

CONFIDENTIAL

Press Conference #402

Executive Offices of the White House

October 12, 1937, 4.00 PM

THE PRESIDENT: We are all very sorry to hear the news today of the death of Ted Marriner out in Beirut. A great many people here knew him. He was a career diplomat and was doing an awfully good job. It was one of those things that cannot be helped.

Q Is there any news on it that is not in the papers?

THE PRESIDENT: No. Apparently it was just an individual with a screw loose.

I think the only news I have got is the signing of a proclamation today, (reading) "Whereas, public interest requires that the Congress of the United States should be convened in extra session at twelve o'clock noon on the fifteenth day of November," et cetera, et cetera. (Laughter)

Q Is that all? (Laughter)

THE PRESIDENT: Yes. You can get the whole thing, if you want. It is about three times as long as that.

Q Is that a Monday, Monday the 15th?

THE PRESIDENT: Yes. I haven't got any other news because I am awfully busy writing what I am going to say tonight

that I haven't even got time to provide any news.

Q Mr. President, what is the purpose of this special session?

THE PRESIDENT: Wait until you get the release. It has just started on the mimeograph.

Q The release of the proclamation or the release of your speech?

THE PRESIDENT: You can start it out on the streets at 9:30 tonight.

Q The speech will outline -- (interrupted)

Q Was that for the speech or something in connection with the proclamation?

THE PRESIDENT: You can use this right away, the fact that there is to be a special session of Congress. The speech is just being put on the mimeograph.

Q That will outline the proposed --

THE PRESIDENT: Pretty well.

MR. YOUNG: Thank you, Mr. President.

Q Do you expect to appoint a Housing Administrator soon -- an Administrator of Housing or a Housing Administrator?

THE PRESIDENT: Very soon. Probably from Hyde Park.

Q Mr. President, can you comment on the text of Mr. Espil's talk with you when he delivered a message from the Argentine Government on Saturday?

THE PRESIDENT: I was very glad to have it, that is all.

Q Mr. President, will you say whether Farley and Wagner are representing the Administration's view in supporting Mahoney in New York?

THE PRESIDENT: Get Steve (Early) to give you the usual hand-out with respect to all local elections.

Q Mr. President, is the Administration taking any part in the race in Arkansas?

THE PRESIDENT: Same thing. Get Steve to mimeograph some copies. (Laughter)

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #403
Hyde Park, New York
October 15, 1937, 12 Noon

THE PRESIDENT: Literally there isn't any news at all. Joe Kennedy is coming up for lunch on Shipping Board matters. I don't know of anybody else. Oh, Emil Ludwig has come back but I don't know when I will see him.

Q I am instructed to ask you if you would care to identify the prominent economist mentioned in the fireside talk.

THE PRESIDENT: You will have to look it up. It is quote stuff. You will have to look it up. He is prominent.

Q Mac (Mr. McIntyre) said it was probably him.

THE PRESIDENT: No, it is a real, honest-to-God professional economist. Mac is an economist but not a professional economist.

MR. MCINTYRE: I wish, Bob (Mr. Post), you would show the President this other query. Off the record, I would like him to read it. I think it is a pip.

Q (Mr. Post) No.

Q (Mr. Trohan) It looks like a good story to me.

MR. MCINTYRE: It looks as if they decided they wanted a rough draft of your message to Congress. This isn't anything but one of those modest demands you get from the desk once in a while.

THE PRESIDENT: This is a Sunday piece. (Reading) This is grand. This is what is called a psychological story to find out whether the slump in the market bothers me. You can tell him that he will learn nearly all about this in my message to Congress in November and again in January. If he wants a psychological story he should hire Mark Sullivan and then Mark can tell him all about it from the way I raise my voice or whether the tone of my voice denotes internal anger or not. I think Mark has been a scream lately as an expert on facial expression and tone of voice.

Q In connection with the market slump, have you read Winthrop Aldrich's speech?

THE PRESIDENT: I haven't yet.

Q It is not long. He attributes the break largely to unwise and inconsistent legislation. Do you care to say anything about it?

THE PRESIDENT: Not on the record, but I will tell you an off-the-record story.

Q (Mr. Trohan) It will be in the New York Post tonight.

THE PRESIDENT: It will not.

MR. McINTYRE: You are perfectly safe here.

THE PRESIDENT: If I am perfectly safe, then all right. On

the trip out West, about half-way across, I got a three-page telegram from -- I don't know that I should not tell you his name -- it was from Clarence Woolley, head of the American Radiator Company. He was upset about the stock market. In his judgment there was one thing to do immediately, and that was to reduce margin requirements. He went on for two pages about that and then he ended up something like this: He said, "As you know, I am not speaking for the big speculators, I am not even speaking for the medium-sized speculators, I am not speaking for any speculators. I am talking about the little man, the small investors, the people who are scattered all over the country, little bits of investors, the people that you are most interested in, the kind of people who are carrying little brokerage accounts from ten to twenty thousand dollars."

Q The paupers. (Laughter)

THE PRESIDENT: Which I thought was perfect.

Q Those on relief.

THE PRESIDENT: I think it is one of the best psychological stories I know, the attitude of those fellows who are thinking in certain terms -- ten to twenty thousand dollars, poor little fellow.

Q Aldrich wants lower margin requirements too, among a lot of other things.

THE PRESIDENT: And no regulation of security markets?

Q Without interference in trade.

MR. McINTYRE: Let nature take its course.

Q That is exactly what it boils down to. He wants economic forces to have free play.

Q Anything on the foreign situation?

THE PRESIDENT: Not a word.

Q May we presume, in view of the representations made by Norman Davis in Geneva in 1929, that there are disturbances abroad?

THE PRESIDENT: 1929 or 1919? (Laughter)

Q I have forgotten just when; my memory isn't so good.

Q Is it a fair inference from your fireside chat the other night, that mediation would be the first step of the Conference toward settlement of the Far Eastern situation?

