

CONFIDENTIAL

Press Conference #378

Hyde Park, New York

Sunday, July 4th, 1937 - 4.15 P.M.

(The President met the newspaper men at Moses Smith's farm, which lies on Route 9-F about four miles above Poughkeepsie, and proceeded with them to a meadow about three hundred yards northwest of Moses Smith's house.)

THE PRESIDENT: Everybody gather around if you want to know about forestry.

Number one, you want to know where the place is. It starts about four hundred feet back in the woods. (Indicating) It is being used for two purposes -- crop purposes -- one is cordwood. We take out a certain amount each year and sell it. Number two is matured timber which is what is called a continuous growth stand. In other words, you only cut trees that you want for cordwood, such as trees that are crooked or that die, or you cut trees that will make good lumber that you can cut up and sell. Actually you cut about an average of perhaps two trees to the acre each year. That is what is called continuous stand growth.

Now this here (indicating) along the edge of the woods is the first Christmas tree plantation

that I put in. It is a ten-year crop. What I am trying to do is to put in ten acres a year right along and when that crop is ten years old I will harvest them, cut and replace them. In other words, at the end of ten years I will have an actual sale of ten acres of Christmas trees. Last year we took the first batch out of this, (indicating) about eight hundred trees. We took them out of this particular plantation and this year we will take out all the rest and sell them.

Q What size are they when you plant them?

THE PRESIDENT: They are about eight inches and they get their growth in ten years. Some are bigger and some smaller. Some are table size and some are full size.

Q Do you buy these from the State, or do you have to buy Christmas tree stock?

THE PRESIDENT: I buy them from the State at four dollars a thousand.

Q Are they three-year-old transplants?

THE PRESIDENT: Yes -- I am not sure whether or not they are two years old. I think they have given up the three-year-olds.

Q These are big enough for trees now.

THE PRESIDENT: Yes, I have been selling them. I sold the first lot last year.

Now, the place is very narrow. It is about two fields wide and runs back here (indicating) back to the top of the big hill. You can see, number one, that it is not nearly a thousand acres but actually five hundred and sixty acres. Number two, it is not a farm because I do not farm.

There are four sites of buildings on the place. One is this one -- Moe ^{Mose} Smith. The tenant of the other one, in that little old house down at the corner -- what is her name, the name of the lady who runs the Homespun Factory? -- Nellie Johanson. She is the tenant of that one and then on top of the hill there is another site of farm buildings with another tenant, and then the fourth site of buildings is the Cottage. I do not run any farm at all. It is purely a forestry proposition. Smith has here, as part of his farm, I think about fifty acres that he utilizes for pasture.

Roan, the man on top of the hill, has about fifty acres that he tills or pastures. They both run cows. Nellie runs homespun, and the girls at

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7-22-55

the Cottage run all sorts of things, including most of us. (Laughter)

I will show you the various plantations. As we go along this little rise to the right, look in there (indicating) and you will see a plantation of red pine. It has two uses. One is the crop use. You cut it when it is about twelve years old -- twelve to fifteen years old -- for posts. There is a big demand for posts for vineyards and arbors around here. The other use is to let it go on to maturity and cut it for lumber.

Then you'll see various acreage with little bits of things, only about that high (indicating), and some a little higher, and you will see all kinds of different trees. Most of them along the road are for post use. In between them are trees for full growth so that at the end of twelve years, something like that, you cut out the posts and let the other trees go on to maturity. That is a regular annual crop.

Q How many varieties of trees have you?

THE PRESIDENT: Two spruces, three pines, three larches, two oaks, one black walnut and one tulip poplar, and they all have commercial use, every one of them. None

of them are ornamental trees.

Q Do you plant your walnuts from the nuts, or are they transplanted?

THE PRESIDENT: We did it both ways. The State does not raise those, the same way that they do not raise tulip poplars. The State raises about half of the trees and the other half they do not.

Q On the Christmas trees, you pay about four dollars a thousand?

THE PRESIDENT: Yes, you put in about twenty-two hundred to the acre. Now this is very rough: That is roughly ten dollars for your trees and another twelve dollars to plant them. Then, in the first three years of their life, you have to clean out the weeds and the brush. Well, the total of that cleaning out process comes to perhaps twenty dollars, so that you have a total expense there of around between forty and fifty dollars that you are actually out of pocket. Then, in addition to that, you have to have your fire break roads and general cleaning up around the place to stop fire from spreading, which perhaps may run another twenty-five dollars to the acre, so that your total cost at the end of the ten-year period on these

Christmas trees is about seventy-five dollars to the acre.

Then you ought to get out of your twenty-two hundred original trees planted in the acre, there ought to be about a thousand sellable trees that will come to maturity and you get about, well, with any luck, an average of fifty cents apiece for them. That is five hundred dollars.

Q Is that before they are cut?

THE PRESIDENT: No, you cut them and they haul them away. You do the actual cutting but they put the strings around them and cut them off.

Now, that five hundred dollars you have to divide by ten. After deducting, let us say, a hundred dollars from it, which is your total cost, you ought to have about four hundred dollars profit, which is forty dollars an acre a year. It ought to run about that.

Q I thought we were figuring on one acre all the time.

