

CONFIDENTIAL

Press Conference #413

Aboard the POTOMAC at the dock in Miami,
December 5, 1937, 1.30 P.M.**THE PRESIDENT:** (Referring to paper he was reading)

This is the Treasury Department's bond issue. I guess that is announced from the Treasury, therefore you cannot use it.

Q How do you feel?**THE PRESIDENT:** Well, it is still there.**Q** What is it?**THE PRESIDENT:** I don't know the medical term. Putting it as a layman, I would say that it has not healed and if it does not heal very quickly, they will probably curette it. I don't even know how to spell it. How do you spell it, Ross (Dr. McIntire)?**Q** That is not a layman's term, Doctor?**DR. McINTIRE:** Scrape would be better.**THE PRESIDENT:** They will scrape the bone.**DR. McINTIRE:** It just has not healed up the way we think it should so we think we had better get back to where it can be looked over.**Q** Have you been running any temperature?**THE PRESIDENT:** I haven't except for this. It is still sore. If anybody punched me there I would get sore.**Q** You didn't get much sun.**THE PRESIDENT:** We did not have an awful lot of sun.

Q We didn't either. (Laughter)

Q It didn't keep you from fishing or anything like that?

THE PRESIDENT: Part of the time. I did not fish as much as some of the others did, otherwise I would probably have caught the most fish and the biggest fish.

(Laughter)

Q Who did that, brother Jackson?

THE PRESIDENT: They resent that.

Q John Biggers threw out his leg playing golf.

THE PRESIDENT: His hip?

Q Lifting up in the back swing he sprained his knee.

THE PRESIDENT: Did he have a slipping knee before that?

Q He tried to outdrive Mac.

THE PRESIDENT: He probably did anyway. (Laughter)

Q Mac drove five balls in a row into the water.

THE PRESIDENT: Is it true that Mac captained the golf team?

MR. McINTYRE: I spent a good deal of time coaching the boys. I added fifty yards to Lawson Little's drive.

(Laughter)

Q What did your largest fish weigh?

THE PRESIDENT: I don't know; Bob, what did it weigh?

About 25 pounds?

MR. JACKSON: Yes, sir.

Q What was it?

THE PRESIDENT: A Barracuda.

Q Any sail-fish?

THE PRESIDENT: No, we did not go out after the sail-fish.

You see, the Stream there is 40 miles off shore and much too rough.

Q Is there anything that you can say on the situation which has developed in Japan and China?

THE PRESIDENT: Only what you got from the State Department already.

Q Are you planning to see the Congressional leaders when you get back?

THE PRESIDENT: I suppose so; no dates, but I suppose so as usual.

Q Any plans for pushing up the schedule on this Special Session, Mr. President?

THE PRESIDENT: I don't know.

Q Have you received any reports on the progress of the Wages-Hours Bill?

THE PRESIDENT: Nothing more than I have seen in the papers.

Q Do you hope to have your original program for the Special Session completed before the regular Session?

THE PRESIDENT: I can only repeat the message to the Congress.

Q I was wondering, in the light of the developments for the last month --

THE PRESIDENT: I cannot change the message.

Q On your way North are you going to have any conferences with Mr. Jackson on the anti-monopoly phase of what might come up at the regular Session in January?

THE PRESIDENT: Between here and January? (Laughter)

Q A continuation of the discussions that was started on the train coming down.

MR. McINTYRE: That is a good paragraph. (Laughter)

THE PRESIDENT: Fred (Storm), you have lost your Italian hand. (Laughter) Who said that I had had any conferences on the way down?

Q Don't you read the papers, Mr. President?

THE PRESIDENT: Oh, oh, yes.

Q We had you conferring from the time you left Washington.

Q In a lighter vein, have Secretary Ickes and Mr. Hopkins developed into better sailors than they were on the Pacific trip two years ago?

THE PRESIDENT: Oh, enormously. We had very heavy weather coming down and very heavy weather coming back yesterday afternoon and last night, and no casualties.

That is going some.

Q Have you set any date for Warm Springs, Mr. President?

THE PRESIDENT: I don't know; I haven't set any date.

Q You know, they will have to buy new bunting. It won't be Christmas?

THE PRESIDENT: No.

Q That would be the final blow that would end up in about six divorces. (Laughter)

Q Anything new on anti-trust legislation?

THE PRESIDENT: I don't think there will be any further messages until the third of January. And that has not been written.

Q That is what I thought.

Q Do you expect to come down to these waters later on this Winter?

THE PRESIDENT: Oh, I don't know; I cannot tell at all.

Q Is there anything at all you can tell us a result of having Mr. Ickes and Mr. Hopkins and Mr. Jackson along with you? Can you tell us anything about your general discussions or whether you had any or none?

THE PRESIDENT: We had a good many arguments; in fact, practically, almost one every hour during the waking hours.

Q Over the fishing?

THE PRESIDENT: Over the fishing.

Q As to who caught the biggest fish?

THE PRESIDENT: That is part of the argument as to whether, if the fish had come into the boat, whether it would not have been the biggest.

Q There is one thing that has come up in the past several weeks and that is in regard to unemployment and the social security provisions that go into effect January 1. The speculation has been, without actual factual data,

whether some of the States, with earmarked funds already in the Treasury, would be able to care for the private unemployment. I was wondering whether you had any specific data along that line?

THE PRESIDENT: I haven't, but think that Walter would agree with us that under no possibility, in any State that we know of, would these social security payments take care of the Federal unemployment problems.

Q I meant specifically would it take care of those individuals in the States who are covered already. Not, of course, the general --

THE PRESIDENT: You mean the unemployables?

Q I mean those who are insured. I mean those covered by the unemployment insurance. That is, is it possible that now America might be in the same spot that Great Britain was where they found that they had to contribute -- make an appropriation in the House of Commons -- in the first one or two years to meet it, the drain being so heavy over and above the payments?

THE PRESIDENT: You mean enough money to take care of those insured -- I don't know.

Q No particular survey has been made?

THE PRESIDENT: I don't think so. Do you know anything about that?

SECRETARY ROOSEVELT: There is one being made, John (O'Donnell).

Q I was wondering what the results might be.

THE PRESIDENT: I don't know.

Q In visiting Fort Jefferson, was it just an inspection or is something planned down there to improve it or anything?

THE PRESIDENT: No. I think that you could say that it is one of the very interesting subjects for discussion. Fort Jefferson was built about 1846, along there, started then, and the Federal Government spent over three million dollars on it that we know of.

It is perfectly hexagonal, a six-sided fort, three stories high, and with the most amazing brick-work. It is all brick, no stone. It is the most amazing brick-work you can see anywhere in the world, as far as I know. It has three tiers of galleries and an enormous, big enclosure on the inside, maybe seven or eight acres.

As an example of fort building, nearly a hundred years ago, it is the most outstanding structure that I have ever seen in this country.

The question is, "What to do with it?" Historically, it probably is worth preserving as an example of an 1850 fort. It is a National monument. But what to do with it as a National monument? Is it worth spending money on it to restore some of the brick-work

and keep it from disintegrating? The sea-wall, for instance, has been breached in three places. They are not large breaches but they ought to be filled up if we are going to preserve it. Then there is a lot of brick-work that needs repairing. The gun ports need repairing and the brick needs pointing up. But, when that is all done, who is going to see it? It is absolutely out of the way. It is 70 miles west of Key West.

Q What do you think?

THE PRESIDENT: I don't know. We would like to have suggestions as to some useful purpose to put it to. We thought of the possibility of making it a health place -- after-cure, after-illness, but the trouble is that the climate is pretty bad four months out of the year.

Q Don't you know a lot of people who you would like to put into it?

THE PRESIDENT: Oh, no; I don't think in those terms.