THE PRESIDENT: I said that, in so many words.

Q I think you did. What would follow after that?

THE PRESIDENT: Now you are getting into the "if" field.

Q What is the machinery of appointing delegates or a delegate?

THE PRESIDENT: We have not been asked yet.

Q I thought we had accepted.

THE PRESIDENT: We have not been asked yet.

Q I am confused then; I thought we had.

THE PRESIDENT: We had not up until last night; I have not heard this morning.

Q Will Mr. Davis represent us?

THE PRESIDENT: As I say, we have not been asked yet. The girl does not accept until she has been asked. Some do, but we don't. (Laughter) Mac, you ought to read them that story that Joe Davies wrote to you.

MR. McINTYRE: I shall.

Q Did he volunteer? He didn't volunteer, did he?

THE PRESIDENT: It is a story about a priest and a virgin.

Q I wanted to ask, in the event of wounding of Americans, is that going to mean any change?

THE PRESIDENT: You had better ask the State Department; I haven't any information on it at all.

Q How about the Vatican's position?

THE PRESIDENT: Has that been substantiated?

Q I only know what I saw in the papers.

THE PRESIDENT: "I only know what I see in the papers." From you, George (Durno), that is a peach.

Q It was virtually substantiated this morning. It is not the kind of story that would be written cold.

Q Our story (A.P.) quoted an "official source".

THE PRESIDENT: The story said, "From unofficial sources it was learned."

Q Mr. President, are you planning to make any recommendations in regard to modification of neutrality legislation?

THE PRESIDENT: I cannot discuss it at all. That is too "iffy". Of course, I recognize the difficulty of trying to write guesswork stories about foreign affairs in the future. I cannot write guesswork stories for you, therefore whatever is written in any newspaper about what the United States is going to do in the future is absolute, sheer, utter guesswork.

Q We know that, Mr. President. Are there going to be any conferences next Wednesday, when you get back, with legislative leaders? Can't we get some news out of that?

THE PRESIDENT: I don't know. I don't know where they are.

Q We have all been writing the same story for four days. I want to get a little germ of truth in it.

THE PRESIDENT: I suggested right along that you write a real story, one about three paragraphs, that there is no news at Hyde Park. Now, that is news.

Q We would get call backs.

THE PRESIDENT: How can you write any story today? I don't

know. I don't see how you can do it. I simply haven't got any news.

Q We certainly cannot write an affirmative one.

THE PRESIDENT: You can say I have no news but I have been in touch with various departments in Washington, as I am every day. I have been signing a whole lot of mail and studying a lot of papers.

Q Can we put that in quotes?

THE PRESIDENT: No, and, so far as I know, I won't have any news while I am here. Joe Kennedy is going to come by and talk about routine matters. Ludwig is engaged in writing a book. I don't know what he is coming for, but you may be able to interview him.

Q How about Mr. Mahon's call?

THE PRESIDENT: I cannot give you a story on that. I can talk to you off the record. Some of you may know Jim Mahon in Washington in the older days. He was a Congressman, was he not?

MR. McINTYRE: I remember the name.

THE PRESIDENT: I think he was Congressman from the Brooklyn Navy Yard District in the old days. He is an awfully nice fellow. He was at one time President of some union. Now his wife has died and he is footloose. He had to use

all of his money to pay the doctor's bill. He wants a job as Under-Secretary or Assistant Secretary of Labor. It is one of those pathetic things. It is a question of getting him some kind of a job.

MR. McINTYRE: He was a good man at labor.

THE PRESIDENT: He is too old to do any work.

Q Mr. President, has the internal row of the Coal Commission been called to your attention?

THE PRESIDENT: No.

Q There have been a number of reports saying that there is a lot of trouble over patronage and personnel matters and members have threatened to quit unless straightened out. It is said that they are going to refer it to you.

THE PRESIDENT: The only thing to do is to lock them in a room until they iron it out or they don't get any lunch.

Q Have you any plans for fishing off Mobile?

THE PRESIDENT: The only plan I have is to try to go down to Warm Springs for Thanksgiving.

Q Does that mean a long stay?

THE PRESIDENT: Maybe just overnight. I can't tell.

Q Live aboard the train?

THE PRESIDENT: We were talking last night over the dinner table and Mrs. Roosevelt suggested taking a little

camping trip and everybody living in tents for about a week.

Q We did that at Lake Crescent.

THE PRESIDENT: Mrs. Roosevelt said she would arrange the whole thing.

MR. McINTYRE: I think it would be swell. We would arrange to have heat in them.

THE PRESIDENT: It would only be a one-night stand. We would have all sorts of delicious foods, such as flapjacks and coffee and hot dogs.

Q (Mr. Trohan) I will take the Miami-Biltmore. That is my idea of slumming.

THE PRESIDENT: It would be up in the Adirondacks or something like that, and a good time will be right after election, around the 10th of November. It would snow most nights and be just around ten degrees below zero. It would be the finest preparation for that winter in Washington.

Q (Mr. Trohan) It sounds like you have been talking to the Colonel.

THE PRESIDENT: No, it was the Missis that thought this up. She thought it was a grand idea. She guarantees to go on the trip and make all the arrangements.

Q (Mr. Trohan) Mac and I say, "No".

THE PRESIDENT: How about it, Tommy (Qua³l³ters)? Don't you think it is a good idea?

MR. QU³A³L³T³ERS: I think it is a good idea.

Q Bring the Missis along with you, too, Tommy. (Laughter)

THE PRESIDENT: My Missis was serious about it.

Q (Mr. Trohan) So am I.

Q (Mr. Durno) I think this Mobile fishing trip is a better idea.

Q (Mr. Trohan) Miami-Biltmore. I like Carl Byoir.

THE PRESIDENT: We haven't had a hunting trip in the woods yet.
We ought to do it.

Q Take that Timberline Lodge on Mt. Hood. I will go for that.
That is the way I like to hunt.

