

CONFIDENTIAL

Press Conference #427

Executive Offices of the White House

January 21, 1938, 10.37 AM

THE PRESIDENT: I don't think I have got anything in particular.

Q Mr. President, in the last few days you have discussed with various Congressmen, I think, the Washington Airport and the Jefferson Memorial. Is there anything new on that that you would care to tell us?

THE PRESIDENT: Nothing more than to tell both gentlemen that I hope we can get a Jefferson Memorial from Congress and I hope we can get an airport from Congress.

Q Did you express any preference about the Jefferson Memorial?

THE PRESIDENT: No.

Q Will you comment on the present policy of the Interstate Commerce Commission? On December 29th it certified that the Erie Railroad did not need reorganization and twenty days later there is a petition for reorganization filed.

THE PRESIDENT: No, that is within the province of the Interstate Commerce Commission.

Q Did you specify or have any preference as to the sites of either one of those two, the airport and the Memorial?

THE PRESIDENT: I talked it backwards and forwards with them; that is about all.

Q I wondered whether anything new had come out of it.

THE PRESIDENT: We talked about the disadvantages/and the advantages of that, and so forth. We examined them pro and con.

Q Some of the labor leaders around town are considerably disturbed about your suggestion that they make financial statements public and they profess not to know what you mean. They say they already make them public and a good many of them, I found out yesterday, consider that they make them public when they send them around to union members. Could you enlighten us on that point at all?

THE PRESIDENT: No, except in this way, that I think it would be worth while for everybody to study the British system.

Q Do you approve of the lending of money by the RFC to railroads that need reorganization?

THE PRESIDENT: Well, that depends to a certain extent on

whether Jesse Jones thinks he is getting adequate security.

Q Even though they need reorganization?

THE PRESIDENT: That depends also on adequate security.

Q Mr. President, what do you think of the Earle plan for the Government to buy up the anthracite coal industry?

THE PRESIDENT: I don't know. I have not heard anything about it except what I read in the papers.

Q When do you think your Navy message will go up now?

THE PRESIDENT: I have not finished it yet. When do you think the bill will go through?

Q They expect to today.

THE PRESIDENT: Then probably on Monday or Tuesday the message will go up.

Q The tariff situation in Mexico, with the new schedules of preference given to Germany, which is an ally of Japan, seems to bring Fascism a little closer all the time. Is there anything you can tell us on or off the record?

THE PRESIDENT: I haven't any comment at all; you will have to ask the State Department.

Q Will you write a letter to the testimonial dinner to Senator Barkley tomorrow night?

THE PRESIDENT: I think Mac (Mr. McIntyre) is my letter.

Q Mac is going to attend?

THE PRESIDENT: Yes. (Laughter)

Q Is he going to attend the luncheon for Mr. Chandler previous to that?

THE PRESIDENT: I don't know.

Q May we ask him? (Laughter)

THE PRESIDENT: Yes, but I don't think the train gets there in time. I don't know. (Laughter)

Q Have you named a new Solicitor General yet?

THE PRESIDENT: No.

Q Do you contemplate requesting any legislation which would tend to place labor in a status in this country similar to that which exists in Great Britain?

THE PRESIDENT: No.

Q Is Mac going as a Kentucky Colonel or as a Presidential Secretary?

THE PRESIDENT: When he gets to Kentucky he is a Colonel, spelled with a "K".

Q About that labor business again: As I recall it, in 1926, the British Labor Law was opposed to political contributions by unions. Is it worth while for anyone to look into that?

THE PRESIDENT: I don't know; I am not familiar with that end of it.

Q Some time ago you suggested the idea of annual wages in the automobile industry. Do you intend to propose that today, in your conference today?

THE PRESIDENT: No. I am going to ask them for their thoughts on a great many things. I am not going to make any suggestions. I want to know what they are proposing.

Q When you referred to the 1926 British Act, do you refer to the financial provisions or the whole of it?

THE PRESIDENT: The whole thing. It is worth studying. That does not mean, of course, acceptance of that method. It is worth studying in some particulars.

Q In your Housing Message, you discussed the idea of annual wages in building and construction. We wonder if you have discussed that idea with persons with whom you have had conferences with regard to other industries.

THE PRESIDENT: I don't think so.

Q Do you think it is possible for TVA to buy out utilities and southern power companies, Mr. President?

THE PRESIDENT: I have not the faintest idea.

Q Are the conversations between Admiral Yarnell and Paul McNutt being undertaken at your direction?

THE PRESIDENT: No, I told you about that at the last conference. Yarnell was going to return to Manila before the High Commissioner came back here but did not because he had to stay in Shanghai. So McNutt stopped in Shanghai, I think for twenty-four hours, on his way home, to see Yarnell about Philippine problems.

Q The reports/<sup>are</sup>that they discussed the infiltration of Japanese in the Philippines. Do you know anything about that?

THE PRESIDENT: I don't know. I have no idea.

Q What are the prospects for your message on anti-monopoly legislation?

THE PRESIDENT: I haven't got any now.

Q Do you have any idea?

THE PRESIDENT: No.

Q Has the question of money for the District of Columbia Alley Dwelling Authority been settled?

THE PRESIDENT: I don't know what the status is, or whether it requires legislation or not. Of course the general theory is that Washington ought to be in a position of having slum clearance just like any other community. Now, what that requires I do not know.

Q Do you think the ban of the March of Time Nazi picture is

consistent with our American informed democracy?

THE PRESIDENT: I have not seen it.

Q I asked you if you thought the banning was inconsistent.

THE PRESIDENT: I have not seen it so how can I tell?

Q Do you expect to see it?

THE PRESIDENT: No. (Laughter)

Q Mr. President, the Business Advisory Council had some specific suggestions the other day as to what you might do. Can you give us any comment on any of the suggestions made?

THE PRESIDENT: I think only this: I think we are clearing the atmosphere very, very well and the whole thing is most helpful. They are, for example, learning that the whole question is one that just does not involve business alone, that it is all of those other things that I mentioned the other day, agriculture, labor, transportation -- I have forgotten all of them -- but it is the whole list of them. We are trying to see things from a national point of view and we are making very distinct progress.

Q Is there a proposal to appoint some new committee of some sort, sir, to discuss those things, as a sort of advisory committee, to take in agriculture and labor and other factors?

THE PRESIDENT: There again, we cannot, any of us, be factual. In other words, we cannot say that there is going to be a special body set up. What we are trying to do is to work out ways and means by which, without legislation, we will be able to have these different groups in the Nation come together and exchange information among themselves.

It was, for example, helpful the other day in that conference in the White House to have John Lewis and Phil Murray sitting at the same table with Tom Lamont and Owen Young. Well, that was only two groups. Agriculture was not there. Transportation was not there. Credit was not there.