THE PRESIDENT: We were, but over ten years. You ought to make about forty dollars an acre a year, which is a damned sight better than crops.

Q How many acres have you planted?

THE PRESIDENT: At the present time I should think there are about -- I will have to give you a rough guess -- there are about eighty acres planted and about three hundred acres in continuous stand forests.

Now, your continuous stand forest: it ought to work out after an awful lot of cleaning that we had to do because the forests were in horrible shape when I bought the place -- terrible -- but it ought to yield about twenty to twenty-five dollars an acre net profit. That does not include taxes.

Q Which are high?

THE PRESIDENT: No, they are quite low.

Q What varieties have you got in for Christmas trees?

THE PRESIDENT: They are nearly all Norway. I have a few white and I am trying a few balsam.

This year I got my first sale out of them. From now on it will go on indefinitely.

Q Have you noticed any leaf blister on your oaks this year?

THE PRESIDENT: Yes, especially the white oaks.

Q I have a few oaks on my place and every leaf on them is covered.

THE PRESIDENT: Yes, I have it on the white oaks. It has not touched the red or black oaks. But the white oaks

in this particular woods, it is almost a solid stand. But I think it is all right because it is just one of those temporary things.

(The motorcade with the President's car in the lead then proceeded in a southeasterly direction away from Moses Smith's farm, down and across Route 9-F and several blocks in on a side road.)

THE PRESIDENT: Do you see all those pines up there? (Indicating) Those are all red pines. There are about eight acres of those. Those are about seven years old. In here are three different kinds of larches, European larch, Japanese larch and American larch, otherwise known as hackmatack or tamarack, depending on what part of the country you come from. I should say those were put in in 1929. There has been very quick growth. Those will be good probably within two years for posts. They are such a success that I will replant right off with the same thing.

Now we will go down this road and on each side -- there is no use getting out of the car, you can take my word for it -- there are little trees of various kinds. There is one field of oaks, two fields of spruces, one field of larch and then a swamp field

that, so far, has been a failure. It is the one failure that we have made. We have tried three different plantings in it, but the damned thing won't grow. However, the State Forestry people are going to have one more try at it with these larches.

Q Those tamaracks should grow.

THE PRESIDENT: Yes. In fact, a hundred years ago it used to be called the Tamarack Swamp. I think we will make a go of it.

There is a total of thirty acres planted with various crop trees, not forests, and we will begin, I think, in two years to cut the larches.

Q What can you get for larch posts now, Mr. President?

THE PRESIDENT: I think -- I don't remember the latest quotation, but I think it is twenty cents.

Of course, on larch you don't have any losses the way you do on Christmas trees, because they are all good. It does not make any difference if it has a double top or not. On Christmas trees it spoils it to have a double top, you have to have a single top. You don't get as much for them per tree, but you get a higher yield per acre.

Q How much do you calculate the cost to be to cut and trim those trees to post size?

THE PRESIDENT: Very little.

Q Have you got a good woodsman here?

THE PRESIDENT: Yes. You do most of it with machinery, you know. They just slide along with a knife on a table.

Q You know, Mr. President, Ernest (Lindley) is getting a little advice that he can use on his own place.

THE PRESIDENT: I know. (Laughter) Those trees are all growing up there four feet high.

Q (MR. LINDLEY) I have some higher than that. I have some larches ten feet high and they are four years old.

(The motorcade then moved off through some side roads in a northeasterly direction to a spot about half a mile back of the Cottage.)

THE PRESIDENT: Here we are at the northeast corner of the place. This road here is a fire-break along the boundary of the place. If this is kept free of grass it is a good fire-break because the fires in these woods are low fires, they are what they call ground fires, and so the road is a fire-break. I am building this road this year and this is my east border. You can see the stone wall in there. It is the east

boundary of the place and goes on up to the top of the hill and this road is intended to carry that fire-break along with the east boundary up to the top of the hill. I have only had this place for three years and we haven't got into those woods to do the first clearing. Further back you saw that it was pretty well cleared out. There we have a continuous production yield. But we have not got into it here yet. We will probably get into it the next couple of years to get out the dead stuff, the scrub stuff and the trees that are not worth anything, such as white birch and ironwood and trees that have no commercial value. When that is done it gives the good trees a chance to come up.

I will stop down at the foot of this hill and you will look into the field and you will see this year's planting of Christmas trees. You will have to look into the grass for them. They are planted about three and a half feet apart and they are awfully small. You will have to get out and take a look into the field. That is this year's planting and it is a very good, a very successful one because we have had so much rain. On last year's planting

we had a terrible drought and we had to water twenty-two thousand trees. But we have saved about eighteen thousand of the twenty-two thousand.

Q How do you water them, Mr. President?

THE PRESIDENT: By a water-car. You take it to the edge of the road and then you use buckets. They are ordinary water pots. It is a hand job.

Q What season do you plant them?

THE PRESIDENT: End of April. This year I have had no expense but last year it cost me a hundred and fifty dollars to water them. That was bad news.

MR. McINTYRE: One of the inevitable wise cracks. George Durno said that only God can make a tree, but only Roosevelt can make them pay. (Laughter)

THE PRESIDENT: And I think we can make them pay.