THE PRESIDENT: But this calls for no investment on the part of the Government. We will borrow the tents from the Army. We will have an Army truck to carry them and we can teach you the first night how to set up the tents and then how to strike them in the morning. It starts the blood going in the morning when you strike a tent. Of course, this all depends on Bob Allen going.

Q If you get him to go along, everybody will go to see the event.

Q Then we will have to have rifles on this trip in order to shoot.

THE PRESIDENT: Shoot?

Q Deer.

THE PRESIDENT: Oh, deer. I was wondering who.

I wish I did have some news, but there really isn't anything. I am having a good time doing a lot of spade work.

MR. TROHAN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #404
Hyde Park, New York

October 19, 1937, 11.30 A.M.

(Off-the-record discussion about activities in Poughkeepsie.)

THE PRESIDENT: I don't know whether I make the appointment or Secretary Ickes appoints him but anyway you can announce that Howard A. Gray, of Illinois, is going to be appointed Assistant Administrator of the Federal Emergency Administration of Public Works to succeed Colonel Horatio B. Hackett.

Q He is Ickes' Assistant?

THE PRESIDENT: Yes. He succeeds Hackett.

Q That makes everybody happy. (Laughter)

THE PRESIDENT: Well, that does it. I don't think there is anything else.

Q We have been taking a little bit of a shellacking on this trip.

THE PRESIDENT: Why?

Q We were wondering if something couldn't be worked out so we could get some features on what is going on down in Wall Street.

Q We went on the limb on Norman Davis on that appointment. It was announced at ten-thirty in Washington and we did not hear about it.

THE PRESIDENT: I thought I told you that anything on that would come from Washington.

Q You said, when we last talked to you, that no invitation had been received.

THE PRESIDENT: You see, we did not have any invitation up to that time.

Q Another one is Davis' visit up here. We had a flat statement that Ambassador Davis was coming up to Hyde Park and we did not get any confirmation until 24 hours later.

THE PRESIDENT: When that statement was made that he was coming to Hyde Park, I did not know it. (Laughter)
Mac, what time was it he called up yesterday?

MR. McINTYRE: Late yesterday afternoon.

THE PRESIDENT: It was half past six or seven o'clock last night. He said he had decided to sail on Wednesday and therefore could I see him before he sailed and he was not going to New York until this morning.

MR. McIntyre: That is for information, of course.

Q Has he arrived here yet, Mr. President?

THE PRESIDENT: He is coming here at four o'clock.

Q Did you see Ambassador Dodd this morning?

THE PRESIDENT: Yes. He is staying for lunch.

Q Anything you can tell us about that visit?

THE PRESIDENT: He is sailing on the same boat.

Q I think we would all very much like to see Mr. Davis after you see him, if it can possibly be arranged.

THE PRESIDENT: I don't think he will have any news for you, but I will ask him.

Q We would all feel better.

Q Your old friend Hiram Johnson has delivered quite a statement. He said that America is on the road to war and he wants you to tell the people what you will do and what you will not do and wants to know what you mean by "quarantine." He said the people should know when you approach war, that we know the attitude of Secretary Hull and of Ambassador Davis and we know he would not be going to Brussels unless there was an advance agreement between England and the United States as to who is going to furnish the men and money for war. Also, suppose the President assumes leadership of the League of Nations and it decides on sanctions against Japan, whose Navy will enforce it. Those are the highlights.

THE PRESIDENT: I would like to make a very simple comment but I won't, on the record.

Q Is there anything you can say?

THE PRESIDENT: Do you remember -- no, not on the record -- this is off the record -- Bob ^{Chandler} Challoner (?) used to be sheriff of Dutchess County and he had a brother by the

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3-24-55] name of Armstrong who had been declared insane in the State of New York. Armstrong moved to Virginia and lived there. Bob, up here, divorced his wife and married Lina Cavalieri whereupon Armstrong ^{Chandler} ~~Challener~~ of Virginia sent him the famous telegram, "Who is loony now?"

Of course the other comment, which will also have to be off the record, George (Durno), was that I had thought that Hiram and Hearst were no longer good friends but, evidently, I was mistaken.

Q (Mr. Durno) That is not a fallacy.

THE PRESIDENT: That is not subtle; that is just brutal.

Q He has been reading the editorials.

Q Mr. President, the stock market has fallen off very heavily in the first hour of trading. There were two and a half million shares traded in the first hour. They dropped 1 to 10 points, roughly. Is there any thought of you exercising your authority to close the Exchange?

THE PRESIDENT: No. I can only tell you that for background. You cannot use it coming from me and, outside of that, there isn't anything I can say at this time.

Q Except the fact that you are not considering?

THE PRESIDENT: Only, as I say, not coming from me.

Q You could not comment, Mr. President, on the subject of

whether the value of the figures on the ticker represent the real value of American securities?

THE PRESIDENT: I could get a large sum of money if I went into the business of giving advice on the stock market.

Q Mr. President, there seems to have been dispatches from Washington indicating that you had a completely open mind and that you would be perfectly willing to see some change in the capital gains tax and corporate surplus tax, provided they brought in as much revenue as now. Can you talk on that?

THE PRESIDENT: No.

Q You said several times -- I remember one Press Conference in particular when you told the story about a little town in New York State of about 1,000 population where 99 people played the market and 98 lost their shirts, some figures like that. It gave us a strong intimation that you felt that people should not speculate in the market and that you thought that stock prices were inflated at that time. That was on a rising market.

THE PRESIDENT: That is right.

Q Would you like to follow up that Press Conference?

THE PRESIDENT: No.

Q In view of the revised budget estimate, do you see any need for higher taxes?

THE PRESIDENT: John (O'Brien), we have not made up the 1939 budget and have not even forecast figures on it.

Q I mean in the light of the revised deficit?

THE PRESIDENT: I cannot repeat anything more than I said several times before about the 1939 budget.