In this conference the other day with the fifty people, in addition to the list of things that they brought up on their memorandum, we talked about quite a number of other things that fit into the entire picture which they had not discussed among themselves. There was, for instance, the question of the expansion of credit facilities and investment facilities. Those things were not down on their particular agenda and they were very much interested. Also there was the clearing up in their minds of a great many things

where they had completely false impressions, as, for instance, a wondering on the part of some of them -- take two very simple examples -- where they have been confused by what they have heard and what they have read. It is the old story. Most of these things are due to politics, we know, like the crowd who said, "What is the use in curtailing acreage and at the same time in improving acreage?" Well, of course we all know because I have talked about it so often that the two are not in any way inconsistent. If you prevent soil erosion, you improve land and, at the same time, you are taking certain lands out of cultivation. The two things go hand in hand and are not inconsistent. That requires stressing.

Another thing that some of them are not clear on is -- well, for instance, the editorial I happened to pick up saying that it is frightfully inconsistent for the President to say, as he did in 1933 and 1934, that we have got to raise the price level in the country and then, in the Spring of 1937, to say that prices are too high. Well, of course the President never said anything like that at all. The objective is exactly what it was in 1933. The price level at that time was

about 68 or 69 in comparison with the 1924-1926 period which was 100, and our objective was to get it up to somewhere around that 100, and we did pretty well. Obviously, however, it was perfectly proper to object to certain rises in commodity prices which threw the whole picture out of balance. Go back in your own minds to last April, when I cited the 18- and 19-cent copper. There is the illustration. That was bringing, on the same scale, it was bringing copper not to 90 or 100 but to about 180. That is getting just as much out of line in the particular instance on the particular commodity on the upside as it had been on the downside during the depression, so there is, again, no inconsistency.

Take the question of our old friend, the holding company, which we have been talking about lately. Last week, in the conference, we were talking about public utility operating companies and that type of holding company. Obviously we were not talking about, let/say, the Pennsylvania Railroad which is an operating unit but which operates, because it is in a great many states, through a dozen different corporations. That is not a holding company. Nobody ever accused the Pennsylvania Railroad Company, as such, as being a holding company.

We talked about certain bank stock holding companies which are not management companies. Immediately some of our Wall Street write-up friends tried to confuse that -- I hope mistakenly -- with the question of branch banking. They are two entirely different subjects.

It is things like that that are being clarified in the minds of all those people. They are also getting the point of view of a great many of these things, these problems, such as failure to get legislation or to stop legislation which are not due entirely to the administrative end of the Government -- that Congress fits into the picture too. One of them suggested the other day that this business group was not getting sufficient cooperation from the Administration on working on the crop control bill and I pointed out that the Administration last January, at the request of the Congressional leaders, did not draw the bill. We very carefully kept our hands off. These people said, "Well, we did not know that," so it is an educational process, but it has been working out very satisfactorily.

Q Have you noticed any disposition on the part of the 10%, so-called, to eliminate the abuses complained of in your State of the Union message?

THE PRESIDENT: I think they are understanding that better.

There will be some irreconcilables, of course, but taking it by and large the cooperation is good.

Q Do you expect, as a result of these conferences, to issue a statement that will clear the air for everybody, including the Press?

THE PRESIDENT: No. You will have to use your own brains.

Q Can you tell us anything about your plans to see the small business men?

THE PRESIDENT: They are coming in some time next week. We are going over the names because there are so many. I think we have probably had about four or five hundred letters from small business men.

Q What sort of small business men?

THE PRESIDENT: Well, everything below the big business men.

Q True, but where does that begin?

THE PRESIDENT: I cannot define it any more than that. Some fellow may be employing twenty-five men and another twenty-five hundred men.

Q And still be small?

THE PRESIDENT: Yes.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #428

Executive Offices of the White House,

January 25, 1938, 4.10 P.M.

THE PRESIDENT: I have got a lot of news today. I suppose I might as well forestall questions -- a number of them. That would be the easiest way.

First, on this conference that is just over, I think Chairman Taylor gave you the gist of it. We discussed the needs on national defense, Army and Navy, from many angles and the message will go up to the Congress as soon as I get it written. I cannot give you the date yet. If I get it written by Thursday next it will go up then and, if not, then on Friday. I want to get it up Friday at the latest. No details.

On the question of these small business men that we defined so carefully the other day, I find there are about 500 requests which have already come in. Of course it is physically impossible for me to see all 500 of them, so we are arranging for Secretary of Commerce Roper and Assistant Secretary Draper to see them, probably next Monday although the date has not been finally set. That will be over in the Department of Commerce and they will talk things over.

I suppose they will probably elect their own chairman to preside over them with the assistance of Assistant Secretary Draper and the Secretary, if they can both be there. When they finish their discussions, it is my hope that they will send, of their own choosing, about ten or twelve of the people who have been there around here to see me. I will see them when they come, at the conclusion of their discussions over there.

That seems to be the only practical way of handling it.

I got word that I was to be asked a question. I have been thinking that question over and I have written out the answer so that there won't be any question as to the answer. The question was this -- I think it was Fred's, but I don't know.

MR. STORM: I had a question for you on steel prices, Mr. President.

THE PRESIDENT: Fred's question was, "Do you agree with Mr. Fairless that steel prices can't be reduced without cutting wages?"

You will all get copies of this. The answer is this:

(Reading)

"I'm afraid it won't help for me to answer that question again.

"I have said so frequently -- and I do not know how to say more clearly and unequivocally than I have already said -- that I am opposed to wage reductions.

"I am opposed to wage reductions because the markets of American industry depend on the purchasing power of our working population. And if we want to restore prosperity we must increase, not decrease, that purchasing power."

Now, those are words of one syllable.

"There may be a special hourly wage situation in some building trades -- "

That is what I referred to in the Message --

" -- in some localities which so far as the total yearly earnings are concerned may call for different treatment, but even there our primary purpose is to increase and not decrease the total of the annual pay of the workers."

Is that clear?

Q Yes, sir.

THE PRESIDENT: (Reading) "Now as to prices.

"A mass production industry depends on volume

for profits."

That is why it is a mass production industry.

"No mass production industry can expect to make a profit when the volume is small. The steel industry cannot make a profit at 30% capacity but it can at 50% or 55% of capacity."

And remember, of course, that in the case of the steel industry -- on the figures I am using -- 100% of capacity means three shifts, 24 hours a day operation, and, I think, six days anyway and maybe seven days a week. So a hundred per cent. means running everything they have got wide open, 24 hours a day.

"The only way to get volume <sup>is</sup> up/to produce goods for a price the public will pay. A mass production industry in its own interest should ask for its product what the people can afford to pay.

"But that does not mean that such price reductions can come out of wages. Those who believe in the profit system must recognize that those who get the profits when business is good must bear the losses when business temporarily is slack. Those who get the profits when industry gets the volume are the ones to bear the risk of such price reductions as may be

necessary to stimulate and restore volume.

"Those in charge of a well-managed and solvent industry should no more consider casting the burden of a temporary business recession upon their workers than upon their bondholders. To cast such burden on bondholders is financial bankruptcy. To cast such burden on its workers is not only moral bankruptcy, but the bankruptcy of sound business judgment.