CONFIDENTIAL

Press Conference #379

Executive Offices of the White House,

July 6, 1937 - 4.10 P.M.

THE PRESIDENT: How is everybody behaving, Russell; is everybody quiet?

MR. YOUNG: Steve has been all right since you left. His picture has been in the papers.

THE PRESIDENT: He must have felt that they were not paying enough attention to him.

MR. YOUNG: Well, he is Press Secretary.

THE PRESIDENT: And he is trying to break into print.

MR. EARLY: Often heard but seldom seen.

MR. YOUNG: I see where Brother McIntyre succeeds Louis Howe.

MR. EARLY: I don't think the President knows about that, Russell.

MR. YOUNG: Didn't you see the story that UP had about Mac succeeding Louis Howe?

MR. HARKNESS: I acquitted myself of the charge, however. I presented documentary evidence.

MR. YOUNG: But the story got into the paper.

THE PRESIDENT: Well, it was probably written in the office.

MR. HARKNESS: One paragraph was written in the office.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news. Of course, we are all worried about Miss Earhart and doing everything possible to have the search cover as much territory as possible. There isn't anything new on it in the last few hours.

Q Are you getting special reports at your request?

THE PRESIDENT: Oh, yes. I have been ever since the thing happened, every few hours.

Q Will you tell us about your conference with Senator Wheeler, Mr. President?

THE PRESIDENT: Yes; I will tell you exactly what we agreed that we would say to the Press. (Laughter)

Q You agreed?

THE PRESIDENT: Yes, and that was that we had had a very interesting conversation about the general subject of the improvement of justice in the United States.

Q You broke the agreement. (Laughter)

Q Is that all you agreed on?

THE PRESIDENT: That is what we agreed we would say to the Press.

Q He said he will not change his opinion or make any promise.

THE PRESIDENT: (No answer)

Q Will you comment on reports that you and Mr. John Lewis are going to break off friendly relations?

THE PRESIDENT: I don't think that a report like that needs comment.

MR. EARLY: We haven't any confirmation.

THE PRESIDENT: Steve says that we have not any confirmation.

Q Will you comment on reports that you intend to do something at this time in an effort to balance the budget?

THE PRESIDENT: That was done last week and I forgot to tell you people about it. At the last conference I had it on my desk. I will tell you about it. We had an order that went out and I will try to find it and get the dope for you. (Examining basket) I don't seem to find it but it is on my desk somewhere. However, I can tell you substantially what it did. It was a signed letter from me. I think it went out about June 23rd.

MR. EARLY: I think that is the date.

THE PRESIDENT: It is a letter to the heads of the Departments asking them definitely to make an effort to save ten per cent on the appropriation for the coming year. Of course, certain exceptions obviously have to be made. For instance, you cannot cut the pay of the

Army or the Navy or other Government employees. But, in any event, we hope, as a result of this, to make a saving of an average of ten per cent of the whole of the Government appropriations during the coming year. In addition to the regular Departments, that has gone out to the heads of the independent agencies and they are going to come in probably in the course of the next few days to have a conference with me -- the people who are not in the Cabinet -- to talk over the ways and means of accomplishing the objective.

Q Will that give you a surplus?

THE PRESIDENT: All I can say is that I hope we will balance the budget the coming year.

Q How much does that aggregate?

THE PRESIDENT: I think it is somewhere around four hundred million dollars.

Q Do I understand you to say that you think you can make that cut outside of personnel?

THE PRESIDENT: I cannot reduce salaries.

Q No, but you could reduce personnel.

THE PRESIDENT: I cannot reduce the Army and Navy ration from 45¢ to 35¢. We have to give them good food. I cannot reduce the payment on the national debt and

things like that. There are lots of items that we cannot reduce but there should be other items where we may be able to save more than ten per cent.

Q Does that mean you will have to reduce activities?

THE PRESIDENT: Some will have, to a certain extent, to be reduced.

Q Will the money be withheld by the Budget Bureau, or will it go to the heads of the Departments?

THE PRESIDENT: What was that?

Q Will the budget be able to withhold a flat ten per cent?

THE PRESIDENT: Oh, no; the Departments themselves are going to work it out.

Q Do I understand you to say that you hope to save a total of about four hundred million dollars?

THE PRESIDENT: Yes.

Q Can you give us an idea of some of the activities that will have to be cut down?

THE PRESIDENT: No.

Q Mr. President, Senator Wheeler is being quoted in a story from the Hill as saying that he told you that he, with his opposition colleagues, would fight any compromise; that he told you, sir, he was fighting the compromise because he was a friend of yours and

that if he were an enemy of yours he would be for the Court plan.

THE PRESIDENT: Sorry, I cannot comment any further than I said.

Q Does this ten per cent cut apply to the moneys appropriated this year?

THE PRESIDENT: The moneys appropriated this year.

Q Your Congressman, Mr. Fish, is still talking about your income tax return. Do you plan to make any reply to that?

THE PRESIDENT: No.

Q United Press is printing a story to the effect --

THE PRESIDENT: I am getting lots of rumors.

Q -- that there has been placed before you a report suggesting a formula for bringing together the C.I.O. and the American Federation of Labor. Have you any comment?