Q That it will be definitely in balance?

THE PRESIDENT: Yes; hope and expect.

Q Without increased taxes?

THE PRESIDENT: I think so.

Q That does not stand up very well against the revised figures. It is another 200 million dollars off.

THE PRESIDENT: From April 1, yes, but what was the reason? Look at the reason. After all, there are two branches of government, to appropriate and spend the money. It would have been inside of the April estimates if it had not been for those appropriations that were not recommended. That is the thing that one should mention, in fairness.

Q I wondered.

Q In that connection, I noticed in this revised budget statement that one of the appropriations was 113 million dollars for railroad retirement. What proportion of that, roughly, is out of the Federal pocket? I thought we merely administered that fund and the

fund itself was raised by employees' and employers' contributions.

THE PRESIDENT: Harold (Oliver), I think you will have to check up on it but my impression is -- this is off the record -- my impression is that the first Railroad Retirement Act was held and declared unconstitutional but there were certain moral obligations we incurred under it and in the process of passing the new Act the compromise was that the Federal Government would put up this 113 million dollars, or whatever it was, until the new system got going. I think that was it.

Q That was the money the railroads were to have paid in and did not?

THE PRESIDENT: Yes.

Q That was reimbursable?

THE PRESIDENT: No.

Q Not reimbursable?

THE PRESIDENT: No. In other words, we would not have been in the hole if the thing had not been knocked out but, having been knocked out, there was this lack and we did not try to get back the 113 million dollars. But it does not occur again. From now on it is self-sustaining. I think that is it.

Q Any possibility of your commenting on the stock market situation in your Federal Reserve message tomorrow?

THE PRESIDENT: Not that I know of.

Q The other reason in the budget for the increased deficit is the falling off of revenues. Of course this stock market collapse here will bring about potential --

THE PRESIDENT: I don't know. I am not enough of an expert to forecast the 1938 or 1939 figures. The percentage of difference between the April estimates and the October estimates on the actual revenue receipts is, of course, a very very small percentage, an amazingly small percentage compared with Treasury estimates of receipts prior to 1933.

Q Is there any basis for the persistent rumor that emanates from Wall Street that you are contemplating a large re-armament program?

THE PRESIDENT: It is brand new to me. You might say it is typical.

Q How about that rumor about the ptomaine poisoning?

Q Within ten minutes three services got that rumor out of Washington and New York.

THE PRESIDENT: I don't think I have had a digestive upset now in about three months.

MR. McINTYRE: Not even hot dogs bother you.

THE PRESIDENT: No, not even hot dogs bother me.

Q Can you tell us anything about the talk you are going to have with Mr. Davis. Anything that would carry us a step forward in our stories?

THE PRESIDENT: No. It cannot be and won't be anything helpful toward writing what American foreign policy will be on the first of each month for the next year.

Q If you put in there, "until the war comes" we will have a story. (Laughter)

Q When are you coming back to Hyde Park, Mr. President?

THE PRESIDENT: Saturday afternoon. Coming through by day this time, for a change. I think it is a good change to make.

Q Will you stay until Election Day?

THE PRESIDENT: Yes.

Q And then you will be back in Washington?

THE PRESIDENT: Yes.

Q When is that, Election Day?

THE PRESIDENT: The second.

Q Anything on the Special Session?

THE PRESIDENT: Not a thing.

Q During the time you will spend in Hyde Park, do you expect to have Congressional leaders up here to talk plans?

THE PRESIDENT: I haven't the faintest idea. I have no plans for that ten days at all. Who was it had them all coming? Somebody had them all dated up.

Q Harry Oliver.

Q (Mr. Oliver) I denied that once.

Q (Mr. Harkness) Harry and I did not work during the intervening period in Washington.

THE PRESIDENT: How do you suppose they managed to slip that story in under an A.P. date line from here. It was in the New York Post.

Q It must have been under the Washington date line.

THE PRESIDENT: I called up Mac and said, "Tell Harold this is grand but, for God's sake, let me know when these boys are coming up and what hour so that I can be in."

Q (Mr. Trohan) I think that was the night I wrote your overnight. (Laughter)

THE PRESIDENT: I don't think there is any news at all. I will probably drive around a little this afternoon.

MR. TROHAN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #405
Executive Offices of the White House

October 22, 1937, 10 o'clock A.M.

Q Mr. President, we would like to know a little more about this new setup you announced yesterday about James (Roosevelt)?

THE PRESIDENT: There isn't any news in it. It is a two-paragraph, fifth-page story and not a front-page story in its news value.

Q (From the rear of the room) We did not get that.

THE PRESIDENT: He wanted to know about the story on James. It is a two-paragraph, fifth-page story. Jim is not a coordinator. It is just a clearing house at the request of these people so they will be able to find things out and get information they need.

Q Have you any comment on the efforts that the State Department has initiated in the Nicaragua-Honduras situation?

THE PRESIDENT: No, except the usual hope that it will work out peaceably.

Q Have you one of those Nicaragua postage stamps in your collection?

THE PRESIDENT: I have, also a Honduras stamp. In fact, I have a block of four of each, unused, and I am very proud of it.

Q They are valuable?

THE PRESIDENT: Yes.

Q Do you consider it significant, in view of the Brazilian Conference, that the United States should set an example in peaceful settlement of Western Hemisphere disputes?

THE PRESIDENT: I don't see the relationship. (Laughter)

Q Anything new on the corn loan?

THE PRESIDENT: No. I am seeing Bell some time today and then I suppose I will see the Secretary of Agriculture and the Secretary of the Treasury some time before I leave tomorrow.

Q Are you hunting for revenue for the new farm bill?

THE PRESIDENT: That's what I'm going to talk about, exactly that.

Q Mr. President, in the light of the revised budget estimates for this year, can you predict a balanced budget for the 1939 fiscal year?

THE PRESIDENT: I can only repeat what I have said about two hundred times.

