

CONFIDENTIAL

Press Conference #527,
Aboard the cruiser HOUSTON off Charleston,
March 3, 1939, 2.30 P.M.

THE PRESIDENT: How is everybody?

Q Fine.

THE PRESIDENT: Well, we had a grand time. I saw Fred (Storm) on the dock and he was being properly chaperoned so --

Q (Mr. Storm, interposing) Yes, sir; for the past two weeks.

THE PRESIDENT: Well, we sent you all the news we could send. There was not very much.

Q It was very good.

THE PRESIDENT: It was not very much but so much of the time we were at sea that we really -- there really wasn't anything you could say.

For two of the days, when we were at a point where we were getting in the messages and dispatches from the two different fleets, in order not to be sunk ourselves, we took the cruiser about two hundred miles into dry land. In other words, there were various areas of water in the plan which were, theoretically, dry land, so on a couple of those -- about three of those days that you did not hear from us we were way inland on this theoretical continent.

Q Which side won, Mr. President?

THE PRESIDENT: Well, they do not win in these maneuvers. I am sorry to have to bust up a lot of stories but -- (laughter)

Q Was the problem solved?

THE PRESIDENT: And also, Mr. Belair, the plan was not -- of these

maneuvers -- was not changed after I started or just before I started. They were made about six months ago. (Laughter)

Q (Mr. Trohan) Do not put that in your copy, Mr. Belair.

Q (Mr. O'Donnell) What was the question posed by the problem which you attempted to solve or determine, Fleet Problem 20? We have been writing about it --

THE PRESIDENT: (interposing) It is terribly, terribly hard to describe it so that the average layman would not get a false impression from it. The main thing is this, that you have to eliminate from your mind every consideration of who a potential enemy is. In other words, you cannot translate this into terms of the nations. And you have to eliminate from your mind also any actual or existing geography. Now, that is very difficult but very essential.

I suppose the easiest way of putting is this: that if you assume a stretch of land -- mind you, you have to eliminate all existing geography from this, that is why you cannot say such and such land, hemisphere, or West Indies, or Panama Canal, or anything like that; that is entirely beside the point in these problems -- but you do assume a body of land, roughly two thousand miles long. Is that about right, Dan (Captain Callaghan)?

CAPTAIN CALLAGHAN: Yes, sir.

Q Two thousand miles?

THE PRESIDENT: Yes. Now, whether that runs east or west or north or south has no bearing on it either. It is nothing more than a stretch of land two thousand miles long with certain islands off it, with imaginary contours and, as evidenced by what I said a few minutes ago, with certain areas of actual water which are

assumed to be dry land.

One fleet, with a mission of attack, is originally located about fifteen hundred miles away from this land area with its adjacent islands.

The object of this attacking fleet, fifteen hundred miles away, can be any number of specific objectives such, for example, as landing troops -- landing an army. (Their objectives can be) such, for example, as establishing an air base; such, for example, as establishing a naval base; such, for example, as destroying the defending forces -- Army bases or air bases or naval supply bases or patrol bases -- also, on the part of the enemy, of destroying units of the defending fleet. The ultimate objective of destroying units of the defending fleet is so to weaken the main battleship force of the defending forces that that battle force would become vulnerable to -- in other words, weaker than -- the main battle force, the battleships, of the attacking fleet. Or, to put it another way, if the attacking enemy can destroy the defensive air forces and the defensive scouting forces, and the defensive cruiser forces, obviously they are in a better position to make a main attack with their battleships on the defending battleships.

The same thing, of course, is true from the point of view of the defending forces. If, by attrition of the enemy, they are able to destroy his airplanes, his submarines, his scouts, his cruisers, then automatically the defending forces can make an attack with a definite superiority on the part of the attacking battleships.

Dan (Captain Callaghan), am I saying anything I should not?

Is it all right?

CAPTAIN CALLAGHAN: No, sir.

THE PRESIDENT: Is it all right?

CAPTAIN CALLAGHAN: All right, sir.

THE PRESIDENT: You see how terribly complicated it is when this problem has a range or area that starts fifteen hundred miles off the coast and can and does attack a line two thousand miles long. There are raids and counter raids that go on day after day. That automatically proves the impossibility of anyone saying, intelligently, that one side or the other has won because -- let us put it this way: If, on the first day, contact is made between scouts of both sides, resulting in an action between those scouts, because of the fact that it is mimic warfare an immediate question arises as to which side has won. That is a purely unofficial determination with, necessarily, a big question mark after it. On the second day, another contact is made, with another question mark after it. Well, as the war problem progresses, you multiply question marks. It is like a series of "if" questions, the second "if" question being based on the first "if" question and the third "if" question being based on the second and the first. You see, actually you do not arrive at any useful point. (Laughter) Now, that is very descriptive.