THE PRESIDENT: My friend here assures me that he is not responsible for that report. (Indicating Mr. Harkness)

MR. HARKNESS: If I wrote all of them I would have had a very busy week-end.

THE PRESIDENT: That is made out of the whole cloth.

Q Are you still pressing for Senator Wagner to run for Mayor of New York? (Laughter)

THE PRESIDENT: Have I stopped beating my wife? (Laughter)

Q Are you going to send the Agricultural Committee a letter on the general agricultural legislation?

THE PRESIDENT: Yes.

Q How soon will it go up?

THE PRESIDENT: I hope tomorrow, maybe the next day.

Q Can you tell us whether you are asking for general legislation?

THE PRESIDENT: It is not written, and I cannot tell you.

Q Do you endorse the views expressed by Secretary Perkins with respect to the sit-down strike?

THE PRESIDENT: I have not read it.

Q She sent out a letter last week.

THE PRESIDENT: I read the headlines, but I have not had time to read the letter.

Q Do you endorse the views expressed by Secretary Roper in his radio speech?

THE PRESIDENT: I have not read that either.

Q When are you going to see the Brazilian and Chinese Finance Ministers who are in town?

THE PRESIDENT: Dr. Kung is coming to lunch with me tomorrow.

We haven't got a definite appointment as yet on the Brazilian Finance Minister.

Q Mr. President, are you going out to the Cleveland Exposition this year? I think you have been invited.

THE PRESIDENT: I don't believe so. I haven't any plans for it.

Q Mr. President, what did you talk to Congressman Cochran about today -- reorganization?

THE PRESIDENT: Yes, he reported progress.

Q Will there be a bill this year?

THE PRESIDENT: I hope so.

Q The Senate passed the New York Worlds Fair bill this afternoon.

THE PRESIDENT: Oh, did they? Any changes?

Q None since the House approved it. Did the House approve it in the form to which you agreed?

MISS FLEESON: (Nodded her head, "yes")

THE PRESIDENT: I think so, but you had better let me read the bill first. I have not read all the details of the bill, but I think it is all right.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #380

Executive Offices of the White House,
July 9th, 1937 - 10.50 A.M.

Q We estimated last night, Mr. President, that you must have had your picture taken ten thousand times on Constitution Avenue.

THE PRESIDENT: I think everybody I saw had a camera.

Q There were at least four out of every five.

THE PRESIDENT: Those snapshots will be going all around the country. If it had not been the Boy Scouts I would have charged for it.

Q You could have made a small charge and come out way on top. Between the Boy Scouts and the Congressmen with cameras, Eastman stock is pretty good.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news. I will go down the river tomorrow and come back Sunday afternoon.

Q There have been two or three stories purporting to set forth the Administration's attitude towards unions in the Federal Government, and I would like to ask you a question as to whether you favor Government

employees joining unions to the extent of collective bargaining with Government. Do you care to discuss that or say anything about it?

THE PRESIDENT: I will tell you a story. Way back in 1913, when I went to the Navy Department, one of my jobs under the law was to set the Navy wage scale every year under a Congressional Act which provided, I cannot remember the exact language but the effect was that the Navy should pay, in each Navy Yard, the scale for the work of the particular character that was paid in private employment in the vicinity.

Up to that time, as I remember it, the time I got there, this had always been done by local Navy Yard Boards, in each case composed mostly or entirely of Naval Officers -- am I right, Kirk, you remember that?

Q (KIRK SIMPSON) Perfectly right.

THE PRESIDENT: And I changed that in this way: I had the recommendations made by the Yard Boards, but they were brought to the Assistant Secretary and the Assistant Secretary thereupon notified the workmen in all the Yards that he would hold hearings in relation to a question of fact: What was the average pay in the

vicinity?

So we held, I think it was a three- or four-day session, and representatives of the employees in the different Navy Yards presented all of the facts that they had. They stated wherein they disagreed with the Naval officers' findings and they made certain requests as to working conditions. I remember one of the first ones that came up was the toilet facilities at the Norfolk Navy Yard, and we got on extremely well, and I changed, in certain minor particulars, the findings of the Navy Boards in the different Navy Yards and then, under the law, announced a schedule of pay for the coming year.

That same year there came up the question of whether we would enter -- whether the Government, with its civilian employees, would enter into an agreement, an agreement with, as I remember it, the Draftsmen's Union, and I made a very simple and obvious ruling: The Government does not engage -- of course, the words "collective bargaining" were unheard of in those days -- the Government does not make contracts with any Government employee. The administrative executive officers operate under a

law. They have no discretion. The pay is fixed by the Congress and the workmen are represented by the members of the Congress in the fixing of Government pay. They ought to have the privilege always of coming and laying their case before the administrative officer who is in charge of their department.

That ruling, made, I think, in 1913, is just as good today as it was then. The pay of Government employees is fixed by the Congress. We people who run the Executive Department of Government as a whole are bound by the law. Every workman has a full opportunity to be heard. They can lay the case before the Congress if any change is contemplated in the law. That is where it is made.

Q In 1913, were you following the rule of a predecessor or did you establish this policy then for the first time?

THE PRESIDENT: I don't know whether -- so far as I was concerned it was original on my part, but there may have been precedents for it.