Q I could name a few. (Laughter)

THE PRESIDENT: It really is a problem. It is worth preserving but it is so far out of the way that practically nobody would see it. And we are tied up a little bit on the possibility of using it as a fishing place and a place for sightseers. The question

is whether Key West develops sufficiently so that there will be enough people going there during the tourist season to make it worth while.

Q Do you think Key West is going to develop when the highway is done?

THE PRESIDENT: I hope so, very much. It has always been my hope. And, of course, the development of Key West would help the development of Miami.

Q You might make it an Eastern Alcatraz. It served as that at one time.

THE PRESIDENT: They had Spanish War prisoners in there and, before that, they had Civil War prisoners. They had a thousand prisoners at one time.

Q Had you planned to visit the National park area in the Everglades?

THE PRESIDENT: We hoped to go up to the Everglades but it was too rough.

Of course we are waiting hopefully on the State of Florida to go ahead with the creation of the National park. Obviously, we are not going to sit by indefinitely with a law in our hands creating the Park unless the State of Florida does its share. Senator Pepper is very much interested in it and is going to do what he can to push the acquisition of the needed land. I think that the statute has been on the books now for three years.

Q Yes, sir; I believe it was 1934.

Q The Senator is also, I gathered, still interested in the Florida Ship Canal as a measure of National defense. As a measure of National defense, sir, do you think that the Canal --

THE PRESIDENT: I would not emphasize that end. Of course the Canal would probably be useful in time of war but the thing to emphasize is the number of tankers we saw going around the Dry Tortugas, all bound for points North of the proposed Canal, and it is not nice navigating water during certain periods of the year. You would not choose to take a tanker through there if you could go through a canal.

Q On the question of oil tankers, sir, the immediate advantage would go to those companies whose oil comes from Mexico and would lead to the disadvantage or non-advantage of those that come from South America, of course. Hasn't there been an argument about that?

THE PRESIDENT: Of course the great bulk would come from Texas points.

Q Would another appropriation be sought for the Cross-State Canal?

THE PRESIDENT: I don't know; that is up to the Congress.

Q There have been some complaints on the writing of the bulletins, lack of adjectives and color in them; nothing about cerulean skies and azure seas.

THE PRESIDENT: My Lord, we had to give you something to do and in the two days coming down I coached Fred (Storm) on adjectives. I thought that he would handle that all right. He must have had at least 400 or 500 adjectives.

Q (Mr. Storm) I gave the boys the black sheets. They had everything in there.

THE PRESIDENT: Don't blame us then.

Q One more thing. An ambitious young man in Washington who aspires to be President of the White House Correspondents Association has been beseeching me with messages to find out if March 12 would be acceptable for the White House Correspondents' Dinner. It seems to be the only date the Mayflower has open.

MR. McINTYRE: It has been checked and is okay.

THE PRESIDENT: It is okay then.

CONFIDENTIAL

Press Conference #414

Executive Offices of the White House

December 7, 1937 - 4.05 PM

(There was some pre-conference conversation with respect to the activities of Mr. McIntyre and the correspondents in Miami.)

MR. DONALDSON: All in.

THE PRESIDENT: What is the news since I went away?

Q Mr. President, there is a report from Berlin that Ambassador Dodd has submitted his resignation. Do you know anything about that?

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

Q Mr. President, have you heard about the charges that the National Labor Relations Board is stepping on the toes of the freedom of the press?

THE PRESIDENT: Only what I have read in the headlines. I haven't even read the stories.

Q Are you going to look into them?

THE PRESIDENT: I suppose I will hear about it.

Q Will you wait until they report, or will you start an investigation of your own?

THE PRESIDENT: I don't know.

Q Mr. President, have you anything to say about the progress

of the inquiry into the cost of the five-day week in Government service?

THE PRESIDENT: That has not come back, Earl (Godwin). I don't know where it is.

Q The business recession apparently is getting worse. Can you tell us what your plans are to check it?

THE PRESIDENT: On number one, it is an assumption and, number two, don't tie my hands.

Q You think it is an assumption?

THE PRESIDENT: Well, people argue it both ways.

Q Mr. President, have you authorized the Department of the Interior to conduct an investigation into the political and economic conditions in Puerto Rico?

THE PRESIDENT: I never heard of it.

Q Mr. President, did you discuss --

THE PRESIDENT: Political and economic conditions? They have for some time been looking at the economic conditions; that is an old story.

Q Mr. President, did you discuss the A. F. of L. and C.I.Ø. situation with Miss Perkins today?

THE PRESIDENT: No.

Q Do you intend to continue the existing silver proclamation or will you issue a new proclamation continuing the

price of domestic silver at the present price per ounce?

THE PRESIDENT: You are twenty-four days ahead of time. I think the present proclamation is in effect until -- when?

Q The end of the month.

THE PRESIDENT: The 31st of December. I will probably make an announcement on the 23rd or 24th of December.

Q Can you tell us whether there will be another proclamation?

THE PRESIDENT: I don't know; that will be part of the news.

Q Apropos of Ambassador Dodd, have you any diplomatic changes to announce?

THE PRESIDENT: No more than usual. There are always some vacancies and always some changes.

Q None immediate?

THE PRESIDENT: I don't know.

Q Have you any comment to make on the exoneration by the Board of Tax Appeals of the late Mr. Mellon, against whom there were charges of defrauding the Government?

THE PRESIDENT: I have not read it. I only read the story.

Q Secretary Roper and Secretary Wallace, Mr. Jesse Jones, among other people, have made speeches recently discussing taxes and tax revision, and it has led to considerable confusion. Would you care to discuss tax revision at all?

THE PRESIDENT: I don't think there is anything to add to the message. I don't think there is anything to add to what I said in the message to Congress. It is pretty clear.

Q Mr. President, are you considering sending the fleet out to Honolulu to be based there for some time in the near future?

THE PRESIDENT: No, no. The fleet schedule was announced -- when? It was announced quite a long time ago, early in the Fall. I don't think it has been changed.

Q We learn that two tenders are to be built in private yards and the usual procedure is to have one built in a government yard. Can you comment on that?

THE PRESIDENT: Has it been announced by the Navy Department?

Q Yes.

THE PRESIDENT: I understand that the bids were lower than the Navy Yard bids and that this carries out the theory of the law because, in the past year, we have given more than fifty percent to Navy Yards, both in numbers of ships and, of course, a great deal more in terms of tonnage because both of the big battleships went to Navy Yards.

Q Those bids by the New York Shipbuilding Company were from two to two and a half million lower than the estimates

furnished by the Navy Yards.

THE PRESIDENT: Were they?

Q I wonder if you would comment on how a private yard can build a ship so much cheaper.

THE PRESIDENT: I don't know. It is just one case where the private bids were infinitely lower than the Navy Yard bids. I don't think any comment is necessary.

Q In connection with those bids, you received a petition signed by several thousand school children asking you to give consideration to Camden Yard. Wasn't that somewhat unusual with respect to awarding Navy contracts?

THE PRESIDENT: No. Shipbuilding yards and Navy Yards resort to everything, mothers, children, politics, everything else. Nothing unusual in that.

Q Mr. President, are you prepared to announce today the appointment of Mr. Frank, Jerome Frank, to one of the vacancies on the SEC?

THE PRESIDENT: I haven't discussed it at all.

Q Mr. President, can you tell us how the tooth is?

THE PRESIDENT: The tooth is coming along all right. They lanced it this morning and it is coming along all right.

Q Can you tell us what you discussed with Secretary Perkins today?

THE PRESIDENT: Oh, all kinds of things; some interesting and some routine.

Q I wonder if you would care to amplify that at all.