Q (Mr. Trohan) And very clear, too, Mr. President. (Laughter)

THE PRESIDENT: Very clear.

Q I am just wondering what my report is going to be.

THE PRESIDENT: I know it is very difficult. As a matter of fact, on

this particular problem, on this particular problem of all these "if" questions relating to the contacts of the first week, they were answered by an umpire's determination and, at the end, a great many of the multitudinous units of the fleet, airplanes of several different types, submarines, aircraft carriers, destroyers, light cruisers, heavy cruisers, had been declared either put out of action or damaged. But, in order to hold a tactical exercise the last day, all of those ships which had been sunk or damaged were declared restored to full usefulness. And, as I tried to point out, the last day's battle was nothing more nor less than could have been held any time off any part of the United States on twenty-four hours' notice. Practically speaking, the battle itself, on the last day, had no relationship to the previous week's problem, because all the ships were, by edict, restored to full usefulness.

Now, as you say, that is a pretty darned hard story to write. I do not know how I would write it. But I have told you everything there is to base it on. You cannot say that one side won or the other side lost, that there was victory for one side or the other. I think the only thing you can say is that, as a result of the week's work, there were many lessons gained in the sense that we tried out units of the service, those units you know about, different types of planes and cruisers, destroyers, et cetera and so on, in different ways and under different conditions from what we had used them before. Each of these fleet problems does teach something in the use of each arm of the Naval Service and its relationship to the other arms of the Naval Service. That, really,

is why there is not much of a story on it.

I would emphasize the fact that this has not been done in these waters for a great many years and, of course, has never been done on a scale of this kind before. In fact, I am not sure that it has ever been done before in the particular waters we used. The exercises before have related to what might be called the inner defense of the Caribbean Sea, roughly that stretch of water from Key West, including the line of the Windward and Leeward Islands, down to the coast of Venezuela and thence to Felix's (Mr. Belair's) Panama Canal and Central America.

Q (Mr. Belair) I did not have a copyright on it, Mr. President.

(Laughter)

THE PRESIDENT: But this particular exercise was entirely outside of that zone.

Q (Mr. Trohan) In other words, you are satisfied with the conduct of both fleets?

THE PRESIDENT: Yes.

Q Did they work well?

THE PRESIDENT: Excellently, and we learned a great deal.

Q. (Mr. O'Brien) Would these conclusions reveal any deficiencies that would have any bearing on the construction program?

THE PRESIDENT: No. Of course there are always things to be learned about new ships. For example, we were very well satisfied with the new type of destroyers and destroyer leaders. We have never had anything like so many of them operating with the Fleet as we did this year because so many have been going into commission during the past year.

Q Charlie Edison said the other day that one of their new ones broke the course record on the trial run up at Newport but he would not reveal the speed.

THE PRESIDENT: Did he? Then, there are other things that are not so spectacular but, nevertheless, important. For example, there is the problem of fueling ships, the necessary number of tankers you have to have and under what conditions you can fuel at sea. The question of supplies, and there is also the question of the necessity of bases. I think it can be said that it was fairly well established with this problem that our recommendations for a base in San Juan and in St. Thomas have proved to be sound?

Q What were those?

THE PRESIDENT: San Juan, Puerto Rico, and St. Thomas, Virgin Islands.

Q Air bases?

THE PRESIDENT: Well, I would not say that. It is a bit difficult to describe them. I would call them subsidiary bases; in other words, they are not, either of them, big enough to take the whole Fleet. They are not battleship bases; I would say they were more air bases.

Q Have you completed your speech that you are going to deliver tomorrow?

THE PRESIDENT: I have got a draft which Mr. Kannee and Bill (Mr. Hassett) and I are about to go over, just so we can put in a few choice words, and then it is going to the mimeograph machine. Bill (Mr. Hassett) has the choice words.

Q Bill (Mr. Hassett) has been getting a lot of them.

THE PRESIDENT: I think you will get the text tonight on the train;

that is not bad.

Q Will that have any reference to the maneuvers?

THE PRESIDENT: No.