Q You said that every workman has a right to appear before this Board?

THE PRESIDENT: Yes.

Q Would they also have the right to select their own representatives without any interference with anyone?

THE PRESIDENT: At that time I laid down the rule, it was a simple one, that an individual workman could come in and state his own case; he can state it through a shop committee, he can state it as a representative of a minority within a shop or a Yard, or he can choose officers -- I would say representatives -- who are not working in the Yard.

You will remember our old friend, Al Berris, he was a grand fellow, he was chosen, as I remember it, unanimously by the machinists -- wasn't he a machinist?

MR. EARLY: Yes.

THE PRESIDENT: In all the Navy Yards. He was not a machinist in the Navy employ; he was an official of the Machinists' Union.

Q Mr. President, do you think that Government employees should have the right to strike to enforce their demands?

THE PRESIDENT: No, the Civil Service rules cover that.

That is very simple.

Q Do I understand you, by this story, to mean that there

are certain things left within the discrimination of the administrative officers that might properly be dealt with back and forth between representatives of the employees and Government officials?

THE PRESIDENT: Yes, let them all be heard. Like the example of the toilets at the Navy Yard. When the condition of the toilets was called to my attention I had enough funds that were within my discretion and we improved the condition of the toilets.

Q Mr. President, do you think that a union would destroy this ability under the present system for all employees to be heard?

THE PRESIDENT: Well, they can join any union they want. There is no prohibition against that. They can join ten unions.

Q But on the question of wages and hours, what latitude do the workers have since the amount is fixed by Congress?

THE PRESIDENT: It is up to the Congress. Congress lays down the method today of fixing compensation and always has.

Q Then, in other words, you would not have the representatives of the majority as the sole bargaining agents?

THE PRESIDENT: Not in the Government, because there is no collective contract. It is a very different case. There isn't any bargaining, in other words, with the Government, therefore the question does not arise.

Q Mr. President, can you tell us whether you are considering the sponsorship of a Constitutional amendment on the compulsory retirement of Judges at seventy-five?

THE PRESIDENT: No.

Q Or for limitation of terms of the Supreme Court Justices?

THE PRESIDENT: Same answer, same thing.

Q No, you could not tell us, or, no, you are not considering?

THE PRESIDENT: No, I am not considering.

Q Mr. President, have you any comment yet on the published report that there is a break between the Administration and John L. Lewis?

THE PRESIDENT: That is the same old story, press reports.

Q Would you deny them?

THE PRESIDENT: I am not confirming or denying all of the various stories that I read in the press every morning. That is said in the most kindly way. Obviously I cannot. We would be here for six hours.

Q Does that, sir, include stories involving the Vice President of the United States?

THE PRESIDENT: Yes. (Laughter) That is a very good example, Fred (Essary).

Q Do you care to make any statement on the charges your Congressman is making up on the Hill right at this moment?

THE PRESIDENT: George (Durno), not at this time.

Q Mr. President, do you still expect action on the wage-hour bill at this session?

THE PRESIDENT: I hope so.

Q Are you familiar, sir, with the Committee report from the Senate yesterday on the wages and hours bill?

THE PRESIDENT: No, I have not had a chance to get it; I only read the headlines. What do they do? Do they put a maximum in?

Q They put a maximum in.

THE PRESIDENT: I mean a minimum.

Q Minimum maximum.

THE PRESIDENT: That is right; it is minimum maximum, yes.

Q That is on both wages and hours and apparently permits a differential.

THE PRESIDENT: Yes.

Q Does that meet with your approval?

THE PRESIDENT: I haven't read it and I could not comment.

Q Have you discussed the steel strike with any Labor Department officials recently?

THE PRESIDENT: Oh, I suppose every day for the last two or three years.

Q I wondered. There were some press reports that said that Dr. Steelman, of the Labor Department, has suggested to you the possibility of bringing about a settlement based on the Inland Steel settlement.

THE PRESIDENT: I'm afraid that was another report.

Q Any news on the Communications Commission nomination, Mr. President?

THE PRESIDENT: Not yet, but I hope very soon.

Q Can you tell us what progress you made yesterday with your talk with the independent department heads on economy?

THE PRESIDENT: Very excellent and as I saw by one of the headlines, I was polite but rather firm.

Q Gentle.

THE PRESIDENT: That's it, gentle.

Russ (Mr. Young), just so that we won't scare people unnecessarily, there is no thought of either

furloughing or firing existing employees. This is just to relieve their minds. There are many ways in which the appropriations can be made to yield a substantial saving.

The largest item is in not filling vacancies. As you know, there are always a certain percentage of vacancies occurring almost every day. That is the first and largest item. The other item relates to not doing certain things quite as fast as we would otherwise do them.

Q Does it eliminate any activities, sir?

THE PRESIDENT: Only in that way. It slows up the expenditure so that instead of completing a job this year, we would let some of it run over until next year.

Q Do you expect to get reports from the departments, Mr. President, from time to time as to how they are getting along with their savings?

THE PRESIDENT: Yes.

Q Did you have satisfactory experience with the letter you sent out before the fiscal year, I think the last few weeks of the fiscal year?

THE PRESIDENT: Very good.

Q Ninety-five million dollars savings, was it not?