"Industrialists kill the goose which lays the golden egg when they keep prices up at the expense of employment and purchasing power. Industrialists kill the goose which lays the golden egg when they cut wages and thereby reduce purchasing power. Either policy is self-defeating and suicidal.

"If industries reduce wages this Winter and Spring, they will be deliberately encouraging the withholding of buying -- they will be fostering a downward spiral and they will make it necessary for their Government to consider other means of creating purchasing power."

Now, the reason for that is two things: First, from the statistics we find that a number of businesses in a few sections of the country -- not many for it has

not receded to any length at the present time -- are in the process of reducing wages. The other reason is that there have been whisperings of a further effort on the part of a few industries in those sections and other parts of the country to reduce wages, hence this statement today.

It is all in words of one syllable. It answers every question that can possibly be asked, and there we are.

Q Mr. President, if the Steel Corporation persists in its stand --

THE PRESIDENT: What is that?

Q If Mr. Fairless and his colleagues in the Steel Corporation persist in their stand that wages must be reduced if prices are to be reduced, what is the next step?

THE PRESIDENT: Well, the step was this statement. That was the next step.

Q What is the step beyond that?

THE PRESIDENT: Now you are becoming "iffy."

Q Mr. President, John L. Lewis told the Mine Workers Convention this morning that labor will resist any downward cut in prices as well as wages, meaning -- well, of course he won't object to price cuts if they do not affect the wage scale, but they will fight price

cuts if they mean wage cuts. Have you any comment on that?

THE PRESIDENT: I said exactly the same thing here. If price cuts are based on wage cuts, they are wrong. I have also said that in some industries we all know that price cuts may be made without reducing wages.

Q In what industries?

THE PRESIDENT: Oh, lots of them.

Q Steel?

THE PRESIDENT: Lots of them.

Q Can it be done in steel?

THE PRESIDENT: I don't know.

Q Didn't Mr. Lewis, Mr. Lamont and Mr. Young more or less agree on the two major premises you set forth today when you saw them?

THE PRESIDENT: On what? This policy?

Q Yes, sir.

THE PRESIDENT: Well, it was never stated that day in exactly these terms. We did, I think all of us, express the hope -- Mr. Lamont did and Mr. Lewis did and I did -- that there would not be any wage reductions.

Q Mr. President, in one of the columns is a statement that there is something a little bit eccentric about the appointment of Admiral Wilson Brown to the Naval Academy. I think there was something said about a lobby here at the White House -- he was your Aide. As I got it, it was that there was something screwy about it. (Laughter) That is a kind of hot question around here.

THE PRESIDENT: Well, I will tell you. It is very, very simple. There has been, since I left the Navy Department in 1920, a tendency on the part of some of the older gentlemen there to have as superintendent of the Naval Academy very senior admirals who, in a very short time, would go on the retired list. About a year ago I talked over, not the Naval Academy situation but the West Point situation, and the Army took what I thought was a perfectly grand attitude and that was that on the instruction of these many hundreds of young men, where you could find a man with leadership who was comparatively young and who, when he had finished his tour of duty at West Point, was to go back in command of troops with a great many years on the active list ahead of him, it would be a better thing to have

him as a leader of these young men than a gentleman who was about to go on a retired list. Well, I liked the idea so much that I invited the Navy to adopt it too, and they did. There are still a few older gentlemen in the Navy who don't like the idea. However, it is a fait accompli.

Q Mr. President, are you going to see Governor Browning of Tennessee?

THE PRESIDENT: He is coming up Thursday and what he is going to ask me I haven't any idea.

Q Is Lillienthal coming up with him?

THE PRESIDENT: I don't think so.

Q What was that French expression?

THE PRESIDENT: Fait accompli.

Q You mean the thing is done and there is no recalling?

THE PRESIDENT: Yes.

Q Did you invite the Governor or did the Governor ask to come here?

THE PRESIDENT: He asked to come up. Telephoned me on Saturday.

Q Are you enthusiastic over his plan? Is that a proper adjective?

THE PRESIDENT: I don't know what the plan is. He just asked to come.

Q His plan is for the state to cooperate with the T.V.A. in buying out the utility companies in Tennessee.

THE PRESIDENT: I can't comment. I don't know what it is.

Q Senator McKellar came out this morning and said he was against it and seemed to think there was some politics in Browning's plan.

THE PRESIDENT: Did he, really?

Q Can you tell us about your talk with Governor Earle and the other Pennsylvanians on the anthracite proposition?

THE PRESIDENT: Very much the same thing. They are working up there on some method of squeezing the water out of the coal and putting more people to work.

Q Mr. President, the fact that the Democratic State Chairman came along with them, does that throw politics into that situation?

THE PRESIDENT: Isn't he a state official?

Q Yes, sir; but no direct connection with the coal industry.

THE PRESIDENT: What is he?

Q Secretary of the Commonwealth; Secretary of State.

THE PRESIDENT: Oh, he may have a very direct part in this coal thing. It might surprise you if you knew what we were talking about. It would bring the Secretary

of State of Pennsylvania very definitely into the picture.

Q That would indicate that the State might take hold of the anthracite industry?

THE PRESIDENT: You are pretty good. (Laughter)

Q Senator Guffey was very definite that no politics were discussed.

THE PRESIDENT: That's right.

Q Senator Guffey assured us there were no politics --

THE PRESIDENT: Not from the Federal point of view.

Q Are all of the 500 to be invited to this conference -- are they to meet with Mr. Roper?

THE PRESIDENT: I think that everybody that has asked to come will be invited.

Q Have you taken any action with regard to the San Juan waterfront trouble?

THE PRESIDENT: I haven't; no.

Q They are reported to have communicated with you?

THE PRESIDENT: I haven't got it; they are in the Interior Department.

MR. TROHAN: Thank you, Mr. President.

**CONFIDENTIAL**  
**Press Conference #429**  
**At the White House**

**Friday, January 28, 1938 -- 10:46 A.M.**

**All in!**

**THE PRESIDENT:** The National Defense Message is going up today at 11 o'clock, and Steve will have copies for you as soon as you get out; and there are seven specific recommendations and one general recommendation;

First, the authorization for the Army of additions to antiaircraft material in the sum of \$8,800,000. Of that sum, \$6,800,000 is for the fiscal year 1939.

Second, for the better establishment of an Enlisted Reserve for the Army, to make it correspond to the Fleet Naval Reserve, \$450,000.

Third, for the manufacture of gages, dies, and other aids to manufacture of Army material, \$6,080,000, of which \$5,000,000 is for fiscal year 1939.

Fourth, \$2,000,000 for making up deficiencies--toward making up deficiencies in ammunition for the Army.

Fifth, that the existing authorized building program for increases and replacements in the Navy be increased by 20 percent.

Sixth, that Congress authorize and appropriate for the laying down of two additional battleships and two additional cruisers during the calendar year 1938. This will call for the expenditure of a small amount of Government funds during the fiscal year 1939.

Seventh, that the Congress authorize and appropriate a sum not to exceed \$15,000,000 for the construction of a number of new types of

small vessels, such construction to be regarded as experimental in the light of new developments among navies, and to include the preparation of plans for other types of ships in the event that it may be necessary to construct such ships in the future.