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

Q Do you have any further conferences scheduled with utility executives?

THE PRESIDENT: No specific ones. Haven't made any dates ahead; want to see how the tooth comes along for the next few days.

Q Have you read Mr. Wilkie's memorandum to you?

THE PRESIDENT: Yes.

Q What do you think of it?

THE PRESIDENT: I think it was very interesting.

Q Do you think he offered very much?

THE PRESIDENT: I think it was very interesting. (Laughter)
I am hoping to get a chance to do some talking about it to various people and maybe, some time later on, I will go into some of the details of it, but I don't know when.

Q Any comment on the Supreme Court decision yesterday on tax immunity?

THE PRESIDENT: The West Virginia case?

Q Yes.

THE PRESIDENT: I haven't had a chance to read the whole

decision. It is a very interesting subject and of course it is not ended yet because only certain phases of the problem were decided by that opinion. The thing on which there is a great deal to be said on both sides appeared in the argument of the case.

Q Chairman Kennedy of the Maritime Commission has recommended putting Maritime labor disputes under a board similar to the National Mediation Board. Have you any information on that?

THE PRESIDENT: I did not know he had.

Q Mr. President, have you any comment on the two farm bills -- the situation developing over agricultural legislation?

THE PRESIDENT: I don't think so. I think the only comment I could make is that our old friend Mark Sullivan has not gone to jail yet. (Laughter)

Q (Mr. Sullivan) I am still able to be one of your friendly ambassadors, Mr. President.

THE PRESIDENT: Mark was starting to worry because when a fellow thinks about going to jail all the time, sometimes he might go. I will keep you out, it is all right. I have got a pardon all written out on my desk.

I bet my potatoes, the ones I grow at Hyde Park, are just as good as yours. We will swap potatoes some day.

Q (Mr. Sullivan) That is all right.

Q Do you expect some appointments to the SEC soon?

THE PRESIDENT: I don't know when.

MR. STORM: Thank you, Mr. President.

(The Press Conference adjourned
at 4.15 PM)

CONFIDENTIAL

Press Conference #415

Executive Offices of the White House

December 10, 1937, 11.05 AM

Q Anything on the London Ambassadorship yet?

THE PRESIDENT: No, no vacancy.

Q Mr. Jones of the RFC had a conference with you, I suppose on the railroad situation, this week. Have you any comment to make?

THE PRESIDENT: No, except I think we all feel that the quicker we can get a final determination the better on the present rate problem. That is all I can say; that is all anybody can say.

Q Did he take up the question of further loans to the railroads at this time? In other words, the rescinding of your previous order?

THE PRESIDENT: We discussed it in relation to one or two individual roads where there seems to be a need for a very small amount of what might be called temporary financing pending a determination by the ICC. Any amount involved would be very small.

Q Mr. President, are you considering reviving anything like the Federal Co-ordinator of Transportation?

THE PRESIDENT: No.

Q Mr. President, when you say there is no vacancy in the London Ambassadorial post, do you mean that Bingham has not resigned, or that you have filled the post?

THE PRESIDENT: There is no vacancy in the London post.

Q Do you expect one?

THE PRESIDENT: I don't know.

Q Mr. President, have you accepted the resignation of Ambassador Dodd at Berlin?

THE PRESIDENT: Something is coming along soon, but we are not ready to announce it and have nothing on it.

Q Couldn't you say as much, sir, about the London post?

THE PRESIDENT: No.

Q That something is coming along?

THE PRESIDENT: No.

Q You are in possession of the resignation, are you not?

THE PRESIDENT: There is no vacancy in the London post.

Q What constitutes a vacancy? (Laughter)

THE PRESIDENT: Of course, as you know, I have got to talk to you off the record, which I hate to do because so many of you don't like off-the-record stuff. It is merely a repetition. On any question of diplomatic posts there can be from the Government no information ahead of time when a new man is to go to a post. That is perfectly

obvious. There can be no information from the Government, you all understand that, and you all know why. After a choice is made you have to go to the other government and get -- what do they call it?

MR. EARLY: An agreement.

THE PRESIDENT: Yes. There cannot be any information ahead of time on any diplomatic appointment. It is the old story.

Q Getting back, sir, to the railroads for a moment: Is there anything you can see that the Administration may do for the relief of the railroads? Is it entirely in the hands of the Interstate Commerce Commission?

THE PRESIDENT: Fred (Essary), I would put it this way: That the first responsibility is on the ICC and of course, as we all know, the railroad situation is in many ways the most difficult we face. You might go back and read, for instance, what Joe Eastman said about the problem away back in 1933 or 1934 when he first went in as Co-ordinator. The situation did improve temporarily with the increase of business but I don't think anybody in the ICC felt that we had the permanent solution. And we are not very much further forward towards a permanent solution today than we were then.

Of course, the last thing we want to do is to have the Government take over the railroads. Also, obviously, the roads of the Nation cannot operate through receivership. It is an impossible permanent situation. There has been a great deal of study given to it. With the objective of continued private operation, there are really two principal problems: One is the financial one. If, for example, a railroad is capitalized for two hundred million dollars -- I am talking about bonds on which the interest has to be paid, I am not talking about stock -- and it has only enough earning power for a capitalization of a hundred million dollars, what do you do? Big question mark. Then the second point is the question of competition. There grew up in this country over a very long period of years a perfectly natural thing. The shippers in a given community felt that if they had two railroads to choose between that they would get better service even if the freight rates were the same, but in so many of those cases one railroad, from the point of view of remaining solvent and from the point of view of carrying the freight, could handle the whole business. So I think that the country is gradually coming to an elimination of competition between parallel railroads just

for the sake of competition, the roads being equal in service.

Now, if that is the trend today it does mean, in all probability, further consolidation and also the abandonment of more trackage in those localities where the great bulk of freight and passengers could be handled by highway. There is still a very large mileage, railroad mileage, in the country which, in my judgment, could be abandoned. You can go into almost any state and find a road that runs two trains a day, one up and one down. From the economic point of view that cannot continue.

But, as I say, we have no specific, definite plan and, since the ICC is principally charged with the problem, the ICC ought to originate some kind of a plan that seeks the objective of private management, private ownership and, at the same time, solvency, which is a necessary corollary. You cannot keep a road in receivership forever.

Q What happens to the investment in these bonds, these one hundred million dollars of bonds?

THE PRESIDENT: I ask you, Pete, what happens?

Q Well, the insurance companies usually hold those bonds?

THE PRESIDENT: Yes, and lots of widows and orphans hold

them too. But if your railroad has two hundred million dollars of bonds outstanding and over a long period of years it apparently proves that with private management or with court management, or receivership management that it can only earn interest on a hundred million dollars, I ask you, what can you do about the extra hundred million dollars?

Q That is what I asked.

THE PRESIDENT: That is what we all ask.

Q If you take out the hundred million dollars, won't the insurance companies be hard hit?

THE PRESIDENT: Yes, and the widows and orphans. Suppose you had two hundred million dollars and the roads can only earn a hundred million dollars, what do you do?

Q Some people say the Government ought to take the railroads over and pay the interest on those bonds.

THE PRESIDENT: If you do it for them why not do it for an oil company?

Q That might come. (Laughter)

THE PRESIDENT: What is the final answer? It is an investment just like the railroads, or gold mines, or a busted manufacturing company, or an out-of-date cotton mill in New Bedford, and so forth and so on.

Q Something was said about subsidizing the railroads. What about that?

THE PRESIDENT: Why railroads? Why not the cotton mills? Why not everything else? You are working toward state socialism.

Q (from the rear of the room) You mean you are working toward state socialism?

THE PRESIDENT: No, that question was --

Q Is it possible --

THE PRESIDENT: I carefully prefaced the sentence with the word "you". I said, "You are working toward straight state socialism."