THE PRESIDENT: It was more than that. It came up -- one editorial said we had only saved a third of what we expected to save. That was not the fact. I am getting Danny Bell to get the figures on that. We came very close to our original figures.

Q That did not involve any furloughing or firing?

THE PRESIDENT: No. And then, of course, there are a lot of little items in running a department or agency; for instance, a little bit more care on travel, a little bit more care on long distance telephones, a little more care on unnecessary printing.

I told them the other day that I thought the Government is printing altogether too much stuff and always has been. Fred (Essary), it is a perfectly normal thing for every department to want to print pretty nearly everything it has got. We have held them down and this year I think we can hold them down again.

Q Is that (indicating a woven cane fishing basket behind the President) the Maine pack basket you were presented with yesterday?

THE PRESIDENT: Yes, I think so.

Q What are you going to do with it?

THE PRESIDENT: I don't know, I haven't got any fishing

plans. It is a fishing basket.

Q Are you going to send the letter on farm legislation to the heads of the Committees?

THE PRESIDENT: I dictated it last night. It has got to be corrected and I will get it up tomorrow or Monday.

Q Have you offered Myron C. Taylor a diplomatic appointment, sir?

THE PRESIDENT: No.

Q Mr. President, getting back to that Government employee union question, should there be any limitation on the amount of time or political pressure brought on Congress to raise salaries?

THE PRESIDENT: I should think that was up to Congress and the Civil Service rules.

Q Is it too early now to say who will go down the river with you tomorrow?

THE PRESIDENT: I don't know.

Q Is that question covered by Civil Service rules -- the use of political pressure?

THE PRESIDENT: I think there is something in the Civil Service rules about it but I am not certain. You will have to check on that.

Q Can you tell us what you are going to do with respect to extending the emergency rate of interest on Farm Bank loans?

THE PRESIDENT: Is that a separate bill or is it in some other bill?

Q It is in one bill.

THE PRESIDENT: I don't know yet.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #381
Executive Offices of the White House

July 13, 1937, 4.10 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: Steve tells me I have no news.

Q' Can you tell us, Mr. President, about the Housing Conference just concluded?

THE PRESIDENT: Well, it was a survey of the housing problem of the United States as a problem and, of course, the trouble is about giving any details on it that, frankly, if I were in your place I couldn't write a factual story because there are so many elements that if you bring up one or two or three it is not fair to the whole picture.

I will talk to you off the record about it, if you want, just for about five minutes. I have the notes I made. There (indicating) are my long-hand notes. It is quite interesting but this is off the record because, as I say, there is not any factual story in it; it is just a survey.

Last year, in 1936, we added 300,000 family units in the United States. We needed 500,000. We are running behind. Away back in 1926 we built 926,000 family units, which was probably overbuilding very distinctly because, when the depression began, we probably had a million excess

of family units and it took the first three or four years -- this part is all right for background, these are just figures --

MR. EARLY: Beginning in 1926, Sir?

THE PRESIDENT: Beginning in 1926 we built 926,000 family units and the result was that in 1926, 1927, 1928 and 1929 the overbuilding left us with a million too many family units. That is one of the things that contributed to the depression, the overbuilding. People could not occupy them. That was especially true of the apartment houses in the big cities, even Park Avenue, New York. From that time and up until the end of the first two or three years of the depression, when there was practically nothing built, we began -- we actually did absorb these million units too many. Since then we have been falling behind and the country is somewhere around 750,000 family units behind what it ought to be and is still falling behind, as is shown by last year's figures. We only built 300,000 units and we ought to have built 500,000 units just to keep even. Building operations -- you can still use this, this is all right -- building operations during the first part of this year held up but, beginning about, oh, I think about March, they began to fall off so that we are not even running at the present time to last year's level of 300,000 units.

Then we began to analyze what the reasons were for falling off in the building of housing units. It has been due in very large part to the increase in the actual cost of construction. It seems to be a fact that a few hundred dollars' increase in the cost of a family unit, talking now about home ownership, stops the demand; just a few hundred dollars extra stops the demand. People say, "No, I guess I won't build at this time."

Well, the type of house most in demand is about the \$5,000 house. That is the average of the country, mind you. Some units are higher and, of course, in parts of the South it is lower, but the average is about \$5,000 and it is found that when the cost of that unit goes up to \$5,400 or \$5,500 people just quit building.

This increase was due, in large part, to the increase in costs of material, in part to the increase in the cost of labor and in part, also, to the marking up of prices by dealers.

The conference also -- this was brought out in discussion -- also brought out that if a price correction takes place -- and the costs have gone down a little bit in the last three months, I think, since that time when I told you people about some things going too high, there has been a falling off, and if this price correction continues, they believe that the building activity will

start up again.

They brought out that there seems to be, from the point of view of the average home builder, a criterion in how much they can spend for a home, and the amount they feel they can spend for a home is about three times the amount of their annual income. That is an interesting thing. If a man is making \$1,000 a year he feels he can obligate himself for a \$3,000 home and if he is making \$2,000 a year he feels he can obligate himself for a \$6,000 home. These, of course, are average figures.