Those are the seven specific recommendations; then there is one general recommendation:

I believe also the time has come for the Congress to enact legislation aimed at the prevention of profiteering in time of war and the equalization of the burdens of possible war. Such legislation has been the subject for many years of full study in this and previous Congresses.

Q Mr. President, is there anything about the size of battleships there?

THE PRESIDENT: Oh, no!

Q About the size of guns?

THE PRESIDENT: No--oh, no.

Q Or as to the character, Mr. President, of those small vessels?

THE PRESIDENT: No--oh, no!

Q Mr. President, what do you figure this steps the appropriation up for in 1939?

THE PRESIDENT: I don't know--oh, in 1939--15, 16, 17, 22, 28--about \$29,200,000.

Q Mr. President, what do you mean by the "equalization of burdens in time of war"?

THE PRESIDENT: What?

Q What do you mean by "equalization of burdens in time of war"? Do you want to explain that?

THE PRESIDENT: Well, so that the whole nation will engage in war if we unfortunately have one.

Q Mr. President, Great Britain has made a formal request for information from Japan to settle these reports about Japan either building or being about to build ships over 40,000 tons. Have we made a similar request?

THE PRESIDENT: I don't know; all I know is what I have read in the papers.

Q At present the Panama Canal is constructed to take how large a capital ship?

THE PRESIDENT: I could not tell you the tonnage. The locks are 110 feet wide and I think they are 1,000 feet long. Am I right, Fred? You have been down there.

FRED: The biggest ship we have that can get through is the carrier, The Saratoga.

THE PRESIDENT: But that is on size and not necessarily on tonnage.

Q Have we made any study as to time and cost to improve the Canal so that if it were necessary for us to build larger capital ships we could go ahead and widen it?

THE PRESIDENT: I think the Army Engineers made studies along that line some years ago. There has been nothing recent. As I remember it, at the request of a congressional committee, some estimate was made of larger size locks, and another estimate was made for a sea-level canal, but quite a long while ago.

Q Mr. President, the terms of this Message--of course we haven't seen it yet--is it the intention that Congress shall determine the size of vessels, or is that to be authorized and left to the Navy staff?

THE PRESIDENT: Well, it is done sometimes both ways. Sometimes the Congress appropriates the money and the Navy fits the money to the ship; other times the Congress directs the actual tonnage of the ship.

Q It is the intent here that there shall be that sort of cooperation?

THE PRESIDENT: Those are technical details that it is a great deal better to say nothing about. Otherwise you will get out on a limb.

Q Mr. President, has anything happened yet on the suggestions of the Business Advisory people on the creation of a national advisory group much larger than that now functioning?

THE PRESIDENT: No.

Q Mr. President, will you comment on Governor Browning's plan for the purchase of private utilities?

THE PRESIDENT: Only in a way that you probably wouldn't run.

Q Beg pardon?

THE PRESIDENT: I say only in a way that you probably would not run.

(Laughter.) There are a number of you fellows that wrote yourselves out on a limb, and now you would like to have me throw you a rope so you could climb back.

Q It seems to me, sir, that it was more the Governor of Tennessee out on a limb than the reporters.

Q Are you throwing him a rope, Mr. President?

THE PRESIDENT: No, I am throwing a rope to those fellows whose stories I read.

Q Maybe the rope is thrown over a limb! (Prolonged laughter.)

Q Mr. President, have you any comment to make on Mr. Van Zeeland's proposal for an international conference?

THE PRESIDENT: No, Mark, because I frankly haven't studied it enough.

MR. EARLY (quietly to the President): That was Fred Haskins.

THE PRESIDENT: It sounded just like Mark. No, Fred, frankly I haven't read anything but the headlines.

Q Mr. President, if we may get back to the general proposition of war, when and if one comes--that is the proposal that has been talked by a good many groups of persons of drafting manpower, capital, and manufactures; in other words, making all subject to national defense requirements.

THE PRESIDENT: In one sense, I don't quite like the word drafting.

Q That is the word that has been used.

THE PRESIDENT: Yes, but I think we ought to have a better word than drafting.

Q Mobilization?

THE PRESIDENT: That's it--mobilization.

MR. YOUNG: Thank you, Mr. President!

The Press Conference adjourned at 10:57 A.M.

**CONFIDENTIAL**

Press Conference #430,  
Executive Offices of the White House,  
February 1, 1938, 4.10 P.M.

Q (Mr. Young) The Committee wants to thank you for your letter,  
Mr. President.

THE PRESIDENT: It was a real party. Wish I had been there.

MR. DONALDSON: All in.

THE PRESIDENT: Well, there is nothing at this end of the line, except that the mail is arriving so fast that it cannot be opened. Quite a number of people with pay checks coming in the mail cannot find their pay checks.

Q Mr. President, have you any comment to make on the United Automobile Workers' suggestion for limiting profits of the industry and regulating prices by legislation?

THE PRESIDENT: No.

Q Do you plan to discuss railroad legislation?

THE PRESIDENT: No. There is going to be a meeting on railroad legislation pretty soon. I don't think it is this week. Various people are concerned.

Q Is it a meeting here, sir, in your office?

THE PRESIDENT: Yes. Chairman Splawn came down to see me and to talk about it. It is at his suggestion.

Q Would it probably include the discussion of rates?

THE PRESIDENT: No.

Q Refinancing?

THE PRESIDENT: Oh, all kinds of things.

Q Except rates?

THE PRESIDENT: Yes.

Q Will Senator Wheeler take part in that?

THE PRESIDENT: I haven't got the list of people yet suggested by Chairman Splawn. I will know pretty soon.

Q Will Jesse Jones be in it?

THE PRESIDENT: I don't know. I haven't any list made up as yet.

Q Mr. President, there was a story appeared in the morning papers which said that instead of talking about the business recession with a group of industrialists who came down here on January eleventh, you talked about hillbillies and war in China?

THE PRESIDENT: The answer is, "Was there, really?"

Q Mr. President, your National Defense Message leaned to the Government side. Did that Message have all the Army items you have in mind now?

THE PRESIDENT: I did not get it.

Q Mr. President, your National Defense Message, did it have in it all the Army recommendations which you have for the moment?

THE PRESIDENT: Yes.

Q Mr. President, do you favor a one-cent-a-gallon tax on fuel oil?

THE PRESIDENT: The matter was brought in this morning. You know who brought it in. And I referred them and the subject to the Committee on Ways and Means of the House. I talked to Congressman Vinson of the Sub-committee and he said he would be very glad to have any facts which the Oil Administration and the Bureau of Mines may have in regard to the oil supply. I have not asked them yet but I am going to ask them if they care to submit any facts -- not recommendations, but facts -- on that particular

subject and send it up to the Committee on Ways and Means.

Q Any necessary relationship between a tax and the supply of the product?

THE PRESIDENT: Well, that is what those three gentlemen said this morning.

Q You said there would be no recommendations?

THE PRESIDENT: No.