Q Is it possible that our Federal Government will do something like was done in Canada between the government owned Canadian National Railway and the privately owned Canadian Pacific Railway?

THE PRESIDENT: Not that I know of.

Q They consolidated stations for use by both railroads in order to have economy.

THE PRESIDENT: Well, that is hardly a consolidation.

Q Is it possible that they might combine under a plan which we could put into effect?

THE PRESIDENT: They did something on that already. There has been a good deal of consolidation with respect to railroad

yards. In my judgment it ought to be continued.

Q Mr. President, are you sympathetic with the policy adopted by Straus of writing off the complete cost of construction in housing?

THE PRESIDENT: I am not familiar enough with it to answer it; I don't know.

Q Do you have any comment as yet on the charge against the Labor Board?

THE PRESIDENT: What was that?

Q The criticism of the Labor Board?

THE PRESIDENT: Same answer; I don't know enough about it.

Q Either off the record or on the record, can you tell us something in regard to the business situation as you see it?

THE PRESIDENT: I could not do that extemporaneously.

Q Even for guidance?

THE PRESIDENT: People don't like guidance.

Q They need it.

THE PRESIDENT: There have been a good many protests against off-the-record talks, as you know.

Q I mean just the economic situation.

THE PRESIDENT: I don't think we have any time. It would take from now until three o'clock if we were to cover the field.

Q Mr. President, Lindbergh is in Washington today. Has he an appointment with you?

THE PRESIDENT: I don't think so.

Q Governor Landon also?

THE PRESIDENT: He is coming in at half-past four this afternoon.

MR. STORM: Thank you, Mr. President.

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CONFIDENTIAL
Press Conference #416
At the White House

December 14, 1937 - 4 P.M.

THE PRESIDENT: Well, what's the news?

Q What do you say?

THE PRESIDENT: None.

Q Anything on the Panay incident, Mr. President?

THE PRESIDENT: Nothing further. You are probably getting from the State Department all the dispatches as they come.

MR. GODWIN: Mr. Young and I have a small local question we would like to clear up before the experts start, Mr. President. Nathan Straus has \$3,000,000 for District of Columbia housing. He says you are the boss of that money. Has that come to you?

THE PRESIDENT: Not yet. Under the law, does the District have to put up 10 percent?

MR. GODWIN: You have the whole say. Mr. Straus was rather anxious about it.

THE PRESIDENT: I haven't got it yet, but you might check on that and see whether the District has to put up 10 percent. I don't think I could waive that.

MR. GODWIN: I don't think so, either.

MR. YOUNG: They haven't got it.

Q Any new public utility conferences, Mr. President?

THE PRESIDENT: One coming in next week. I told Mac to plan for it.

Q Haven't heard from the Japanese Emperor, have you, Mr. President?

THE PRESIDENT: I haven't had anything come in at all today except what is given out by the State Department.

Q Was it your intention to suggest that you would like to get an answer from the Emperor?

THE PRESIDENT: I think what has been given out stands for itself--by itself.

Q Will this make any change in our evacuation of the danger zone?

THE PRESIDENT: No.

Q Will you please tell us your present attitude on placing commercial aviation under the Interstate Commerce Commission?

THE PRESIDENT: Oh, it's a long story; I don't know enough about it to talk to you about it. There is some kind of report coming out.

Q Secretary Roper's committee report?

THE PRESIDENT: I think that is the one.

Q Will you oppose the idea, Mr. President?

THE PRESIDENT: I cannot talk about it until the report comes out.

Q Mr. President, can you tell us something about your conference on taxes with the House Ways and Means Committee?

THE PRESIDENT: Nothing more than they told you.

Q Did you see the Surgeon General of the Navy yesterday? He was on the list.

THE PRESIDENT: Yes.

Q In connection with the hospital?

THE PRESIDENT: Yes.

Q Is there anything you can say about that?

THE PRESIDENT: Only this: We looked over various designs and types of

plans. There is always a good deal of question in building a hospital as to whether you should go to the vertical or horizontal plan.

Q No site decided on?

THE PRESIDENT: No; the general idea we all agreed on was that it would be a combination of the vertical and the horizontal; in other words, to make it more clear, a rather tall central building that would have all the things like operating rooms and the cooking facilities and staff--a central place--and then low pavilions going out from that. Being a naval hospital, you have to think of the possibility of war. In the event of war, it could be expanded to four or five times its normal peace capacity, using this very tall central building as the main headquarters. So they are going ahead; and they are probably going to get some architectural competition, to see what the best type of building is--the type that could go on almost any one of the sites that have been proposed.

Q Mr. President, is the latest form of the wage-hour bill satisfactory to you?

THE PRESIDENT: I don't know what the latest form is. I cannot discuss pending legislation, because it changes every day.

Q Mr. President, there is some talk in the New England delegation about the Federal Government bearing a hundred percent of the cost of the Connecticut Valley Flood Control. Have you taken a position on that?

THE PRESIDENT: I hadn't heard about it at all. A hundred percent?

Q Yes.

THE PRESIDENT: That's interesting.

Q Have you changed your attitude on State participation?

THE PRESIDENT: As the dean says, it's liberal.

Q What are you hearing about business, Mr. President?

THE PRESIDENT: Oh, it depends on what paper you read! (Laughter.)

Q Don't you have some other sources of information about business?

THE PRESIDENT: Lots of them!

MR. YOUNG: Thank you, Mr. President!

Q Mr. President, are you any closer to filling the Eilenberger vacancy as Third Assistant Postmaster General?

THE PRESIDENT: I don't think I have mentioned that to Jim for about a month; I'll have to do that tomorrow.

Q Is there a Pennsylvanian under consideration for that position?

THE PRESIDENT: One from every State! (Laughter.)

Q Today Senator Guffey was in to see you in connection with a prospective visit to Philadelphia some time in the spring, there being three occasions on which you have been invited.

THE PRESIDENT: Only three?

Q Yes.

THE PRESIDENT: I thought there were four or five. I've got the Swedish Crown Prince coming, too; did you count him?

Q Yes, I was thinking about that. There is the Franklin Institute and the Sesquicentennial of the Constitution.

THE PRESIDENT: Well, all I can say is that in the calendar year 1938 I hope to go to Pennsylvania; I will even go so far as to say that I hope to go to Philadelphia; that is as far as I can go.

Q What about the Assistant Secretary of Labor?

THE PRESIDENT: The same thing.

MR. YOUNG: Thank you, Mr. President!

The Press Conference then adjourned.

CONFIDENTIAL
Press Conference #417
At the White House,

December 17, 1937 --10:45 A.M.

THE PRESIDENT: Well, are there any questions this morning?

MR. YOUNG: We have a few on tap.

Q Mr. President, could you tell us what you will take up with Secretary Morgenthau today?

THE PRESIDENT: I don't know. He told me he wanted to see me this morning. I suppose it is budget--general budget matters.

Q Mr. President, General Ashburn yesterday in Mobile stated that he had rejected an offer for the sale of the government barge lines, and also he is quoted as saying that this was done in the light of public reaction from the President on down, which apparently, he says, favors the retention of the barge lines in government ownership. Could you comment on that, Sir?

THE PRESIDENT: I don't know much about it. I haven't thought about it for a year. About a year ago, I think, I talked to the General and the Secretary. Things seemed to be going along awfully well. They are in the black, and there seemed no particular reason for their sale. As long as they are going on so well, and are in the black, why sell them?

Q Of course that goes back to the original theory: If the Government could make money, private operators could make money.

THE PRESIDENT: Yes, if you have a thing that is going awfully well, why swap horses?

Q Do you recall, sir, whether that proposition had to do with both the

Mississippi and the Warrior River, or one only?