Q The A.F. of L. and the C.I.O. leaders have indicated that they are waiting on you to start these peace --

THE PRESIDENT: (interposing) I do not know what arrangements have been made, only what I have read in the papers. I do not know whether they meet with the Secretary of Labor first or with me. I will have to find out when I get back.

Q Senator Glass was raising a rumpus yesterday when Secretary Morgenthau appeared to ask for a continuation of the stabilization fund until 1941. He said he objected to giving any more powers to the Administration where the fiscal program was concerned. Is there anything you can say about that, sir?

THE PRESIDENT: I would suggest that we follow the Constitution, which provides that no member of the Senate or the House shall be questioned for any remark or speech made in the Senate or the House.

(Laughter)

Q Will you elaborate on that, Mr. President? (Laughter)

THE PRESIDENT: Do you like it? (Laughter)

I sent a telegram to the new Pope Pius the Twelfth, and Bill (Mr. Hassett) will give you a copy of it on the train.

Q Is he coming over, Mr. President? (Laughter)

Q He was over here last October.

THE PRESIDENT: Off the record, you are thinking of the 1928 campaign.

Q I just want to thank you for not appointing a Protestant. (Laughter)

THE PRESIDENT: You know they can, under the law, and it (the Pope) does

not even have to be a priest. Did you know that?

Q That is true. All he has to be is of a sound mind and body.

THE PRESIDENT: I suppose he ought to be a Christian.

Q I do not think they require that.

THE PRESIDENT: This is all off the record, by the way.

MR. HASSETT: At least the first Pope was not always a Christian.

(Laughter)

THE PRESIDENT: Yes, there were quite a lot of pagans they had there.

I suppose, also off the record, although my good Catholic friends do not like to talk about it, there was once a woman Pope.

Q Pope Joan.

THE PRESIDENT: Pope Joan, sure.

Q Did you do any fishing?

THE PRESIDENT: Yes, we did. We stopped three times, once on the south side of Santo Domingo, once about two hundred miles theoretically inland at a place called Avis Island, and the third time at West Caicos Island and we got no fish to speak of until the day before yesterday when we caught about twenty all told.

Q We are all getting together and chipping into a little fund to found the Daniel J. Callaghan Chair of Journalism at Annapolis. (Laughter)

THE PRESIDENT: I think that is very good.

CAPTAIN CALLAGHAN: I think that is fine; thanks to you, Mr. President.

Q What time are you leaving the HOUSTON today?

THE PRESIDENT: About 5.30.

MR. HASSETT: Sundown is 6.15.

THE PRESIDENT: And then the train leaves at 8.00 o'clock and we get in at 8.30 in the morning and then we have, as I understand, the

services at St. John's at 11.00 o'clock, and from there go right up to the Capitol and have that party. I am going to try to catch up on my mail in the afternoon and then I have the Cabinet Dinner in the evening.

Q Where is that?

THE PRESIDENT: I think it is the Carlton Hotel.

Q As a local newspaperman, could you give us a word of greeting to the people of Charleston and South Carolina?

THE PRESIDENT: I can repeat what I said before, that Charleston has become, definitely, the Presidential point of departure or return, and I am very glad to learn from the Commandant, Admiral Allen, that there are 4200 men, I think he said, civilians now employed in the Navy Yard. Those, of course, include the people on P.W.A. and W.P.A. work and we hope, on our shipbuilding here, to keep at least the present pace. It has not yet been decided whether the Yard will build a light cruiser or two destroyers but, from the practical point of view, the payroll in either case will be about the same. Cruisers take longer to build than two destroyers.

Q Did they ever build a cruiser here before?

THE PRESIDENT: I do not think so.

Q I see they finally painted the HARTFORD up for you.

THE PRESIDENT: On that, if you want a story, -- but I do not know how Charleston would like it. Of course it has been my thought -- you have had this story before, I think -- for about twenty years that when the new Navy Department building is built in Washington on the river, above the Lincoln Memorial, up beyond the Naval Hospital, that there would be a sea wall right in front of the Navy

Department, and we would have there three or four historic ships moored alongside and open to visitors, ships to be kept in the original condition that they fought in. The general plan was to place there the CONSTELLATION, which took part in, first, in the war against France in 1798, and then in the war against the Barbary Pirates in 1805 and served all through the War of 1812. That, of course, would represent the foresail type of full-rigged ship, and then we would also have the ship HARTFORD. That would involve towing it around this summer to Washington and fitting her up in her original condition. Then, for the Civil War, the U.S.S. OLYMPIA, which was Admiral Dewey's flagship at Manila Bay and which, I think, is now in the Philadelphia Navy Yard. Then for the World War, the most characteristic ship we could have there would be one of the World War type of destroyers, preferably one that saw actual overseas service.