Q Mr. President, are you planning a further elucidation of foreign policy along the lines of suggestions now being heard in Congress?

THE PRESIDENT: On farm?

Q Of foreign policy -- any further elucidation of foreign policy?

THE PRESIDENT: I think it is very clear to most people, Mark (Sullivan).

Q That was Freddie (Mr. Wile).

THE PRESIDENT: Was that Fred?

Q Yes.

THE PRESIDENT: Well, how can I tell? (Laughter) They are right side by side. It is all right.

Q Mr. President, Hugh Johnson has referred to the meeting of little business men as "Uncle Dan's Conference of Elocutionists." Can you answer that?

THE PRESIDENT: The answer again is, "Did he?"

Q Have you picked a new Judge for the Sixth Circuit?

THE PRESIDENT: I will, probably, very soon.

Q Will he come from Kentucky?

THE PRESIDENT: I think so. That is one of the circuits where there are four states with four circuits, so it makes it fairly easy.

Q Do you plan any action to make it easy for small industries to get new capital?

THE PRESIDENT: That is one of the matters under discussion. You might say it is for very early study -- preliminary study.

Q Has there been any decision on how those that will come to see you will be selected?

THE PRESIDENT: No, of course it is up to them.

MR. STORM: Thank you, Mr. President.

## CONFIDENTIAL

Press Conference #431,  
Executive Offices of the White House,  
February 4, 1938, 10.50 A.M.

Q Did you hear of Dexter Cooper's death?

THE PRESIDENT: Yes, too bad. Nice fellow, too.

MR. DONALDSON: All in.

THE PRESIDENT: The only news is that the Housing Bill was signed yesterday. I don't think there is anything more.

Q Mr. President, the Packard Motor Car Company announced this morning, in Detroit, a \$100. reduction in price on its six-cylinder car. Is that more or less in line with your recent price-wage statement?

THE PRESIDENT: Is the car identical with last year's car?

Q I did not get the details.

THE PRESIDENT: Then you see, how can I answer the question?

Q Have you heard anything from the motor people since they were here?

THE PRESIDENT: No.

Q Any indication as to when you might hear from them?

MR. McINTYRE: I have not had any communication, sir.

Q Some time ago you asked the Civil Service Commission to make a study of applying the five-day week to Government service. Have you ever received that report?

THE PRESIDENT: I don't think so, Russ (Young). You had better ask Danny Bell. He may have it. I have not had it.

Q Have you fixed a time for the forthcoming railroad conference?

THE PRESIDENT: No, not yet.

Q Have you a list you can make available?

THE PRESIDENT: I think that could be made available.

MR. McINTYRE: I think it is pretty definite now.

THE PRESIDENT: Pretty definite. I think we will give it out today.

It is a very informal conference, you know, just to talk in a preliminary way -- to talk things over.

(At this point Mr. Fred Essary asked a question while the President was still talking.)

Those things should not be dignified by -- (Laughter)

Q (Mr. Essary) Why all this applause? I don't quite see. (Laughter)

I apologize; I did not know they were applauding you. (Laughter)

THE PRESIDENT: What was it, Fred? I did not get it.

Q (Mr. Essary) This is a proposal to pool the earnings of the railroads under any rate increase that may be granted in order that the weaker railroads may get the lion's share and the stronger railroads, that do not need the money, get a smaller share. Have you any answer to that, sir?

THE PRESIDENT: Wasn't that a proposal made fifteen years ago?

Q Made several times but not so seriously entered into as now.

THE PRESIDENT: I have not heard it for fifteen years.

Q Have you any plans for a vacation?

THE PRESIDENT: I am going up to Hyde Park for three days on Washington's birthday, which makes a terrible liar out of some people that I know. (Laughter)

Q After you have seen the small business man's representatives today, do you contemplate any more business conferences? (Laughter)

THE PRESIDENT: I do not know. Of course they might ask for another one.

Q Mr. President, will you complete that sentence you started to the effect that "Those things should not be dignified --"?

THE PRESIDENT: What I was going to say on this railroad meeting, I do not think it should be dignified by the word "conference." It is not a conference. A conference is a formal gathering. I just invited these gentlemen in, about eight or ten of them, for just a preliminary talk. I do not know what will come of it. I have no idea.

Q Was not the small business men's conference held at the request of the small business men?

THE PRESIDENT: Yes and no. The origin, of course, is perfectly simple. We got in the White House, beginning about two months ago, a large number of letters saying, "Please, can we come down to Washington? Why don't you pay the same attention to us?" There were hundreds of them that wanted some kind of a conference in Washington. It was perfectly vague, but they wanted to be here. Of course, to a good many of them we wrote back and said it was impossible to see everybody individually and would they write their views. They still kept coming back and saying, "We would like to come to Washington." There were a good many hundreds of them. We were confused, quite frankly, with the dilemma. If we said, "No" to them, certain agencies in the country would say that we were turning them down. If we invited them down here, it was very difficult to handle a group of that kind. But I do not think it is a fair thing to ridicule either them or their efforts.

Q How were they invited? Were those who wrote the letters, were

they the ones?

THE PRESIDENT: Yes, largely. I think entirely. They were all people who had written letters.

Q Mr. President, a great many of the delegates expressed the belief that the conference had been a flop. Do you share in that view?

THE PRESIDENT: I don't know. I have not heard from them.

Q Mr. President, have you asked any Federal agency to study the possibility of extending financial aid to small business men?

THE PRESIDENT: Well, that matter is under study, as I said last week.

Q Mr. President, may I read one sentence from Senator Wagner's speech on the Housing Bill, when he subscribed to the idea of taking out the prevailing wage amendment? He said:

"If we ever come to the time when we in this body pass laws saying how much a bricklayer shall receive per day, how much a carpenter shall receive, how much a clerk working in private industry of any kind shall receive, and begin to fix all those wages, we will destroy unionism and freedom of collective bargaining and advance on the road toward fascism."

(Page 1266, Cong. Record, 75th Congress, 3rd Session)

Q Would you mind telling us whether that is your thought, too?

THE PRESIDENT: It goes in line with everything I have always said, always. Now, do not misinterpret that. There are lots of ways of misinterpreting it.

Q His idea was that if you go beyond fixing, you get into this realm of doubt and danger.

THE PRESIDENT: I will <sup>just</sup> give you one thought on it. You know we talked a good deal about a floor for Agriculture. Well, just use the analogy on wages. The Agricultural bill does not attempt, in any way, to set the price on corn or the price on anything else.

All it does is sets a floor. Use the same analogy on wages and you will about hit it right.

Q Any progress being made about working out a plan for yearly wages for the building industry?

THE PRESIDENT: I do not know; I do not know.

Q Are some of the Federal Housing people working on that plan, Mr. President?

THE PRESIDENT: No. I think industry is working on it and the people who will build under this plan, they are probably working on it, too, in different localities.

Q Mr. President, have you selected anyone to head a campaign to sell the housing program to the country under the new bill?

THE PRESIDENT: No. For details you had better go and ask Stewart McDonald.