Q You still feel that way?

THE PRESIDENT: Yes.

Q Will there be an Executive Order setting up this new Housing Administration?

THE PRESIDENT: To do what?

Q Starting this new Housing Administration on this program?

THE PRESIDENT: I don't know. Does it take an Executive Order?

Q That is what some of them believe, that you have to give them an Executive Order saying how far they can go.

THE PRESIDENT: I never heard of it.

Q Have you had any official communications from the Duke and Duchess of Windsor about their visit?

THE PRESIDENT: No, official or unofficial.

Q Thank you, sir.

THE PRESIDENT: Society editors, please note.

Q Is construction for the District, Federal construction, to follow out a regular plan now that we are getting done with the existing one? Will there be a new plan for the District Federal building? I mean the War Department and those others?

THE PRESIDENT: I don't think so, in the sense that we will do much more than go ahead with certain recommendations in the last Session. It is a matter which probably ought to be studied for a period of another full year. You see, we have one or two buildings that we have already asked for. One is the continuation of the War Department building and the other is the Social Security building and we hope to get those during the

coming regular Session of Congress and, in the meantime, we will be studying needs beyond that but there isn't anything immediate.

Q You only have an authorization for the War Department, have you not, sir?

THE PRESIDENT: I think we put in a request -- I have forgotten the amount of the actual appropriation -- but did not get the money. The same way with the Naval Hospital.

Q Mr. Secretary -- I beg your pardon, Mr. President --

THE PRESIDENT: You can go back to the old days and say, "Mr. Secretary," if you want.

Q When we spoke of this once before I think you spoke of "long-time plans" and "short-time plans." That has not changed?

THE PRESIDENT: No. The short-time plan is to go ahead with the War Building, the Social Security and the Naval Hospital Buildings in the immediate coming Session. The long-time plan, of course, we will be studying for another year.

Q Did you hear or get a report of Governor Landon's speech?

THE PRESIDENT: That is a very embarrassing question because I told Steve (Early) off the record and I don't know whether he passed it on to you or not.

Q Nothing on the record?

THE PRESIDENT: No.

Q Mr. President, can you tell us what passed in your visit with the Polish Ambassador yesterday?

THE PRESIDENT: Just that he had been abroad and came back and came in to say, "How do you do."

Q Are you getting any reports from various departments or commissions of the Government on which you could base a business outlook statement for the Winter or next Spring? There is a lot of talk about a let-down or recession?

THE PRESIDENT: No, nothing more than the departments give out regularly.

Q Nothing special?

THE PRESIDENT: No.

Q Mr. Hopkins is having conferences with State Directors of Relief on the outlook for the Winter. Can you tell us anything on what your policy will be? Has he given you any reason to expect larger rolls?

THE PRESIDENT: I think those conferences are in connection with the budget that goes in in January.

Q Will there be a deficiency appropriation for the year 1937-1938 for relief and recovery?

THE PRESIDENT: No.

Q You have a billion and a half; that is enough?

THE PRESIDENT: Yes.

Q Have you reached any conclusions?

THE PRESIDENT: As far as we can tell now. You cannot make a definite deduction on what might happen in the Spring. As far as we can tell now, there won't be any additional.

Q Have you reached any conclusions with respect to revising the undivided profits or the capital gains taxes?

THE PRESIDENT: The whole tax thing is under study in the Treasury Department.

Q Anything on reviving the processing taxes?

THE PRESIDENT: That is the same question we had before.

Q Is that Treasury Department study of taxes preliminary to the regular Session of Congress in January? You expect, in other words, to lay some sort of program involving taxes before Congress?

THE PRESIDENT: It is preliminary to the regular Session but we are trying to get the preliminary in shape sufficiently early to go before the two committees which are meeting in November, but their meeting has nothing to do with the Special Session, as you understand. It is for the regular Session, but I think we will be prepared to go before them when they meet in November.

Q Has it been determined whether new taxes will be necessary next Spring?

THE PRESIDENT: No.

Q Mr. Kennedy has made a survey that disclosed the various types of vessels that the Maritime Bureau has authority to build. Do you think something should be done about that?

THE PRESIDENT: I don't know; I haven't heard about it.

Q Anything you can tell us about your Hyde Park trip, whom you might see?

THE PRESIDENT: No, but I will try to fill all those engagements you fellows made for me if you will tell us when they are calling. (Laughter)

Q When are you coming back?

THE PRESIDENT: Day after election; Wednesday, the third.

Q Will you leave that night or get back here that day?

THE PRESIDENT: I don't know; I will leave either Election night or come through by day.

Q How about Warm Springs?

THE PRESIDENT: I hope to get down there for that dinner. Whether I will stay for more than one night or not depends a little on the Session. It means leaving here the day before Thanksgiving, Wednesday afternoon, and getting there Thursday morning.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #406
Hyde Park, New York
October 26, 1937, 4.30 PM

Q Can you tell us about your talks with Chairman Douglas and Mr. Kennedy today?

THE PRESIDENT: Oh, routine stuff, that's all all of these talks are. Merely routine. I was away so long, you know. There was no specific subject. Matters that I have up for six weeks or a month. Other people have been drifting in. I had two come in today unexpectedly; one was Mr. Shields, and another was Jim Perkins. He is sitting in the Library now. I told him a month ago I wanted to see him and I forgot to mention it to anyone in Washington that if I came up this week I wanted to see him, so Mac was quite distressed. But here he is, and the first thing I knew Mr. Perkins was at the gate.

Q Who is Shields, Mr. President?

THE PRESIDENT: He is a banker in New York. I don't know what the name of his firm is.

Q He was in with Mr. Douglas, was he not?

THE PRESIDENT: He came separately and I saw him afterwards.

Q That was just a routine conversation?

THE PRESIDENT: Routine.