Today, for the same price as ten years ago, a man can get a better home with more things that go with it than went with the home in those days such as fitted closets, the stove, in some cases the refrigerator, etc. They go with the building costs instead of having to be supplied afterwards. You get a better fitted-out home. Financing of course we know has been made, largely by Government efforts, a great deal easier and a good deal cheaper.

Then we came today to another problem that has never yet been taken up seriously. You know that most of the efforts the Administration has made in the last four and a half years has been in behalf of existing home owners and prospective home owners. More than 50 per cent of the wage-earning population, as distinguished from the

farm population, however, lives in rented homes and the Administration has done practically nothing to bring down rentals paid by those people who, for various family reasons, do not figure out that they want to own a given home in a given place in perpetuity. The rental problem is a very serious one. In some of the communities that in the last year or two have had a great industrial development and, therefore, a big influx of population, families are paying as high as 50 per cent of their income for rent.

Now, of course, there was an old rule, the old American rule in the old days when Fred (Essary) and I were young -- the rule was that a family ought not to spend more than 20 per cent of their income for their rent. It was brought out that the usual rule in Europe is one-seventh or about 15 per cent for rent. So, taking it by and large, we Americans are paying altogether too much out of our income for rent.

Then, in developing that, I asked this informal group to study for me and to make some kind of a report on the question of rent -- an extension of the idea of the limited dividend corporation to be financed, however, not through bond issues and bank loans and savings bank investments for the usual 5 per cent that the savings bank expects to get, but more on the theory of using the savings of a great

many people to go into this. In other words, the general thought that there were an awful lot of families in this country who have \$200 or \$300 or \$1,000 or \$2,000 or \$5,000 in the way of savings and, in the old days, they were accustomed to putting it into savings banks and getting 4 per cent -- even in the large communities of the East, you could get 4 per cent.

Because of low interest rates, most savings banks in that same territory where savings banks greatly exist, the Northeast, you cannot get more than 2 per cent today in most savings banks. So, today, there is a very, very large field for savings to go into some institution where they would get perhaps a little bit better than they would get by buying Henry Morgenthau's Baby Bonds at $2\frac{7}{8}$ per cent. I know, personally, hundreds of families where if they could get $3\frac{1}{4}$ per cent on their money, perfectly well secured, they would be perfectly delighted to put it into that kind of an institution.

That is the same general theory as the building and loan associations. Well, the building and loan association works primarily for the erection of homes that are owned by people. This would use the same principle in building houses that are to be rented by people. If they can be assured, if the savers of the country could be assured something like $3\frac{1}{4}$ per cent, something like that, I think

it would meet a very wide savings demand and, at the same time, encourage the building of more buildings for the rental half of the population at lower rents.

Now, as I say, this is merely today for, as you know, these study groups do not go into any detail. This is merely looking at the big picture of the needs of the country and there won't be anything doing at this session on it. It is still in the preliminary study stage. Out of it may come some suggestions on a practical way to put it into effect.

That is about all there is to the whole story. I think you can use that as background so long as you do not make it factual, so long as you make it perfectly clear that it is a preliminary study.

Q May I ask whether the study will be along the lines of a Government agency?

THE PRESIDENT: There you are, now you are getting factual. I haven't the faintest idea, not the faintest. We are working toward an objective. The methods haven't even been scratched.

Q Did you give any thought of using the Social Security funds, that is the big fund that will pile up after we get going on Social Security, as the fund that will be used for financing that sort of corporation?

THE PRESIDENT: That was not discussed. As you know, it has

been suggested that the Social Security kitty or, what do they call it, reserve, could be invested in enterprises that have Government approval, that yield a definite income so long as it is not speculative. It is along the same general idea as, let us say for example, if we were to build a new boulder dam. Well, before we actually built Boulder Dam we knew that Boulder Dam would pay. There was an absolute certainty. Practically, we had the contracts made for the sale of electricity and water from Boulder Dam before we ever poured any cement. We knew it would pay.

Instead of going out -- now, this is just a school of thought, I am not saying it is a Government program at all; I am just following out what you suggested. It is a school of thought that thinks that various Government trust funds could properly be invested in various projects where there was a surity of income. The people on the other side, who oppose it, say, "That is fine in theory but the danger is that if you once did it for an absolutely sure thing, some future Congress might compel you to do it for something that was unsound, without a sure income."

Q Was something said at the conference today about the possibility of lowering the down-payment on purchases of homes?

THE PRESIDENT: Oh, no. Oh, you mean the 10 per cent or 15 per cent?

Q About 20 per cent.

THE PRESIDENT: Merely mentioned; it was not discussed.

Q You referred to family units. Does that mean an apartment would be a family unit?

THE PRESIDENT: The number of families in it would constitute the number of units. A two-family house would be two units.

Q Mr. President, I have a report that you would be willing to — allow the Court Plan, as amended, to go over at this session of Congress?

THE PRESIDENT: Have you, really. (Laughter)

Q Mr. President, a good many statesmen in Europe seem to be looking to you, still, for some leadership in the matter of International Economic Conference. George Lansbury quoted Mussolini in the morning papers as saying that if you would initiate a conference or even care to preside as chairman of a conference, he would be very glad to come in. Isn't there a little background we may have on that for guidance? It comes up every few days.