Q Mr. President, there is considerable talk before the House Naval Affairs Committee about the need for two independent fleets, one for each coast. Do you think so?

THE PRESIDENT: I think you had better read the proceedings of the Naval Affairs Committee.

Q I heard them.

Q On this housing bill again, do you think they need an aggressive selling campaign to acquaint the country with the new program?

THE PRESIDENT: There again you will have to ask Stewart McDonald.

MR. YOUNG: Thank you, Mr. President.

## CONFIDENTIAL

Press Conference #432,  
Executive Offices of the White House,  
February 8, 1938, 4.10 P.M.

THE PRESIDENT: (Speaking of one member of the Press who was looking back over his shoulder at another member of the Press) He is examining your facial expression to see whether you are fearful, or benign, or hard-boiled or anything else.

Q He is checking up on Bascom Timmons, I think, Mr. President.

THE PRESIDENT: That is it.

Q A big gate today.

MR. DONALDSON: All in.

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

Q Mr. President, there were some Mayors in this afternoon and I noticed you had Mr. Williams and Mr. Morgenthau after them?

THE PRESIDENT: They were talking about the relief problem all over.

Q Do you plan any action?

THE PRESIDENT: It is in the study stage.

Q Mr. President, are the published reports true that you are going to do some sort of newspaper writing?

THE PRESIDENT: No, they are not.

Q Not true?

THE PRESIDENT: No.

Q I think the announcement has been made by some syndicate?

THE PRESIDENT: No, that is not true. If you would like to know what is true, I will tell you. You know these five volumes that are coming out -- you have had that story for several months. The five volumes contain six prefaces -- in other words, one general

and one for each volume. And, in addition, they contain notes to speeches, bills, Messages to Congress, Executive Orders, et cetera, in other words, notes to the Public Papers. Those notes are of some interest. They are being sold to a newspaper syndicate or syndicates. There is no writing for the newspapers, and there is all the distinction in the world, as you will easily recognize. In other words, it is an advance publication of the notes and the prefaces to those five volumes.

Q You wrote them?

THE PRESIDENT: Yes.

Q This would not be in the nature of a column?

THE PRESIDENT: Nature of what?

Q Nature of a column?

THE PRESIDENT: Oh, I wish it were.

Q Can we quote that?

THE PRESIDENT: Yes. I could never write a column after what I said about the impossibility of writing a column every day in the week.

Q There has been a report and rumors in New York for the last ten days or so that you were going to announce another breathing spell for business. Is there anything you can say? (Laughter)

THE PRESIDENT: The crowd has given you the answer.

Q Just a horse laugh.

THE PRESIDENT: I would not call them horses, now really. (Laughter)

Q Mr. President, did your indirect endorsement of Senators Barkley, Duffy and Pepper mean that you want particular incumbents returned?

THE PRESIDENT: You must have sat up all night thinking about that.

(Laughter)

Q That is a product of today.

THE PRESIDENT: It is not properly stated.

Q Can you phrase it otherwise?

THE PRESIDENT: No, I could not.

Q Mr. President, was the statement of James Roosevelt at Palm Beach a reflection of your views?

THE PRESIDENT: I only know what I read in the newspapers. I do not know whether he was even accurately quoted.

Q There was considerable concern in Illinois as to whether there would be some indorsement of Senator Dieterich?

THE PRESIDENT: So I hear. (Laughter)

Q Do you favor the plan of the Maritime Commission for a mediation board?

THE PRESIDENT: I cannot tell you. I thought that question would be asked and the only way I can answer it truthfully is to tell you that the Secretary of Labor is in Louisiana and the Chairman of the Maritime Commission is in Florida. I suppose after they get back I will talk it over with them.

Q Mr. President, have you seen the Secretary of State's letter to the United States Senate, or to Senator Pittman in connection with the Johnson Resolution?

THE PRESIDENT: No, I have not seen the letter, Fred (Storm). He read it to me over the telephone yesterday and I do not know whether the actual letter followed what he read or not. At any rate, it is substantially accurate.

Q Mr. President, have you any comment on the call here of the Chinese

Ambassador yesterday?

THE PRESIDENT: Oh, no; he comes in frequently, just like a lot of other Ambassadors.

Q Are you considering a Fireside Chat any time soon?

THE PRESIDENT: I hope not.

Q Has a date been set yet for your railroad conference?

THE PRESIDENT: No. I do not know yet when I am going to call it. I am going to try to find out, if I can, what the probability is about handing down a decision by the I.C.C. on the rate case and, if one comes down pretty soon, I would rather wait and have the railroad conference following instead of ahead of it.

Q Will you explain a little bit on what we understand you told the representatives yesterday about self-liquidating public works?

THE PRESIDENT: Of course I did not say what I was credited with saying. What I did say was this: That without going into any specific projects it would be a good thing if localities and states could study the possibility of projects which would eventually self liquidate, especially as to capital, even if you did not include interest in it, so that the money spent on relief would eventually return to the Treasury, even if it took a great many years. We did talk about various possibilities of increasing the number of self-liquidating projects, among them national highways.

Q Mr. President, there was considerable talk in the House Naval Affairs Committee this morning on the relative battle efficiency of planes and battleships. Do you know anything of that?

THE PRESIDENT: No, except that almost every American male -- I won't speak for females -- from the age of ten upwards is an amateur

strategist.

Q Do you care to discuss the suggestion revived by the President of Yale last night about the advisability of Government spokesmen being available for interrogation on the floors of Congress, respecting foreign affairs particularly?

THE PRESIDENT: No, there is nothing new in that. It has been suggested, I think, since 1787.

Q What do you think about it?

THE PRESIDENT: Oh, I don't know.

Q Maury Maverick is for it.

THE PRESIDENT: Is he? (Laughter) Of course it probably would work if we had a British parliamentary system. But we haven't. That is the easiest way of putting it.

Q Do you have any reaction on the proposal that National Banks be allowed to return to security underwriting in limited cases?

THE PRESIDENT: No. There have been two or three letters and suggestions that came in lately, but I have not seen any suggestion to restore it, to safeguard it at the same time against the evil practices in the old days.

Q Have you any comment on business practices?

THE PRESIDENT: Have not had a chance to do anything on it the last two weeks.

Q How about the possible construction of the Nicaragua Canal? Have you given that especial attention?

THE PRESIDENT: No, no special attention. Not any more than I said in my Message to Congress. The Panama Canal is a very fine thing but of course there is a possibility of danger because of its

weakness.

Q Do you expect to ask for additional WPA funds?

THE PRESIDENT: I just answered that. The thing is being studied at the present time. I think we will have something on it in the course of the next few days.

Q Any comment on the insistence of eastern Congressmen that we should have an Atlantic Fleet in addition to the Pacific Fleet?

THE PRESIDENT: No, that is amateur strategy.

Q On the information we are soon to have on WPA appropriations, will that be in the form of a Message --

THE PRESIDENT: (interposing) No, I have not got as far as that.

Q An argument is going on as to whether we should have more pump priming.