Q To get a summarized answer, may I put it this way, that you have seen two large publishers -- (interrupted by)

THE PRESIDENT: No, I will tell you why. If you will go back to my previous Fall appointments when I have been here, you will see that I have seen two, or six or eight or ten bankers; two or three dozen manufacturers, which I always do at this time of year, last year and the year before that. It is much easier to talk quietly here than in Washington, and half these appointments are six months old. It is a lot easier, especially for New Yorkers, to motor here than come down to Washington. You can't create a story about it as there isn't any news in it.

Q Of course, I haven't seen a Fall like it. (Harkness speaking, who had not covered last year)

THE PRESIDENT: Well, it is the same every year, and if you look back at my book, if Mac will get it out for you, and look over the list there, you will find the same story.

Q These were general conversations?

THE PRESIDENT: No, I see people I like to see. You remember two years ago out of Roy Howard's visit came "A Breathing Spell" letter.

Q Is there anything coming out of this one?

THE PRESIDENT: No, there is no publicity expected from it.

Q Will you identify Mr. Perkins for me?

THE PRESIDENT: He is a very, very old Harvard friend of mine, and is President of the Board of the National City Bank.

Q Yesterday, at his press conference, Mr. Morgenthau was asked about the prospects of a balanced budget in 1938 or 1939. He said he didn't see how anyone could tell at this time. My office quotes him as saying "I can't see how anyone can tell at this time." Do you care to comment?

THE PRESIDENT: That is perfectly correct, and at the same time everything I have said is correct; that I hope and expect to balance the budget. Those two things go absolutely together, strange as it may seem. You can't make anything inconsistent out of it if you try to.

Q (Mr. Trohan) I can do a job of it. (Laughter)

Q He was obviously referring to the exact estimates of income and out-go.

THE PRESIDENT: The Secretary of the Treasury can't say before the budget is made up that it will be in balance, so that he is absolutely correct in what he says, and I am equally correct in what I say, that I hope and

expect it will be in balance. It is only a discrepancy, if you want to make a news story out of it.

Q How about rumors that he (Morgenthau) is going to resign, that are popping over Wall Street?

THE PRESIDENT: Really, are you sure it is Wall Street?

Q I am not sure of anything.

THE PRESIDENT: Or was it a columnist?

Q No, this was a telegram; I showed it to Trohan.

THE PRESIDENT: Well, the two news values are about equal -- columnists and Wall Street. The rumors have just about equal news value, and there isn't any truth in it at all. As you know -- and this is off the record -- such a rumor that his resignation was on the carpet killed old Will Woodin off; the current rumors in the newspapers that he was about to resign, as well as the rumors that he was at outs with the Administration. However, it is one of the penalties.

Q Mr. President, there is a rumor around Washington, and I have also had a statement today, a flat statement, that Woll and Hillman had left there to come up and see you.

THE PRESIDENT: I have not heard of it at all. You see how difficult it is to put me in a position like this. If I say "yes", there is a story. If I say "no" there is

a story. Frankly, I never heard of it until you mentioned it this time.

Q I only heard that they had left Washington.

Q Have you, Mr. President, been following the C.I.O. and A. F. of L. meeting?

THE PRESIDENT: Only what I read in the Washington Times this morning.

Q Have you any news you would like to volunteer? We are under duress here.

THE PRESIDENT: There is no duress, I never get caught that way. Mac, is there anything at all?

Q Mr. President, in any of these conversations you have had, has the stock market been discussed?

THE PRESIDENT: Here's the difficulty to that question. As a matter of fact, in these conversations I suppose we run the whole gamut of public affairs, about twenty-five or fifty subjects are involved. If you left out, by the question method, one subject, you immediately give that value over and above its relationships to the other subjects. In the talks today, those yesterday, and almost every day, except in the case of specific people who come to talk about specific things, generally the conversation runs the whole range. If I were to tell you some of the

things we talked about you would be perfectly amazed. For instance, I talked to one of the people up here the other day about the subject of what power was going to come from in 1960. We talked for fifteen minutes about it; how long will the coal reserve last? The water power, of course, is a negligible factor, that would not double the power supply; how much coal is there, and is there enough water for coal mines to generate power? You can not make a story out of that kind of thing.

Q You mean you expect to have an interest in that in 1950?

THE PRESIDENT: 1960.

Q Mr. President, have you reached any decision about accepting the invitation we were told was extended yesterday? (Reference to visit of Aver^ell Harriman and others of National Business Advisory Council to Hyde Park the previous day.)

THE PRESIDENT: We haven't gotten the day fixed but it will probably be in December or January. It will be a meeting at the White House like last year's.

Q You said there would be a luncheon with these people?

THE PRESIDENT: That is what we are talking about. Last year we had a luncheon and will this year, but the date is not yet determined. But don't say that it will be a luncheon, because it might be a dinner.

Q To get back to Shields, you know the rumors in Wall Street are that he is being considered for the vacancy on the S.E.C.

THE PRESIDENT: Never even discussed, nor was it brought up. I don't think I have done anything about appointments since I have been here, have I, Mac?

MR. McINTYRE: No, sir.

THE PRESIDENT: Mac, did you tell them Basil O'Connor was here? O'Connor was up here talking about the National Infantile Paralysis Foundation -- it hasn't a name yet.

Q In that connection, Mr. President, have you any plans about Warm Springs beyond the one night?

THE PRESIDENT: No.

Q (Mr. Trohan) We have an invitation to go to the Manchester Kiwanis Club, and we would like to know.

THE PRESIDENT: Who will make the speech?

Q (Mr. Trohan) Russ (Young) won't be there.

THE PRESIDENT: No, no; Russ ought to make the speech, you need a Senator. Couldn't we make George a Congressman, so he could do it?

Q I don't know what I am going to do then.

Q I have a query, Mr. President, stating you were going to make public a group of names of Trustees of this new Foundation. Have you gotten around to that yet?

THE PRESIDENT: I haven't gotten it all filled yet. I suppose within two or three weeks I will, or the Trustees will, make it public. It is practically filled now, but I had better not give you the number because they might decide to ask two or three more in addition.