I am inclined to think that, if we go ahead with that plan, we will try to tow the HARTFORD to the Washington Navy Yard sometime this summer when the going is good for getting around Hatteras.

Q On your purely local remarks, have you any objection to direct quotes?

THE PRESIDENT: Yes, you cannot do it.

Q Thank you, Mr. President.

THE PRESIDENT: Did you all have a good time?

Q (Mr. Trohan) We worked very hard. (Laughter)

THE PRESIDENT: How were the ponies?

Q Not so bad.

THE PRESIDENT: They were all right? Treat you well?

Q Off and on.

THE PRESIDENT: How was Miami this year?

Q Overcrowded. They had more people this year, they say, than ever before in its history.

Q There is a terrific amount of building, too. There are blocks of houses being built within sixteen or eighteen minutes from where we were.

THE PRESIDENT: How about apartments?

Q Not so many of them. They are beginning to put them up now, over on the Beach particularly.

THE PRESIDENT: What are they doing about that key south of the channel from Miami Beach? What is it called, Biscayne Key? It is on the other side of the ship channel.

Q (Mr. Storm) They were dredging it down there. It looked like they were building another island into the Bay.

Q (Mr. Durno) The season got off to a late start but it is booming now.

Q (Mr. Trohan) The season is not as good as they were getting.

THE PRESIDENT: Well, it shows that the country isn't busted.

Q Yes, if you were in Hialeah, you would not think it was.

Q Or a few of the crap games that go on at night.

THE PRESIDENT: Big parties?

Q Yes, sir; big money too.

THE PRESIDENT: Did you get up to Palm Beach?

Q There was 750,000. up at Hialeah one afternoon.

THE PRESIDENT: People?

Q Dollars bet in one afternoon.

Q Yes, three-quarters of a million dollars.

Q Our people down here (in the South) would be interested in anything you can say as to our position as the Nation's economic problem
No. 1. Has there been any change?

THE PRESIDENT: I cannot say that there is yet. I hope there is going to be. I want to help in every way that I can to bring it about. Of course, in the last analysis, there is no one cure-all, like reforming the freight rate problem. The real fact is that remuneration for work in the South has got to be increased -- all kinds of work -- because a family that only sees \$200. or \$300. a year in cash obviously has so much less buying power than they have in the North. It does not make the wheels of industry go around. Now, that starts right in the little community. It means that if the average family cannot buy shoes, clothing and paint and lumber to make repairs, agricultural implements and all of those things, it means that the local store cannot make money because it has practically no turnover. It means that the local preacher and the local doctor get so little pay that the professional people haven't got purchasing power.

The result is that, if the population as a whole in the South are so far below the rest of the Nation on a family purchasing basis as they are today, it gives very little incentive for the manufacturer to set up factories in the South to make things used by the population of the South. If, on the other hand, the family income can be raised even fifty per cent above what it is today, it means that more things would be made in the South for the South to consume. It means that some things which can only be made in the North would be bought by the South and that those people in

the North who are given work thereby would be able to buy more of the raw materials of the South, such as cotton goods, fruits, other products of the soil, vegetables and so on.

Anything that is done to improve this economic problem No. 1 ultimately comes back to a question of a greater purchasing power on the part of the average southern family. That increase will help the South primarily and, incidentally, it will help all the rest of the country too. Primarily it will help the South itself.

Q Mr. President, does that increase apply to W.P.A. wages? Is it your idea to eliminate the differentials on W.P.A.?

THE PRESIDENT: No, no. You see, the percentage of population of the South that depends on W.P.A. wages is so small that that is a mere drop in the bucket. I am talking about the population of the South as a whole.

Q I realize that but I thought it would take in W.P.A. wages as an encouragement to the local employers to do likewise.

THE PRESIDENT: I think an analysis will show that the W.P.A. wage in the South today is --

Q (interposing) Above the farming wage, certainly.

THE PRESIDENT: Above the farming wage, yes.

Q We were talking about Hialeah a few minutes ago. Colonel Watson said he won seventy-five per cent of the pool on fishing.