THE PRESIDENT: No, we are not considering that question from the point of view of pump priming at all. We are considering it from the point of view of human needs.

Q How about the Woodrum amendment?

THE PRESIDENT: As I say, the whole thing is under study. We do not know anything about methods until we find out how much money we need.

MR. STORM: Thank you, Mr. President.

## CONFIDENTIAL

Press Conference #433,  
Executive Offices of the White House,  
February 11, 1938, 10.40 A.M.

THE PRESIDENT: I wish I had somebody here to go through the letters, the telephone calls and the visits in relation to purely personal problems. There would be a book in it. They are bringing up children and everything else.

Q Send a supplemental appropriation up asking for a Dorothy Dix for the Administration.

THE PRESIDENT: Yes, a new Administrative Assistant to the President.

MR. DONALDSON: All in.

THE PRESIDENT: That was in the front row. They have no questions to ask. How about the rear?

Q Mr. President, do you intend to gratify Senator Hiram Johnson's longing for more information on foreign affairs?

THE PRESIDENT: Is this "Mark Wile?" (Laughter)

Q Mark First Wile. (Laughter)

THE PRESIDENT: What was the question?

Q Do you intend to gratify Senator Johnson's longing for more information on your foreign policy?

THE PRESIDENT: Well, I cannot answer the question put that way.

Q Will you answer it in your own way?

THE PRESIDENT: Oh, I don't think so. (Laughter)

Q Do you intend to say anything to Congress very soon on foreign policy?

THE PRESIDENT: I don't think so.

Q Can you tell us something about that \$16,800,000 additional funds

you asked for?

THE PRESIDENT: There were several things listed.

Q Six. They were not specified in the letter though.

MR. McINTYRE: They are listed with Dan Bell's accompanying letter.

THE PRESIDENT: They are listed with Dan Bell's accompanying letter.

I don't think there is anything more to say about that.

Q The duties of Adolph Berle have been variously reported. I wonder if you can set us straight on what he is supposed to do down here?

THE PRESIDENT: Assistant Secretary of State.

Q We understood he was going to be your direct representative. Is that correct?

THE PRESIDENT: No; he is going to be Assistant Secretary of State.

Q In your memo to Congressman Boland on petroleum, you mentioned a tax on crude petroleum. Boland had been asking for a tax for fuel oil used in heating. Do you propose to raise the ante?

THE PRESIDENT: No, you know perfectly well what was done. It was a request for information that was furnished and there is some information being gotten. That is all.

Q Have you set the date for the railroad conference yet?

THE PRESIDENT: No, not yet.

Q Do you intend to appoint Charles West Comptroller of the Currency?

THE PRESIDENT: I haven't got any news on that at all. I have been reading all kinds of things in the papers.

Q Mr. Jones indicated the possibility that there will be a revival of industrial lending by the RFC?

THE PRESIDENT: Same answer as last Tuesday. The whole thing is under

study.

Q Mr. President, do you favor the enactment of some sort of excise taxes to raise funds for parity payments under the farm bill?

THE PRESIDENT: Well, the farm bill has not come to me yet. That is the only way I can answer it. It is being analyzed now.

Q Mr. President, yesterday Representative Disney was down here and he said he discussed politics with you. Did you give him your blessing for his candidacy against Senator Thomas?

THE PRESIDENT: No, I will tell you what I told Wesley. I told him I hoped he would run for the House again as I thought he was a very valuable member of the Ways and Means Committee.

Q Mr. President, there is considerable talk in the hearings of the House Naval Affairs Committee about the United States being in the key position to call for another limitation of armaments. Do you think so?

THE PRESIDENT: Oh, that is a thing I could not discuss out loud if I thought so.

Q Mr. President, is the recession flattening out? (Laughter)

THE PRESIDENT: How old is Anne? (Laughter)

MR. YOUNG: Thank you, Mr. President.

## CONFIDENTIAL

Press Conference #434,  
Executive Offices of the White House,  
February 15, 1938, 4.00 P.M.

MR. YOUNG: I gave Steve (Early) a big bunch of subpoenas.

Q The Judge sent some up.

THE PRESIDENT: That is all right. Don't you think I ought to sign  
a lot of blank pardons, too?

Q Give me one to carry around.

THE PRESIDENT: Blank pardons and then you can fill in the offense  
to suit yourself. That is generous.

Q (Mr. Storm) For parking tickets, Mr. President?

MR. DONALDSON: All in.

THE PRESIDENT: Well, we have settled most of the affairs of the  
Nation in the third row. Now, does anybody want to ask any  
questions in the back row?

Q Mr. President, still in the front row, slightly offside, Mr.  
Walsh, of the New York Power Authority, was down here today.  
He did not say much but indicated you may have something to say  
this afternoon.

THE PRESIDENT: I cannot say anything. The only way I can tell you  
the situation is as background, without attribution.

There is a good deal of talk up in Canada about the devel-  
opment of a good many new power resources and there is discus-  
sion going on about the shipment of that power into the United  
States. That shipment has been, in a good many cases, contrary  
to law. It would call for a modification of the law, of the  
provincial law. The problem that that raises for us is this:

Not that we oppose additional power, the more power we have the better it is, but we have to remember that power imported, that kind, is subject to cutting off at any moment and if we depended, in this country, on the import of power subject to its being cut off at any moment, it is a pretty dangerous position to be in.

Then, of course, there is the other phase of importing power in case of war. I do not mean war between the United States and Canada but suppose Canada were to go to war with somebody else, they would probably want all their power and we would get cut off. Or suppose we went to war with somebody, under neutrality provisions they might want to cut us off and there we would be left without any power.

So that was the principal point of discussion with Chairman Walsh. It all ties in with the general desire of the two nations, proceeding simultaneously and by agreement, for the simultaneous development of power on both sides of the border, and especially using those power sites which are held in common as, for example, the Erie River where the boundary line runs down the middle of the river.

Q Has the matter of competition with domestic power producers affected --

THE PRESIDENT: (interposing) I say the more power and the cheaper power we get the better, as a general proposition.

Q Does some power come from Canada and some go from the United States into Canada?

THE PRESIDENT: I don't know of any power that goes from the United

States into Canada. There is a certain amount coming from Niagara at the present time.

Q Is this particularly Ontario power?

THE PRESIDENT: No, this is Quebec power, too.

Q Does this cost more or less than our power? Is it a cheaper rate?

THE PRESIDENT: It is a cheaper rate than any power being sold in this country, except some of the commercial rates at Niagara Falls which were, as I call it, "come on" rate. In other words, they were rates given by the original Niagara Falls Power Company to induce industries to locate at Niagara Falls.

Q You spoke of the eventualities in connection with war and the cutting off. Is this the main thing?

THE PRESIDENT: Yes, that is the only objection we are bringing as to the use of a great deal of Canadian power. It cannot be guaranteed in time of peace or in time of war.

Q Can you tell us what you decided to do?

THE PRESIDENT: Nothing; we are studying it, that is all.

Q Does this include the St. Lawrence or Passamaquoddy projects?