Q Have you any word from Mr. Bell or Mr. Morgenthau about surplus finances?

THE PRESIDENT: No. Morgenthau and Bell were coming here on Saturday morning, but we have discovered that our respective better-halves are going to some kind of a party at Vassar on Friday evening, so we would be so lonely that we decided that he and Bell would come up here Friday evening and we would go over the budget and things like that.

Q Have you any plans for Congressional leaders on the new session?

THE PRESIDENT: As soon as they get back.

Q As soon as you get back?

THE PRESIDENT: No, I will get back ahead of most of them. They will begin drifting in about the eighth of November, and then as they come in, of course I will be talking with them that week between the eighth and the fifteenth.

Q Not up here?

THE PRESIDENT: No, no; unless Harold arranged it.

Q Have you heard about Harry's experience last trip? (Mr. Trohan tells story about corpse being removed from room in Nelson House, and Harold Oliver seeing it.)

THE PRESIDENT: I will give you a story. I received the other day twelve flower pots from the Sequoia National Forest, and a lot of cones of various West Coast evergreen trees, and tomorrow I am having a ceremony and planting them. They are about eight inches high. I am going to plant them out by the tennis court to see whether they will grow. They are sugar pine, western cedar, sequoia, lodge pole pine, and some other kind of pine. And we are having a planting ceremony tomorrow and we are also taking the cones apart and trying them in the greenhouse. You remember in Yellowstone, those hillsides where there were those perfectly straight trees? They are lodge pole pines. They may not grow in this climate, for they came from a level where they have snow and ice, and we hope they will grow here.

Q Are you planting redwood?

THE PRESIDENT: Yes, I am expecting some seeds from the Olympic peninsula and I thought I would take them to the pond in the back woods and plant the redwoods around it and call it Lake Crescent.

I don't think anything is going to happen this week except Morgenthau and Bell. I think for the rest of the week, except for Friday evening, I am going to be almost free. It will be very dull, getting lots of sleep and driving around planting lots of trees.

Q Are you planning any kind of a talk here for the local elections?

THE PRESIDENT: No, it is a happy and rare interval when I have no speeches to make; in fact, only date I have is to press a button.

CONFIDENTIAL

Press Conference #407

Hyde Park, New York

October 29, 1937.

THE PRESIDENT: Well, the Youth people are going to be here this afternoon. Dr. Koht -- you know about it -- is coming; also the Norwegian Minister and Mrs. de Morgenstierne, and Mr. Summerlin. And after lunch I am going to motor over to the cottage to meet a delegation representing the National Youth Administration. I think they are the State Directors. You know about it. I'll shake hands with them. Secretary Morgenthau is arriving this evening and Under-Secretary Magill, and I guess that's all. What do I do in the morning?

MR. McINTYRE: That's for overnights.

THE PRESIDENT: I don't think I am doing anything in the morning unless you have loaded me up. I am going to be out most of the day driving around. I don't believe there is any news. Isn't that awful?

Q Mr. President, is there anything you can tell us about the conference tonight with Morgenthau?

THE PRESIDENT: Usual progress.

Q Will it perhaps include the possibility of taxation?

THE PRESIDENT: Among fifty subjects, but don't emphasize it

because there will be fifty others. Same thing we talked about the other day.

Q Is Mr. Bell coming up?

THE PRESIDENT: Monday morning.

Q Will Mr. Morgenthau stay over for the Bell conference too?

THE PRESIDENT: No. When I say no, I don't think so. I don't know what his plans are.

Q Mr. President, there is one thing of interest, if you feel free to answer or talk about it. That is this business in China. It has been going on now for three or four months. Do you think it is a war, or don't you?

THE PRESIDENT: I think you will have to refer that to the State Department.

Q Is there anything that can be said about the stories appearing recently, particularly the last two days, in the New York Times this morning, about the possibility of adjustment in capital gains and surplus profits taxes?

THE PRESIDENT: The only thing I can say about those stories is something rather interesting. If you will read them you won't find in any of the stories anything relating to changes in taxes -- not a single reference -- to that portion of the population which has very little money to live on. It is rather an interesting fact

that as these stories come out of Washington, not one statement contains any reference to the very large section of our national population that doesn't have a decent standard of living. I have been rather struck by it of late. In other words, here's a national problem that apparently in these stories is only being viewed from one angle. Did you ever think of that? It's an interesting thing.

Q Is there any mention in any of these stories of the kind of taxes? They pay taxes on sales. The sales taxes that these very poor people pay?

THE PRESIDENT: Never, no mention of that ever. Never any mention of increasing the purchasing power among the thirty or forty millions of people who have today practically no purchasing power. I think very probably it is an interesting thing for you to use your imaginations on and write interpretative stories.

Q (Mr. Trohan) I had much rather you would interpret it.

THE PRESIDENT: No, it would be a very useful practice on the part of all of you.

Q (Mr. Trohan) I may be slow, Mr. President, but I don't find any significance in that.

THE PRESIDENT: No, you are not slow at all.

Q Do you expect us to psychoanalyze ourselves in our papers?

THE PRESIDENT: No, I am just thinking about the stories that Bob (Post) asked about.

Q They have no purchasing power and they pay no taxes?

THE PRESIDENT: No, I didn't say that at all. Nobody ever said they paid no taxes. On the contrary, the suggestion was that they paid very large taxes. Why don't you dig up that report? Don't attribute this to me, for frankly, I don't know whether it is accurate or not, but in the report of the Filene Foundation you get the whole thing in one paragraph. It showed the taxes that are paid by the family with income of one thousand dollars a year, and then on up.

Q I wanted to ask you about these hearings on Czechoslovakian Treaty. They have been having hearings before the Reciprocity and ? Committee, and it looks to me as though they were making that a part of the general attack from the labor angle on reciprocal treaties.