THE PRESIDENT: I don't know. I have no idea. I hadn't heard about the bid.

Q Mr. President, is there a vacancy in the London Embassy yet?

THE PRESIDENT: No.

Q Have you any other diplomatic assignments to announce, or will there be some soon?

THE PRESIDENT: Not now.

Q Could you tell us, Mr. President, who the utilities man is coming in next week?

THE PRESIDENT (turning to Mr. McIntyre): Do you know?

MR. McINTYRE: No.

THE PRESIDENT: We will tell you as soon as the appointment is made.

Q Mr. President, Chairman Jones' statement yesterday indicated that you had revoked previous orders that there should be no more loans to railroads.

THE PRESIDENT: What did he say?

Q That there will be some small ones--about twenty-five millions, I understand.

THE PRESIDENT: There has been no revocation of instructions.

Q In your message to Congress you said you had told R.F.C. not to make any further commitments other than for administrative purposes.

THE PRESIDENT: That was a general rule; and I said about six weeks ago there were certain exceptions that would have to be made in the case of emergencies. I told you one week ago he was going to make some small loans to roads.

Q Does the same thing apply to P.W.A., Mr. President?

THE PRESIDENT: No, except there may be one or two cases in P.W.A. where money is hung up because of litigation; but that falls again into a different category. Or there may be some case where there has been some other form of moral obligation, but I don't know of any.

Q Mr. President, have you received any reply from Japan on your message regarding the Panay?

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

Q Mr. President, have you received a report of the interdepartmental committee on aviation legislation?

THE PRESIDENT: I don't think so; I think they are still talking about it.

Q Mr. President, have you seen any report from those who have been studying the five-day week plan for government agencies?

THE PRESIDENT: No, I have not; I will ask Bell about it when I see him.

And your local question of slum clearance in the District-- anticipating your question, Russell--there is going to be a conference I think tomorrow or Monday between Ihlder and ^[Nathan?] Jesse Straus to talk the problem over. I don't think there is any money available at the present time, but they are going to try to work out some method of continuing the slum-clearance work in the District. It is somewhat difficult to do it if there isn't any money.

Q Do you mean in Straus' fund?

THE PRESIDENT: Yes; that is just a tentative guess on my part. They are going to get together and see if there is any available.

Q They seem to think there is. Maybe they are merely optimistic.

THE PRESIDENT: That is what they are going to get together about.

MRS. CRAIG: Mr. President, don't you think a referendum on war is consistent with the representative form of government?

THE PRESIDENT: I suppose the easiest way to answer that is just to say No, and stop there--stop right there. You put the question very well.

MRS. CRAIG (after a moment's hesitation): I--thought about it all night!

(Prolonged laughter.)

THE PRESIDENT: That's all right!

MR. YOUNG: Thank you, Mr. President!

The Press Conference then adjourned.

CONFIDENTIAL
Press Conference #418
At the White House,

December 21, 1937 -- 4:12 P.M.

THE PRESIDENT: Well, I don't think I have got anything except a memorandum for the Washington, D.C., papers; you wanted to know about this housing problem, alley dwelling, et cetera, and it still is in a completely foggy condition.

Q Foggy Bottom? (Laughter.)

THE PRESIDENT: The only thing I have been able to deduce so far is that the U.S. Housing Authority has no funds available for me to allocate at the present time. No. 2, "the U.S. Housing Authority is authorized to raise funds through the sale of bonds to be used as loans, such bonds and the interest thereof to be repaid from loans by completed projects. The bonds, however, are on a loan basis, and the alley dwelling statute does not empower it to receive money except on a grant basis. Therefore, it is impossible, under present conditions for the Housing Authority to loan money, even though directed by you."

Q Not without some change in the law or a direct appropriation from Congress, the District Bill, or something like that?

THE PRESIDENT: No.

Q Are you going to recommend something like that, sir? You have the authority.

THE PRESIDENT: Authority to recommend to Congress?

Q No, the authority to manage the District's money. It can't be spent unless you authorize it.

THE PRESIDENT: It has got no appropriation.

Q The District Alley Dwelling Authority, as a Federal institution, reports to you. That is entirely separate from Nathan Straus' outfit. If you can't get any money from them, you can authorize it.

THE PRESIDENT: I haven't the money.

Q You, being the authority, are you going to get him some money?

THE PRESIDENT: Am I going to recommend some.

Q Yes, sir.

THE PRESIDENT: That is the thing I am working on at the present time. There are two theories on this slum-clearance; one is the theory of the U.S. Housing Authority, under which the actual rentals do not pay out the money spent. It is supplemented by Federal grants--that is the easiest way of putting it--over a long period of years. The Alley Dwelling Authority work so far has been based on the rent paying out the actual construction; and it has worked pretty well in the District. I am inclined to think that as long as it works all right on that method in the District, we might as well continue.

Q With what they have?

THE PRESIDENT: With the plans that they have and getting them additional money to loan.

Q From the Straus fund?

THE PRESIDENT: I don't know.

Q We don't want to take up this entire Conference, Mr. President.

Q I think we would all like to be straightened out with reference to your conference with Mr. Taylor and Mr. Phillips.

THE PRESIDENT: What did they tell you?

Q They told us very little.

Q They said, Get it inside.

THE PRESIDENT: I know, but they must have told you something.

Q They said it was a very helpful conference.

Q They said you discussed the decision handed down by Associate Justice Brandeis in the Southwestern Bell Telephone case. Could you explain that to us?

THE PRESIDENT: Did they give you a copy of it--the language?

Q No, sir.

THE PRESIDENT: I would, if I had a copy of that particular sentence that we did talk about; but there is no use of trying to talk about it without the language.

Q What does it mean?

THE PRESIDENT: You want my theory of the "prudent investment" theory? That is too long.

Q They said they went along with the prudent investment theory on the basis of Justice Brandeis' decision.

THE PRESIDENT: Substantially, yes. We only talked about one sentence in the decision. In other words, if you start in and read that decision, you might pick up a little different sentence. I cannot discuss it unless I have that sentence.

Q Could you give us a few words out of it so we could spot that sentence?

THE PRESIDENT: Possibly; I was trying to remember something to identify it by, to this effect: It is the actual money--not capital, but money--put into the plant, less any items which, after appropriate check-up, hearing, et cetera, are found to be dishonestly put in, or uselessly put in or, well, the other thing--it is a synonym for

what we call write-up money. Those exceptions were intended at the time to cover certain practices engaged in by a comparatively small minority of companies in the old days of consolidations and the creation of holding companies. They did not relate to the great majority of operating companies. And those exceptions to the cash investment--the money investment--were intended to cover certain practices that were just always believed to be "contrary to Hoyle," such as paying three prices for a property, or paying a large amount of graft to a board of aldermen, or buying a property at a very low price but not developing it, holding it until much later when it had become a great deal more valuable although nothing had been done to increase its value; or you could go into the capital end of it, putting down on the books as assets a great deal more than the actual cash expended. That is the write-up. Now, all those things were intended, as they read it and as I read it, to be things deducted from the actual cash put into the property.

After making that deduction where necessary, the result was prudent investment theory, or whatever other name you give it. And we were all substantially agreed that this is a pretty good rule of thumb to go on. And, incidentally, probably the large majority of operating companies in this country would come, on their present capital set-up, to perhaps not the exact sum but an approximation of the sum arrived at by that method. Mind you, I was talking to the heads of two operating companies.