THE PRESIDENT: Well, I suppose, strictly speaking, that that statement was true but it should be coupled with a very careful investigation, probably by a grand jury, as to how he won it. (Laughter)

Q (Mr. Trohan) He is running out of the door now.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #528,
Executive Offices of the White House,
March 7, 1939, 4.00 P.M.

THE PRESIDENT: Evie, (Mrs. Robert) how are you? Congratulations; glad to see you back.

Q (Mrs. Robert) Thank you, Mr. President; glad to be back.

THE PRESIDENT: Some of these boys have their sunburn off now and look pale. How are they behaving?

Q They did very well while you were away; kept everything in shape.

Q (Mr. Mahoney) We reelected Mr. Godwin, Mr. President.

THE PRESIDENT: Did he have to be reelected?

Q (Mr. Godwin) Same objectives.

Q (Mr. Storm) Merely went through the formality, Mr. President.

Tommie Edmonds went into the telephone booth and cast one vote.

(Laughter)

THE PRESIDENT: It is all right. How is the flu in town, by the way?

Q Breaking up; we had an awful lot.

THE PRESIDENT: It certainly does pull you down.

Q Get over yours all right, did you?

THE PRESIDENT: I'd almost rather have a baby than have the flu.

Q (Mrs. Robert, who had just recently become the mother of a baby girl) Oh, you don't know. (Laughter)

THE PRESIDENT: I thought I'd get a rise. (Laughter)

I had a grand time.

Q You are looking swell.

THE PRESIDENT: It was the most interesting trip, far and away, that I have ever had.

Q (Mr. Storm) On the next one I want to go back to sea again.

THE PRESIDENT: You would have understood the thing.

Q (Mr. Storm) I'd have loved to have seen it.

THE PRESIDENT: How did you like my exposition of the maneuvers on board the HOUSTON?

Q It was a nice big circle; it came right around to here but it made a good story. It was a swell way of putting it without --

THE PRESIDENT: (interposing) Yes.

Q -- without getting the Navy --

THE PRESIDENT: (interposing) I think you all handled it very well considering the difficulties at the time.

Q Yes, sir; it was a fine story.

THE PRESIDENT: (Speaking to all of the Press who had just assembled) We are talking in the front row about Naval Problem No. 20. We are having a grand time and I congratulated the Press on the way they handled my exposition the last day on board the HOUSTON.

Q In that connection, may I point out that, as a reporter with the friendly fleet, you suppressed the major disaster. I only learned this afternoon that the HOUSTON, with the President of the United States and the Chief of Naval Operations aboard, was surprised by a submarine and torpedoed and sunk.

THE PRESIDENT: Wait a minute, twice.

Q Mr. President, Admiral Leahy admitted that he was a rather bad lookout; he had not seen the submarine and did not know about it until the ship was hit. Were you any better as a lookout?

THE PRESIDENT: Worse. I did not even see the smoke bomb.

Q There seems to be, or there is, quite a drive for economy on the

Hill. Is there anything you can tell us about it today that would help us out with our stories?

THE PRESIDENT: I don't believe so because one of your own members suggested to me that there was a desire on the part of some of you to get me to talk so as to write a story of dissension, therefore I do not think I will say anything about it except that everything is going very nicely.

Q Will you tell us a little bit about the atmosphere of the peace conference this afternoon between the A.F. of L. and the C.I.O.?

THE PRESIDENT: It was excellent so far as the atmosphere went. I must admit that I did most of the talking because -- you got the statement. Well, that was what I said, only I did it a little bit more in extenso than the press release (would indicate). I suppose I covered about three pages where you got one. Both sides said that they were very glad to begin these conversations and both sides hope they will work out satisfactorily.

That is about all, except that we have offered them the facilities of a room and an office in the Labor Department, if they wish to use it, and I understand they are going to go there tomorrow morning at 10.00 o'clock for the first conference.

Q Did you see the C.I.O. proposition?

THE PRESIDENT: No. I say I did not see it. I have got it on my desk } but I have not read it.

Q Mr. President, have you seen Brazilian Foreign Minister Aranaha for the last time on this trip?

THE PRESIDENT: He is coming in to luncheon with us tomorrow. I am giving him the postponed luncheon which was to have happened about

three weeks ago, before I got the flu.

Q Can you tell us the general nature of the negotiations so far?

THE PRESIDENT: No; I have not been brought up to date on them at all.

Also, tomorrow, I am receiving the new Brazilian Ambassador five minutes before lunch, presenting his credentials.

Q Are the negotiations nearly complete?

