that direct if you want. "A plague on both your houses", that is what we agreed to.

Q Would you like Mr. Post's head-size? (Laughter)

MR. YOUNG: Thank you, Mr. President.