Then another thing we talked about was their problem; they need probably pretty soon, some more additions to plant, and they said

their trouble was like the trouble of some of the other people that had come in to see me, of getting junior money--in other words, equity money. It was easy to sell bonds, but that would make the bonded part of their structure topheavy, and a lot of people do not want to invest in the junior money securities. I asked them, "Is the Federal Government interfering, either in Philadelphia or Pittsburgh areas?" They said, "No, not at all." I said, "Well, is there any other reason?" And they said, "No, we frankly don't know any reason except fear." I said, "You consider the common stock of your companies a pretty good investment?" "Yes." "I am not telling you it isn't, am I?" They said, "No."

Then there was a general agreement that a large part of this fear has been caused by this very small minority of people who have tried to give the public an impression--including writers--that the attack is on all the utilities, whereas the attack is on abuses perpetrated by a small minority of people among the utilities. So we came out to a pretty general agreement.

Q Mr. President, you would regard these two gentlemen who were in as among the enlightened industrialists?

THE PRESIDENT: I would say so, yes; in other words, belonging to the overwhelming majority of them. I told them one of the stories I have used lately--I may use them again--as affecting the general situation. A fellow came in to see me from Philadelphia a little while ago. He has an exceedingly successful manufacturing business, and he pays good wages. He operates under a collective bargaining system with great success. I said to him, "What do you think about

the problem of raising the purchasing power of the people in this country in interstate industries that are below a decent level?" He said, "I am absolutely in favor of a minimum wage law." I asked him, "How about maximum hours?" "I am absolutely in favor of preventing unholy hours." I said, "Then you would be in favor of a national wages and hours bill?" He said, "Yes." I said, "Is that partly because you think it would prevent the South from competing with you?" He said, "Oh, no; paying a living wage in the South isn't going to hurt the South, because by paying a little more they will get an equivalent increase in efficiency, and I think every industrialist, including most southerners, agree to that."

I said, "That is very interesting; so you are for a wages and hours bill?" "Yes." I said, "If I get you fifteen or twenty minutes on a national hook-up, will you tell that to the country?" He said, "Oh, no, I couldn't!" I said, "Why?" He said, "My directors wouldn't let me." I said, "In other words, a case of fear." He said, "Yes, frankly, it is a case of fear--not fear of the Government but fear of my own associates."

Three days later a friend of mine from New England, who manufactures a kind of tools to be sold in country stores--screwdrivers and such things, rather heavy, substantial tools--came in. Most of his trade is in the rural districts in this country. I said, "How does your business fluctuate with crop prices?" He said, "It fluctuates with them absolutely, up and down. The better the prices, the more I sell in farming areas." I said, "Are you in favor of stabilizing crop prices to keep them from dropping so low that the country people have no purchasing power?" He said, "I am in favor

of a crop bill." I said, "If I get you fifteen minutes on a Yankee network, will you say that over the radio?" "My God," he said, "how could I do that? I would lose my friends! In other words, fear-- fear of my friends, not fear of the Federal Government, of course not."

That is the psychology; and that psychology has been not only inculcated but fostered by a large percentage of the United States-- put that down, too.

Q Mr. President, Senator Bailey expounded at length yesterday on an experience he said he had in which he found it impossible to invest \$10,000 for an old lady so as to get \$400 a year, because there was no place it would be safe to invest it. Would you comment on that situation?

THE PRESIDENT: I had a case like that for a friend of mine. I told them I wasn't in the investment business at the present time.

Q Mr. President, before we leave these utility heads, as I understood it, one of the things you were going to talk about to them was the possibility of their making extensions and putting folks to work. Is there anything to say about that?

THE PRESIDENT: Yes; all these companies will, in the very near future, increase their force. They will be looking for money, too, because they have to finance a proposition of that kind eighteen months or two years before the actual output.

Q Mr. President, what are the papers to gain by fostering a fear psychology?

THE PRESIDENT: That is what I have been wondering; and most of the country has, too.

Q Mr. President, if we could return to that District matter--(laughter) is that letter signed by Mr. Ihlder and Mr. Straus?

THE PRESIDENT: Oh, no, it is not a letter--it is a memorandum.

Q Mr. President, on the day after the Panay incident, the hope was expressed that the press and the public would support your policy in handling the situation.

THE PRESIDENT: Yes.

Q I would like to ask whether, after eight days, you feel that has been done.

THE PRESIDENT: As a general proposition, yes.

Q Mr. President, have you given any thought toward increasing the contemplated 1939 construction program?

THE PRESIDENT: Don't ask me that today. I may have a story. Just withdraw the question. I might have something, just between ourselves, between now and the first of the year.

Q Will you tell us what you discussed with the Chinese Ambassador?

THE PRESIDENT: Many things. That is all I can tell you, George.

Q And your conference with Mr. Hull today, sir?

THE PRESIDENT: Same thing.

Q There was a very interesting exchange of communications given out by the State Department--Governor Landon's letter to you and your reply; have there been any similar letters from other persons that you might care to give out?

THE PRESIDENT: Yes, I have had a great many; I had an awfully nice letter from Frank Knox. I didn't give it out because it contained other things that didn't relate to that particular subject.

Q Mr. President, will you tell us what you discussed with the group of Senators last night?

THE PRESIDENT: Cabbages, sealing wax, et cetera--everything, the whole range.

Q Mr. President, there have been reports that the C. I. O. and A. F. of L. negotiations collapsed this afternoon. They were meeting down at the Willard. Have you any comment?

THE PRESIDENT: My only comment is that I hope the rumors aren't true.

There have been several reports that the negotiations have collapsed.

Q They have collapsible negotiations! (Laughter.)

Q Mr. President, getting back to the other subject--the utility men--who arranged that conference?

THE PRESIDENT: Mr. McIntyre.

Q At your request?

THE PRESIDENT: Yes.

Q Mr. President, have you any further conferences to hold with utility men?

THE PRESIDENT: I have a gentleman coming on from Southern California. I don't know when he is coming--I guess probably not until after Christmas. I don't want to keep anybody away from home on Christmas.

Q Can you give us his name?

THE PRESIDENT: Mac will look it up.

Q Have you heard from the Japanese Government?

THE PRESIDENT: I have had nothing that you people haven't had.

Q Has a report from the Naval Board of Inquiry been submitted to you?

THE PRESIDENT: That has not come in.

Q Mr. President, there is now a vacancy in the London Embassy; is there anything you can say about it?

THE PRESIDENT: No, Fred, except to say something disagreeable off the record. This is off the record, because it is just between us. I knew when Bob Bingham got back to London that he was pretty dangerously ill--seriously ill--and he telephoned me from London and asked if he could come home and go to Johns Hopkins. He told me at that time, verbally, that if it meant a serious operation and a long illness, he would resign and not go back to London at all; and that if it didn't involve a serious operation or a long illness--in other words, if he was just checked up on for a few days--he would go back to London and expect to resign early in the year. In other words, I knew he was going to resign at the beginning of December or the end of November, and that is why I couldn't talk about the question of his successor; and, frankly, I was very, very sorry to see the story break, because I didn't think it helped for old Bob. It was premature. There had been no definite decision except that he was going to resign later on, and it depended largely on the outcome of his observation at Johns Hopkins. I felt that way about it, and I am doing nothing in the way of filling the vacancy until adequate, gentlemanly time has elapsed.

Q Is Joe Davies going back to Moscow?

THE PRESIDENT: I suppose so; I don't know how long he is going to be here--until after Christmas, anyway.

Q Mr. President, did you discuss international affairs with Governor Landon when he was here?

THE PRESIDENT: A few sentences; I told him something about the seriousness of the problem.

MR. YOUNG: Thank you, Mr. President!

The Press Conference then adjourned.

CONFIDENTIAL
Press Conference #419
At the White House

December 28, 1937 -- 4:10 P.M.