THE PRESIDENT: I really do not know. Since I got back Saturday morning, I have had that speech before the Joint Session and then yesterday and partly on Sunday I was preparing for this labor meeting today. I have had very little chance to look into anything else.

Q Anything you can tell us about the two bills that propose to revive P.W.A., one for \$850,000,000. and another one for \$500,000,000?

THE PRESIDENT: I know nothing about it.

Q Before you left you had Steve (Mr. Early) write a letter to Colonel Harrington on the California transient problem?

THE PRESIDENT: I have not had a report. I am seeing Colonel Harrington tomorrow -- I think it may be the next day -- to get his report in line with the last relief appropriation bill that went through and then I am going to talk things over with him and make whatever report is justified as a result of his information.

Q You mean this California problem?

THE PRESIDENT: No, I am talking about the general relief situation.

Probably I will send a Message up to Congress, I suppose probably not until next Monday, in accordance with their request in the last relief bill. What will be in it, I do not know, because I have not had any report from Harrington.

Q Will you include in the Message in which you will ask for additional funds?

THE PRESIDENT: I do not know what I am going to ask for. If I asked for additional funds, it would be based on the facts which would be presented to me but which have not yet been presented to me and, therefore, any stories -- for instance, this morning's stories are all cockeyed because I have not the faintest idea of what the report will be. I cannot make a guess myself and I do not see how you can.

Q You mean the stories which included a statement that you would ask for \$150,000,000? That is the statement you are referring to?

THE PRESIDENT: Yes.

Q Those statements were made without any -- they are out on the end of a limb?

THE PRESIDENT: Yes. I do not know. In other words, the report might ask for nothing or any sum between there and \$150,000,000. I do not know.

Q Mr. President, has our neutrality legislation contributed anything to the peace of the world or contributed anything toward preserving peace?

THE PRESIDENT: The neutrality legislation?

Q Yes. Wouldn't we be stronger if we did not have any?

THE PRESIDENT: That is a terribly broad general question.

Q If we went back to where we were before we passed any neutrality legislation --

THE PRESIDENT: (interposing) Now you are making it worse. You are making it an "if" question. If you will confine it to the original question, "Has the neutrality legislation of the last three years contributed to the cause of peace?" If one can answer a

question like that with a "yes" or "no" answer, I would say, "No, it has not."

Q The next question was, "Would we be even stronger if we did not have it?"

THE PRESIDENT: We might have been stronger if we had not had it.

Q Could we put the reverse on that question, that the existing neutrality laws have contributed to the other direction?

THE PRESIDENT: I should say, in some respects, yes.

Q What respects?

THE PRESIDENT: I cannot go into detail; of course you understand that.

I have to answer it generally.

Q Mr. President, has this Government taken any steps toward the possible recognition of the Franco regime of Spain?

THE PRESIDENT: No.

Q Is it likely to?

THE PRESIDENT: I do not know.

Q Do we still recognize the Spanish Republic?

THE PRESIDENT: Yes.

Q Do you contemplate any conferences in the near future with business leaders looking towards your business appeasement program?

THE PRESIDENT: Nothing more than probably a great many visits with individuals. There will be no general, formal, round-table conference. Of course, as you know, I see a great many of them that you never hear of, right along.

Q Do you favor the principle of the Government guaranteeing some percentage of an actual loan made by a private banking establishment to business? In other words, the R.F.C., for instance, guarantee-

ing a loan from a private bank to a business -- guaranteeing some portion of the principle?

THE PRESIDENT: I do not know enough about it.

Q There have been several bills introduced on the subject. I wonder if you had an opportunity to examine them?

THE PRESIDENT: I did not even know there had been.

Q Do you care to comment on the opinion that the immediate repeal of the undistributed profits tax and the capital gains tax would speed the flow of private capital?

THE PRESIDENT: No, because I would have to find out something I do not know and that is how much money has come in in taxes because of that.

Q Have you offered any federal post to Harold G. Smith of Michigan?

THE PRESIDENT: No.

Q Have you been requested by Mr. Amlie or by his so-called sponsors or Senators to withdraw his nomination?

THE PRESIDENT: No.

Q Are you considering withdrawing it?

THE PRESIDENT: No; I have not heard anything about it.

Q Is your legislative program complete or are you contemplating sending in any more Messages outside of the one on relief?

THE PRESIDENT: Any major Messages? No.

Q Anything you can tell us about your conference with Senator Guffey (of Pennsylvania) today?