THE PRESIDENT: I don't know; I didn't follow it all.

Q There is tremendous influence from labor in countries where conditions are not nearly as good as here.

THE PRESIDENT: I take it that is why they have hearings -- to bring out those things.

Q Even the arguments of industry are being put from the labor standpoint in order to get this import section in the Wage Bill.

THE PRESIDENT: Well, that is why they have the hearings; it's a good thing.

Q They had some terrible testimony on labor conditions in Czechoslovakia.

THE PRESIDENT: For the purpose of this tax discussion and the point you raise -- suppose for the discussion there were plans or ideas to revise the tax downward, and that were done, would that shift the additional burden upon the people who are not mentioned in the stories, or isn't the point -- and I understand this from Mr. Kennedy, who was up a week ago -- taxes now are not yielding the income they could be made to yield for and larger if they were revised downward somewhat.

Q To whom?

THE PRESIDENT: A larger proportion of the people who do have capital gains.

Q Obviously these people who talk about it do not have capital gains.

THE PRESIDENT: Very few of them. I know what you mean -- you have to do some tall thinking. The point I emphasize is

in all these stories the point of view stated is not that of the people who have very little purchasing power, or no purchasing power at all. There isn't a mention of the effect of changes in the tax law on the forty million people who are sub-standard so far as living goes. Isn't it an interesting fact that that argument isn't taken into consideration in these stories?

Q Isn't it true that a great many tax experts believe these changes wouldn't have any effect on these forty million people?

THE PRESIDENT: I wouldn't know. After all, you have to have real method to run a government; you have to have X number of dollars. Where are they coming from?

Q Don't some of them think changes in these taxes will provide additional capital to give additional employment?

THE PRESIDENT: Some do and some don't. Like those two letters I think I told you about the other day. They came in, two economic experts of the first water. One says the entire question is one of the velocity of capital turnover credit, and don't pay any attention to purchasing power. The other one says, forget all this algebraic formula about the velocity of capital turnover credit, the whole question is purchasing power on the part of one

hundred and thirty million people. It is a fascinating study.

Q Do you mean that if they have to pay out beyond -- (interruption) -- that it goes into wages and dividends, which is then spent? If you take the distributed profits it goes into wages and dividends?

THE PRESIDENT: Your velocity says that it does. There is another thing -- if you want to check up -- I can't give you definite figures -- I don't know whether I mentioned it the other day. The people of this country are getting about two and one-half billions of dollars -- you have to check up on these figures; Lubin has them. Don't write the story without checking. I haven't got them except very, very approximately. The only figure I have got is the total figure. The national income, because of a change in government action in one year, has been decreased two and one-half billion dollars. That's an extraordinary thing unless you analyze it. There has been a billion and one-quarter less payment this year on the Bonus, for instance. You will have to check on these figures, and I think they are public. There is a billion and a quarter less going out this fiscal year on the Bonus. There is a billion dollars less going out on relief, nearly

a billion. Then one of the so-called expenses of the government.

Nobody can believe any general balance sheet. You have to be an accountant to understand. There has been a contribution by employers and employees that runs about three hundred and fifty or four hundred million, for social security. Of course, a layman would say that contribution is being held in trust, a reserve fund, part of it, and part of it for payments. But quite a large portion of the total payment goes into a reserve fund which the Government invests in something. Now, that is typical of completely foggy thinking. Not attributable at all to completely foggy thinking -- the Hearst papers came out and said that this money was going into government bonds and that the government bonds wouldn't have any assurance of being made good ultimately, and that the Government was taking the cash that these people were putting up and paying the ordinary running expenses of the Government with it. This, of course, isn't true. When you receive money for a trust fund you have to put it into something, obviously, and if you study the financing methods of Social Security you will see it is better to put those trust funds into Federal Government bonds

than into stock exchange stocks and bonds. You have something which can always be made good if we have a government. It is all predicated on that.

Now, the total of all these things, the Bonus, the decrease in relief, decrease in public works, and the contributions to Social Security, mean about two and one-half billion dollars less than the figures of a year ago. Now, that is one of the contributing factors. Of course, business is supposed to be taking it up and they are taking up a portion of it, which, of course, you know. The national income has risen from thirty-eight or thirty-nine billions to -- what was it this year? -- sixty-five, and probably this coming year will go to seventy. And, of course, the aim is ninety or one hundred. When, the Lord only knows, but that is a perfectly sound goal to put out in a country which is going ahead in the increase of its wealth and the increase of living standards. The Wages and Hours Bill, of course, ties right into that, the Crop Control Bill, Surplus Control Bill, ties right in, increasing the national income.

Q Do you have any ideas about the proposed tariff section of the Wage and Hour Bill?

THE PRESIDENT: I don't know. I haven't seen anything about it at all.

Q There was one in the beginning, of course, and someone said you ought not to put tariff in the Wage Bill.

THE PRESIDENT: There was one perfectly impossible section which would mean the Chinese War around the country. The only thing to say about that is that the people who are for it have failed to realize you can't export unless you import. It is a perfectly obvious, simple, straight fact. You cannot export unless you import. In other words, people on the outside have no purchasing power, no method of paying for our goods. Now, if we import goods on the ground different people have different standards of living -- incidentally, all over the continent, so far as I know, there is a low standard of living, except possibly -- and you can't use this -- in a few countries, for instance, Scandinavia. It has, I think, about as high a standard of living as we have in this country, taking it by and large. All of you know that the average British working man and his family don't have a high standard of living as we have here. That is also true on the continent. Scandinavia, I think, is in awfully good shape, but the rest of the world is below us. Now, that section you are talking about in that bill simply meant there would be kept out goods from every other nation in the world, with the net result that we wouldn't export our goods.

7-26-55]

Q Defeat of the Reciprocal Trade Treaty idea.

THE PRESIDENT: Not only that, but defeat of foreign trade; in effect reestablishing in this country the old non-intercourse Act of 1807.