THE PRESIDENT: I don't think I have any news, except that if you will go up to Chairman Taylor of the Appropriations Committee, I think that he will give you a letter which he wants to give out--a copy of a letter that I sent him in regard to increases in the Navy. Before you write anything on it, get copies from the chairman, because all the letter does is point out that the estimates were made up fairly early in the autumn and the general international picture since then has made it possible that I may recommend the laying down of additional ships, in addition to those that were provided for in the budget that was made some time ago, and if so those would come up in the form of supplemental estimates.

Q Mr. President, is that new legislation, or has it already been provided in legislative acts?

THE PRESIDENT: Well, I don't know yet; it depends on types of ships.

Q Did you call for an increase in personnel too, Mr. President?

THE PRESIDENT: Oh, no.

Q I didn't hear that answer.

THE PRESIDENT: It would not, because these ships would not be completed in time to care for an increase.

Q Can you say how many ships or how much money?

THE PRESIDENT: Oh, no; that is all I said.

Q Mr. President, can you tell us at this time whether you are going to read your own annual message?

THE PRESIDENT: Oh, I think so; I have done it every year.

Q Will it be on Tuesday?

THE PRESIDENT: Monday, I think. They meet Monday noon, and they do not have any organization to create, so I imagine Monday, if it is agreeable to them.

Q When will you have the seminar on the budget?

THE PRESIDENT: Next week.

MR. EARLY: Friday is New Year.

THE PRESIDENT: It won't be done, Steve.

MR. EARLY: I don't know when you can do it.

THE PRESIDENT: The budget message won't go up until Tuesday afternoon or Wednesday; so I think probably we will want to have that seminar on Monday afternoon. That would be a good time.

Q Late in the afternoon?

THE PRESIDENT: Yes.

MR. EARLY: About 4 o'clock.

MR. ESSARY: Mr. President, in connection with this naval matter, you made an observation or two just a week ago today which I learned later was "off the record." I didn't so understand it, sir, and I made some publication of the matter in the following day's paper.

THE PRESIDENT: I didn't even see it, Fred; what was it?

MR. ESSARY: It has been seen, and I want to apologize for an inadvertence.

THE PRESIDENT: What was it?

MR. ESSARY: You were asked, I think, if there would be a message or some communication on the matter of rearmament, and you asked, after discussing it for a moment, that it be not asked. Later, I understood

that you made some observation that it was off the record.

THE PRESIDENT: I was preparing at that time for this statement today.

Q Mr. President, will the new ships require a new authorization bill?

THE PRESIDENT: I don't know, because it depends on the type of the new ships, if any are asked for. The present Vinson law provides for a certain specific number of specific types of ships. Now, further, if I were to ask for any additional ships, whether they would fall into those numbers or types I do not know.

Q Have there been any appropriations yet for those auxiliary vessels that were authorized last year?

THE PRESIDENT: I think they are started; in fact, I am sure those were the two awarded the other day.

Q There were more than two--about eight at different times.

THE PRESIDENT: Not appropriated for.

Q That is what I meant; there might be additional appropriations for those.

Q Will those be for immediate construction, Mr. President?

THE PRESIDENT: Oh, yes; but there is the "if" yet. I haven't made up my mind.

Q Mr. President, are the navy yards in the country in any position to participate in this new program?

THE PRESIDENT: You mean "if" new program--yes.

Q Do you contemplate asking for additional yards and that the program be handled between the private yards and the navy yards?

THE PRESIDENT: I suppose the present law would stand to divide it up equally.

Q Could the "if" new program be regarded as the initiation of a preparedness campaign?

THE PRESIDENT: No.

Q Are the two new battleships necessary to keep parity with Britain?

THE PRESIDENT: The two battleships were in the program of replacement to be finished by 1941.

Q These two in addition to the two started last year?

THE PRESIDENT: Yes.

Q Mr. President, this bill contemplated that you might start sooner than that?

THE PRESIDENT: No.

Q Mr. President, do you contemplate any extension of naval aviation?

THE PRESIDENT: I don't think so.

Q Can you tell us why four cruisers are going to Australia?

THE PRESIDENT: I suppose because they were invited to attend a centennial.

Q Mr. President, will the Army get anything at the same time as the Navy?

THE PRESIDENT: I don't know; I haven't completed looking that up.

Q Mr. President, there has been a great deal of discussion on Mr. Jackson's speech of last Sunday; can you comment on that?

THE PRESIDENT: No.

Q Did the sentiments expressed by him meet your approval?

THE PRESIDENT: I just said I couldn't discuss it.

Q Mr. President, would you discuss the legislation dealing with newspaper control of radio?

THE PRESIDENT: Haven't even read it.

Q Anything on silver yet, Mr. President?

THE PRESIDENT: No. What is today?

MR. EARLY: The 28th.

THE PRESIDENT: Friday night at midnight is the limit on any statement.

Q Will it be a proclamation, Mr. President?

THE PRESIDENT: I don't know; it will be a statement.

Q A statement?

THE PRESIDENT: Somebody will say something before midnight on Friday night. It will be either the Secretary of the Treasury or me.

Q Does that eliminate a proclamation?

THE PRESIDENT: That is all I said. Everybody has been trying to get me to issue a proclamation. I have consistently said something will be said.

Q Have the silver senators been insisting on a proclamation?

THE PRESIDENT: Oh, lots of people have insisted on a proclamation.

Q I am trying to find out, sir, whether a proclamation can be characterized as a statement--whether they are in the same category.

THE PRESIDENT: I don't know--I really don't know--hadn't thought of that.
(Laughter.)

Q Mr. President, do you contemplate a reduction in the price of silver?

THE PRESIDENT: I'll give you a tip: If you are around at about 11:59 Friday night, you may beat the gun by one minute! I hope you are not at work at that time.

Q Any comment on the wholesale lay-offs in the automobile industry?

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

Q Did you see the General Motors announcement?

THE PRESIDENT: Yes.

Q Mr. President, are you considering a radio speech in the near future?

THE PRESIDENT: I think they are going to carry the annual message to

Congress on the air. I think I am going to talk at the Jackson dinner on the following Saturday night.

Q Is there a fireside speech in the offing, sir?

THE PRESIDENT: Not that I know of; aren't two in one week enough?

Q Mr. President, have you started actual work on your message?

THE PRESIDENT: Yes.

Q Mr. President, in addition to naval extension, have you given any thought to increasing the material condition of the existing fleet?

THE PRESIDENT: I didn't quite understand the question.

Q It is understood that the fleet stands at about 85 or 90 percent of capacity. You will need additional appropriations to bring it up.

THE PRESIDENT: Oh, no; that is not the way the fleets run. The fleet in peace time is kept at about 85 percent of the naval personnel needed on ships in time of war. We have--what is it called, Fred? You are familiar with the Navy.

FRED: Fleet Naval Reserve.

THE PRESIDENT: That is made up nearly entirely of former officers--warrant officers, chief petty officers, petty officers, and seamen--who have served in the Navy in comparatively recent years. By calling them to active duty, it would bring in the full 15 percent fully to man all the vessels of the fleet. It would not be enough to man all additional vessels or auxiliaries and things like that, any more than it was at the time of the World War. In that case, we would be required to take the naval militia of the various States and other portions of the Naval Reserve to man the additional ships.

Q Some rather distinguished names on your calling list this afternoon;

anything to say about what they said to you or you said to them?

THE PRESIDENT: O, just had a good time talking about everything.

Q Mr. Baruch said as he left, "Wisdom and forbearance--that could work out the present recession."

THE PRESIDENT: I think there is a lot in that! (Laughter.)

Q Mr. President, will you comment on the visit of I.C.C. Chairman Miller yesterday and today?

THE PRESIDENT: We talked about various matters, railroads chiefly, and problems of the railroads.