THE PRESIDENT: I do not know what we talked about -- I am trying to think. Nothing very important. I cannot even remember what we talked about.

Q It was a matter of a couple of jobs. I was wondering if there was anything -- (laughter)

Q Mr. President, there appears to be some opposition developing on the Hill in regard to the increase of the national debt limit. Will a request be made to increase the present \$45,000,000. debt limit?

THE PRESIDENT: I think there was one made. Wasn't a request made?

Q No.

THE PRESIDENT: Well, it is not exactly a pending question, is it?

Q Well, I do not know. The limit would be reached about July 1, 1940, would it not, according --

THE PRESIDENT: (interposing) There would be a good many legislative days between now and then. I do not think that is a very important question at this time.

Q There are still several judgeships unfilled?

THE PRESIDENT: Well, I haven't had any talks about them. Frank Murphy is coming in this afternoon, about 5.00 o'clock, about a number of things, I suppose including judgeships, but I do not think we will talk more than twenty minutes. No decisions will be made, just preliminaries.

Q Do you think the defense of this Nation would be impaired by the passage of any legislation calling for a referendum prior to the declaration of war?

THE PRESIDENT: It might, very easily.

Q Could you expand on that, sir, and point out? The element of time is the important thing?

THE PRESIDENT: The element of time is important and another difficulty

is a definition of what is war. It is an extremely difficult thing. Just use a very simple example: Back in Washington's administration we had no navy at all. We had no Navy Department; we had no ships. The last Revolutionary ship was sold just after the peace of 1783.

And then in Washington's second administration, the French Government, which was then under the directorate before Napoleon came into power -- in its general war against Great Britain and as a part of its war against the Italian states, sent out a very large number of cruisers and privateers, frigates and privateers, to wage war on British commerce. A large number of these ships went down to the West Indies, which was at that time the principal commercial field of the thirteen states -- actually there were fifteen states then. In fact, the whole seaboard was greatly dependent on this commerce of the West Indies and Central America and South America. In order to get to South America you had to go through or past the West Indies.

Beginning about 1796, we began to have our ships captured and our people killed and the ships and cargoes confiscated. That was the origin of the U. S. Navy. Congress set up a Navy Department and we started to build ships. Adams came in and those original ships were completed and Congress authorized the Navy Department to buy quite a lot of other ships and convert them into men-of-war. There was no war declared. It was, of course, actual warfare. This business of carrying on a war without declaring a war, that we think is new, it is not new. There are a lot of examples all through history.

By direction of the President, without any declaration of war by the Congress, these twenty or twenty-five ships of the Navy went down there and literally cleaned up that whole area of the sea. They captured, sank or destroyed the French privateers and French men-of-war, actual French Government vessels in the West Indies, and made it possible for the seaboard states to resume their normal trade, upon which they were so greatly dependent.

That lasted from 1798 down to 1800, two years, and if you are interested in it, the Navy Department has completed the seventh volume of a series of documents covering that quasi war against France.

It is just a question -- I just use that as an example. Suppose a similar -- not the same nation or the same locality, but a similar situation were to arise. Suppose at that time the operations had been conducted against -- what will I say -- the coast of what was then the coast of Louisiana -- actually we did not know that -- or the lower coast of Georgia, an attack by privateers. That would have been a direct attack on the defenses of the country. We might not have declared war.

In any Constitutional amendment that goes into effect that uses the word "war," you will have to spend two pages in defining war and, if you defined it, a situation would undoubtedly arise that would not come within the definition one way or the other.

It seems to me it is a general proposition that the representative form of government provided for under the Constitution should apply to that just as much as it should to almost any other

type of action that is taken by the Government. They are all subject to Congressional action in the last analysis. John Adams could not have started a quasi war with France if Congress had not given him the money with which to do it. There you are.

Q I understand that the referendum of Louis Ludlow asks for a referendum on a declaration of war, which would seem to apply in the event of an attack on the Continental United States. I have always assumed, and I ask you if I am not right, does not the Commander-in-Chief have the Constitutional power to defend the Nation without any Congressional action?

THE PRESIDENT: Absolutely. Suppose a nation were to attack the United States or any part thereof, it is undoubtedly the Constitutional duty of the President to defend without the declaring of war.

Q I was right then?

THE PRESIDENT: Yes; that is true.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #529,
Executive Offices of the White House,
March 10, 1939, 10.45 A.M.