THE PRESIDENT: Yes, it comes up all the time. The only background I can give you on this is that all over Europe almost everybody, not only the members of governments over there but the man on the street, feels that in Europe they are up against a stone wall and that there is nobody in Europe that can solve it.

Rec 13
7/27/55

If the head of one nation takes it up, everybody else wants to bite him and there are constant jealousies and balances of power and all those things. Therefore, it is a perfectly logical thing for them to look around for somebody outside of Europe to come forward with a hat and a rabbit in it and they think I got a hat with a rabbit in it. Well, that is about all there is to it. I haven't got a hat and I haven't got a rabbit in it. (Laughter) It is a perfectly natural impulse on their part. That is all I know about it. It comes to me about once a day, Fred (Essary), just as it comes to you.

Q Has the suggestion come to you seriously at all that you preside as chairman over an international --

THE PRESIDENT: No, and this has got to be off the record, you will remember that dear old George Lansberry was over here and he went back to Europe and told all sorts of things about me and now he has come out from seeing Mussolini and is telling all sorts of things about him. Everybody loves old George Lansberry, but --

Q Did you say that this statement was for background?

THE PRESIDENT: Yes, all except that last thing about George Lansberry, that is off the record.

Q Could you tell us anything about your discussion this noon with Assistant Secretary Edison?

THE PRESIDENT: We went over a preliminary report from the Navy Expert about the building capacities of all the

Feb
7-27-55

Navy yards in the country. In other words, I am just taking time by the forelock. It is just a possibility -- call it even a remote possibility -- that we are in for quite a shipbuilding boom in this country. Now, there are very, very few private yards and if we had a shipbuilding boom they would very soon reach their capacity. The question would then come up about increasing American building capacity beyond the existing capacity.

Make it clear that it is not taking any business away from anybody that has got any business at the present time; it is creating new facilities for additional new work over and above present capacity. Now, we have not only the Merchant Marine to consider but we have the possibility of a certain amount of Naval auxiliary construction under this bill -- I think it passed, did it not, the other day?

Q It is in conference.

THE PRESIDENT: It is in conference and we are merely surveying the Navy yards to see whether in some of the yards we can put in ways for the non-armored-ship type of construction as, for example, Boston, Philadelphia, Norfolk, Charleston and New Orleans, on this Coast. It is just a preliminary survey to see how much would be needed in the way of new ways and new tools.

Q Mr. President, when you were discussing the Housing Conference, you referred to prices, which caused me to wonder

whether any action had been taken on the suggestion of the Attorney General back in May that a committee be named to study revision of the Anti-Trust Laws. You remember you gave us the Attorney General's letter at that time.

THE PRESIDENT: I think it is being done but I would have to check up and find out who is doing it. I have forgotten. I did something about it but what it was I don't know.

Q Mr. President, what is your reaction to the House overriding your veto on the Farm Credit Bill?

THE PRESIDENT: How do you mean 'reaction'?

Q Do you have any?

THE PRESIDENT: Oh, no; I never have reactions. (Laughter)
Out loud, anyway. (Laughter)

Q Mr. President, your survey of the Naval yards situation: Does that contemplate going into the matter of probably helping to re-establish some of the older shipyards that are now more or less extinct?

THE PRESIDENT: Not necessarily. It is a matter of how much it costs in each place; a matter of dollars and cents.

Q Is it possibly a shipbuilding boom concerned with war ships, merchant ships or both?

THE PRESIDENT: Primarily merchant ships. Under this Naval Reserve Bill we might start a couple of ships. That is not exactly a building boom, to start a couple of ships.

If you started five battleships, such as the British are going to start, that would be a boom, would it not Mr. President?

THE PRESIDENT: Yes, that would. (Laughter)

Q Could you comment, Mr. President, on the Japanese-Chinese fighting?

THE PRESIDENT: You will have to ask the Secretary of State.

Q Mr. President, are you making any survey of airplane construction facilities?

THE PRESIDENT: Yes, somebody is doing that.

Q Would additional legislation be necessary, Sir, to permit the Navy to build auxiliary ships in Navy yards?

THE PRESIDENT: No, I don't think so; I don't know. As a matter of fact, I asked somebody to look it up for me the other day. You will have to keep this off the record but Joe Kennedy told me that somebody had looked it up for him and that the Navy could build ships in the Navy yards for any Government department. I am inclined to think he is right because without any legislation we built the new Coast Guard Cutters for the Treasury. I think the Government can build any ships for any Government department.

Q My idea of an auxiliary is a passenger ship or a freight ship that can be converted into a Navy ship on occasion. Is that what you had in mind?

THE PRESIDENT: In talking about auxiliary ships, I am talking about Navy oil tankers and hospital ships and things of that kind -- supply ships.

Q The Bill would require that at least half of them be built in Navy yards; does that program require construction of ways at New Orleans?

THE PRESIDENT: New Orleans is one of the five yards on this Coast being surveyed.

Q Is the Brooklyn Navy Yard being surveyed?

THE PRESIDENT: I eliminated the Brooklyn Navy Yard because it is very, very congested in points of acreage. It is the main ship-repair yard on this Coast and it is a battleship-building yard. They have all they can handle.

Q Thank you, Mr. President.