Q Mr. President, have you concerned yourself with the possibility of the congressional investigation of alien propaganda in the United States at the present time?

THE PRESIDENT: What is the nature of it?

Q There is a movement for a general congressional investigation.

THE PRESIDENT: I haven't even heard about it. Has that been published?

MR. YOUNG: Thank you, Mr. President! Thank you, sir!

THE PRESIDENT: I will see you Friday afternoon; I may have the statement ready then.

The Press Conference adjourned at 4:23.

CONFIDENTIAL
Press Conference #420
Executive Offices of the White House

December 31, 1937, 10.50 A.M.

MR. DONALDSON: All in.

THE PRESIDENT: Well, first of all, everybody, Very Happy
New Year.

CHORUS: Same to you, Mr. President.

THE PRESIDENT: And you can help me out. I have received
in the last few days over 7,000 holiday greetings and
it is physically impossible for the staff and myself
to make personal acknowledgment of those greetings
so I am going to ask the newspapers to convey my
gratitude to all the senders of those greetings and
explain that at this particular time of the year, with
the Annual Message and various other things coming on,
and the holiday that the staff deserves, I cannot
physically thank them myself.

Q Mr. President, knowing your fondness for statistics,
how does that compare with last year? (Laughter)

THE PRESIDENT: I don't know, Russ (Young), but I should
say, just from recollection, that it is substantially
greater.

Q Mr. President, --

THE PRESIDENT: And they are not all through coming in.

MR. EARLY: There are a few outlying precincts. (Laughter)

Q Have you made any resolutions for the New Year,
Mr. President?

THE PRESIDENT: Joint resolutions? (Laughter)

Q Well, joint or otherwise?

THE PRESIDENT: Oh, yes, I always do.

Q Can you tell us what they are?

THE PRESIDENT: No, they are too personal. They are
very much like the ones you would make, Fred (Storm).
(Laughter)

MR. STORM: You have got me there; that is a terrific
indictment.

THE PRESIDENT: They are not different from the average
New Year's resolutions most people make.

Q I think the country would like to know what you think
of the "Big Apple?"

THE PRESIDENT: Well, I think it is very interesting, Fred,
very interesting, but of course, as a music lover,
the thing that impressed me was the lack of rhythm.
We won't go into any further details on that.

Q Mr. President, can you tell us anything about your
meetings with more power men next week? You said you
might see some after the first of the year.

THE PRESIDENT: Are they down, Mac?

MR. McINTYRE: Yes, sir; next Tuesday.

Q Can you tell us who they are now?

MR. EARLY: No.

THE PRESIDENT: Steve growls, "No, not now." He says it is premature.

Q Anything on silver?

THE PRESIDENT: At five o'clock this afternoon at the Treasury Department.

Q Have you any plans for tonight or this afternoon?

THE PRESIDENT: No, just the family will see the New Year in.

Q You are still working on the message?

THE PRESIDENT: Yes. I will be working on the message all the rest of the day and all of tomorrow and I will get the message done some time Sunday night. Steve has the staff coming in at seven o'clock Monday morning to put it on the mimeograph.

MR. EARLY: We should have it by nine o'clock.

THE PRESIDENT: It will be ready by nine o'clock Monday morning.

Q Mr. President, can you tell us if this year you are going to do what you did last year on your Budget Message -- withhold or postpone relief estimates?

THE PRESIDENT: I think you will have to wait until Tuesday afternoon, until you see it.

Q Mr. President, Mr. Robert Jackson and the Secretary of the Interior have made some speeches that have attracted a good deal of attention. Do you agree with what those two gentlemen have been saying?

THE PRESIDENT: I am always reminded -- I think the only thing I can say on any speeches that have been made either by the two gentlemen you name or the other people, I am always reminded of an old episode. Some of the older people, like myself and Mark Sullivan, will remember it --

Q (Mr. Sullivan) Thank you, Mr. President. (Laughter)

THE PRESIDENT: There was a President by the name of Theodore Roosevelt -- Mark met him once or twice (laughter) -- and he made a speech back there -- I don't know the year but Mark would know (laughter) -- in which he spoke about individuals, some individuals, and he called them, these individuals, "malefactors of great wealth," whereupon there was a certain element in the country -- we need not be any more explicit than that -- which publicly charged him with calling all people of great wealth "malefactors" which, of course, had absolutely nothing to do with what he had actually said. He had spoken of "malefactors of great wealth." Well, he knew English, Mark knew English, I know English, most of you know English -- not all of you. (Laughter)

That, perhaps, might be called a parable. I started with one on Christmas Eve and here is another. I think it is the only comment that need be made, that there was a very, very definite effort in this country --

by a certain element in the country to make it appear that Theodore Roosevelt had called all rich men "malefactors," which, of course, was not borne out by the general text of what he said or by the words themselves.

So, that is the New Year's parable.

Q Mr. Ickes and Mr. Jackson were much more specific, Mr. President. (Laughter)

Q Mr. President, referring to your "if" Naval expansion program which you discussed at the last Press Conference, have you as yet made up your mind as to what type or types will be built?

THE PRESIDENT: No, not yet; it is being studied.

Q Mr. President, returning to this other subject, does that mean that you say that Mr. Ford and General Motors and the others who are named are responsible for the Depression?

THE PRESIDENT: Oh, I think we will leave it to the parable. It was a pretty good illustration.

Q Mr. President, have you seen the pictures of the Panay bombing?

THE PRESIDENT: Not the movies. I have only seen the pictures in the newspapers. It is impossible to have the movies until after Monday because of the Message but I think some time next week we will have the reels in the White House. We will have them some evening

but I don't know what evening yet.

Q What was your impression of the figures Mr. Jackson gave out in connection with his speech?

THE PRESIDENT: I think we will let the parable take care of that.

Q Do you think foreclosure laws in some of the States make foreclosure very difficult so that they might hold back the housing program?

THE PRESIDENT: What do you mean?

Q I mean the laws that make foreclosures very expensive. They make people more reluctant to make loans at high percentages of the appraised value.

THE PRESIDENT: Frankly, I have never thought of it very much. You mean bankruptcy?

MR. EARLY: The State laws -- the delay in the States and the fines and the costs.

THE PRESIDENT: Well, of course, anybody that knows the law knows that the whole process of receivership in this country needs very great revision. If you take almost any one of the railroads which has been in receivership, and some of them have been chronically in receivership in the last 20 or 30 years, the cost of receivership and the cost of reorganization is away out of line. It is one of the practices and procedures of the law that requires very definitely a simplification, not only the State end of it but

the Federal end of it too.

Q Mr. President, are you going to see Governor Earle of Pennsylvania today?

THE PRESIDENT: No, he is not down. I think he is coming in soon but not today. Is he in town?

Q I don't know whether he is in town but there was a report from Harrisburg that he was coming down here.

Q After the last Cabinet Meeting it was reported that the Borah-O'Mahoney Corporate Licensing Bill had been discussed and that you personally favored the principles of the bill. I was wondering if that is correct?

THE PRESIDENT: I imagine it is like the usual reports that come out about Cabinet Meetings.

Q Do you favor it in principle?

THE PRESIDENT: In other words, it was not discussed -- it was mentioned.

Q Do you care to say whether you are in favor of that bill, in principle?

THE PRESIDENT: I am not ready on that.

Q Governor Allred was in Wednesday. Do you care to mention what was discussed?

THE PRESIDENT: Oh, we talked about the Union and Texas.

Q He is speaking of running for a third term, did he mention that?

THE PRESIDENT: No. Texans have always considered themselves not only a State of the Union but also an independent republic, which it was. I think they have a right to consider themselves not only the biggest State but the most independent.

MR. STORM: Thank you, Mr. President.