THE PRESIDENT: Nothing to do with Passamaquoddy but a great deal to do with St. Lawrence.

Q You spoke of --

THE PRESIDENT: (interposing) Yes, of course, Passamaquoddy some day.

Q You spoke of it being, in some cases, contrary to law. Do you mean the laws of the United States or of New York?

THE PRESIDENT: Provincial law. Except this, of course, that no physical connection can be given, can be permitted, without the permission of the United States.

Q Have we given that permission in the past, Mr. President?

THE PRESIDENT: ~~That I do not know.~~ That is one of the things we are studying. Maybe they have got lines connected up without any permit.

Q Can you tell us about your conferences on the Coal Commission situation, the members of the Commission and the consumers' counsel?

THE PRESIDENT: I am trying to find out what the law is.

Q Nobody seems to know.

THE PRESIDENT: No, you are right.

Q Do you care to comment on Senator King's proposal for an arms conference?

THE PRESIDENT: Who is that, "Farmer" Sullivan? (Laughter)

Q (Mr. Sullivan) You are fifty per cent. right.

THE PRESIDENT: I can just see the top of Mark's head. It is all right. I see him. Mark, that was a great story about the hen. That is good. I like your natural history. I am fond of it myself. I would like to go and see your farm.

Q (Mr. Sullivan) Thank you very much.

Q Mr. President, what was your answer to that question of Mark Sullivan's?

THE PRESIDENT: No comment.

Q Will you comment on your talk this morning with these clergymen from the Council of Churches? Weren't they discussing foreign policy?

THE PRESIDENT: Foreign policy and peace and we are all in favor of peace.

Q Can you tell us what you told them?

THE PRESIDENT: I was in favor of peace.

Q What did you talk about?

THE PRESIDENT: We talked things over in an amicable way and we all agreed we are opposed to aggression and in favor of peace.

Q In view of Japan's failure to reveal her Naval plans to us, is the next move up to the United States with respect to consulting with Great Britain and France?

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

Q Are you opposed to any increase in Japan's Naval ratio?

THE PRESIDENT: I guess you sat up last night thinking about that, too. (Laughter)

Q No, sir; I have been sitting in the Naval Affairs hearings.

THE PRESIDENT: I have not finished with that question; it is a very good question.

Q Congressman Fish spoke of an increase.

THE PRESIDENT: What you come down to, of course, is a consensus of opinion by those people who know most about the problems of national defense, and the consensus of opinion by the people who have given the greatest thought to it is that we cannot rely on the single defense in one ocean, that there must be more defensive possibilities than mere defense in one ocean. In other words, we might be faced with a war on two sides. Now, that is about all I can say. No use to take up mathematics. We have to consider the possibility of defense on both sides.

Q Mr. President, since your talks with Mr. Kennedy and Miss Perkins, can you tell us now how you stand on the mediation plan?

THE PRESIDENT: I find you are only half right. I have not seen Miss Perkins.

Q Your talk with Thomas Lamont, was that part of the business conferences, or something else?

THE PRESIDENT: It was part of the continuation of the previous talk and part about subjects in general.

Q For instance, what?

THE PRESIDENT: In general.

Q Small loans?

THE PRESIDENT: Oh, yes; that was one of them. I think there were five or six different topics.

Q In view of your stand on the question of giving Federal funds for road building, what do you think of these current plans for great super-highways that are being put forward on Capitol Hill?

THE PRESIDENT: Those plans, of course, are based on a return of the expenditure eventually. Matching of state funds is not based on any return of any expenditure.

Q Through tolls -- the return would be through tolls, is that the idea?

THE PRESIDENT: Tolls and the principle of excess condemnation.

Q Did you ever put that excess condemnation into practice any place?

THE PRESIDENT: They have done it in some cities. Of course they do it quite generally in England.

Q I guess none of the Federal funds have gone into excess condemnation.

THE PRESIDENT: I don't think they use that method.

Q You are in favor of it?

THE PRESIDENT: Very much. I always think, on excess condemnation, of some of the iniquities or inequalities that chance and the engineers bring about. Up in Southern Columbia County, which is above us on the river, Colonel Greene decided that he was going to run a new location of an old road about, oh, a couple of miles from the old location and thereby cut out not only mileage but a great many bad turns and twists, and he was going to make it run as the crow flies. So they took their engineers up there and they found that they had to cut through a fellow's farm, right through the middle of it. He had had one road frontage and he had actually bought the farm for about \$4,000. and was farming it. Along comes Greene and asks him to sell a strip one hundred feet wide through the middle of the farm and he was paid \$2,000. for his strip. Well, that was a jury of neighbors and for this little strip one hundred feet wide he got \$2,000.

The result was that his farm, instead of having one frontage on a dirt road, he retained frontage on the dirt road and he had two frontages on a beautiful three-lane State highway. Three frontages -- well, it was pretty good. He had \$2,000. in cash and he proceeded to sell his farm as three farms, each one with a road frontage, and he got \$6,000., so he got \$8,000. for property that had cost him \$4,000., solely because of the action of the State. They happened by chance to go through his farm.

Now, on the principle of excess condemnation, you do not enrich anybody by pure chance. You buy the land at an absolutely fair valuation and, of course, as you know, when the Government buys land they generally pay more for it than the fellow paid

when he bought it. In this way the Government gets the increment by buying more (than it needs) and selling it off at the advanced price and taking the profit, and turning that profit into paying off the bond issues.

Q Isn't excess condemnation prohibited in some states?

THE PRESIDENT: I don't know.

Q There is a group of economists at the Treasury studying price structures. Have you given any thought to that since talking to us?

THE PRESIDENT: Yes, they are going to bring in a report on Thursday and I may be able to give you something about it on Friday morning. But I think on the general question of price structure, I think the thing to emphasize is that the principle I enunciated away back in -- what? -- 1933 is just the same. It has not changed. It is too low and ought to go up at the present time. That does not mean, however, that copper should go to nineteen cents again.

Q Can you tell us whether you will join the reception to Governor McNutt, or will you have a representative there?

THE PRESIDENT: I have not heard anything about it. When?

Q The twenty-third, or thereabouts.

Q Senator Minton has invited four thousand people to shake the hand of Governor McNutt at the Mayflower Hotel.

THE PRESIDENT: I guess the Governor will be in to see me.

Q But the question was, "Will you go to see the Governor?" (Laughter)

Q Getting back to this road question, you are not against this super-highway plan?

THE PRESIDENT: Oh, no, not a bit. In fact I am studying the thing now to see whether, on the principle of excess condemnation with reasonable tolls, we would not get our money back. I don't know.

Q Have you seen any of the bills on that line up on the Hill? —

THE PRESIDENT: There are a flock of them. I have not seen any one of them.

Q Have you discussed any of the aspects of the \$125,000,000. loan by agreement to Italy? —

THE PRESIDENT: I have not heard of it.

Q Anything on the railroad meeting, Mr. President?

THE PRESIDENT: No, I am trying to find out when that I. C. C. decision is coming down.

MR. TROHAN: Thank you, Mr. President.