Q You have got a new fish out there (referring to the mounted fish which had been hung in the anteroom).

THE PRESIDENT: Yes, a golden one. That is a golden grouper. You know, it is a perfect shame we cannot match nature for when that golden grouper comes out of the water it is the most beautiful thing you have ever seen. It really is. It is golden but you cannot reproduce it.

Q The Smithsonian does not seem to do a very good job of stuffing. They do not give them that appearance of rising to the bait.

THE PRESIDENT: And yet, if you go to that fellow down in Miami he charges you \$125. and then your express charges are about another \$50.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any real news except that -- what will I call it, a personnel story -- I am suggesting that everybody in the White House should be fingerprinted, the whole White House staff over here, with the hope that it will spread to other departments of the Government and the Press. (Laughter) It probably is a good thing. I have always been in favor of everybody in the United States being fingerprinted.

Q Does that include yourself?

THE PRESIDENT: I suppose I was printed about twenty years ago.

Q Voluntarily? (Laughter)

THE PRESIDENT: No, involuntarily. I was fingerprinted twenty-two

years ago when I went abroad.

Q The Women's Press Club went down a couple of years ago and were all done as we went through our sightseeing tour.

THE PRESIDENT: Now, there you are. There is your example. Follow the ladies.

Q Whom do you suspect around here? (Laughter)

THE PRESIDENT: No, I was afraid that some of you might wander off into the woods and get lost and when we found the corpse we would not recognize it.

Q What is your purpose? Are you going to have everybody in the White House fingerprinted?

THE PRESIDENT: Yes, everybody, hoping it will extend to all branches of the Government. It costs nothing. There you are: once done, done all the time.

Q Who will do it?

THE PRESIDENT: The Fingerprinting Bureau.

Q At the time the Social Security was organized there was some talk about using that means of identification. Is that likely to be adopted now?

THE PRESIDENT: I do not know.

Q Have you received the resignation of Judge Sykes from the Federal Communications Commission?

THE PRESIDENT: I believe it came in last night but I haven't got it yet. I expect to get it today.

Q Will you accept it, sir?

THE PRESIDENT: Yes.

Q A week or two ago, at the time of the report of the engineers on

the Lake Erie (Canal), you wrote to the Interstate Commerce Commission, asking them to investigate coal rates, suggesting that if coal rates were reduced it would not be needed. Have you heard from that letter?

THE PRESIDENT: I did not quite put it that way. I said I thought there should be further study of everything before a final decision was made.

Q Can you tell us about your conference this morning with Mr. Taylor and other members of the Deficiency Subcommittee of the Appropriations Committee? What is the purpose of it?

THE PRESIDENT: I suppose to go over a good many things. We have not talked for a month or six weeks.

Q It is not associated with the economy drive up on the Hill?

THE PRESIDENT: Oh, no.

Q Tell us how you are going to implement your recovery program?

THE PRESIDENT: It is getting on very well, that is all.

Q Would you care to comment on the agreement reached with the Foreign Minister of Brazil?

THE PRESIDENT: Only that I was very happy that the thing worked out so well. It is going to do a lot of good, increase trade, increase the stability of the two currencies in relation to each other.

Q Do you regard that agreement as strengthening American trade system -- the United States' trade system in Latin America as opposed to the European barter system?

THE PRESIDENT: It represents the whole picture, not only in Latin America but all over the world.

Q In what form will you carry the matter of the \$50,000,000. gold loan to Congress, the deposit to be made in the Reserve Bank?

THE PRESIDENT: You will have to ask the Treasury about that, Fred (Mr. Essary). I do not know what the mechanics are; I have no idea.

Q Will you venture a guess as to when we will have a Supreme Court appointment?

THE PRESIDENT: No, not yet. We always have to hold those, you know, as surprises. Isn't that the custom now, the well-established custom?

Q It is the custom; I do not know how well-established.

THE PRESIDENT: It is pretty well-established.

Q Mr. President, can you give us your reactions to any of the various plans for assistance to cotton?

THE PRESIDENT: Oh, just in the study stage now. Quite a lot of different plans and, of course, some of those plans have been merged into each other. It would take hours to explain them. I have not found anybody yet that understands them. (Laughter)

Q Mr. President, anything to say about your conference with Mr. Harrington (Colonel Harrington) on relief?

THE PRESIDENT: Well, except that there will be a Message to go up in response to the request for a statement in the last bill. It will go up, I should think, Monday or Tuesday. I am going to work on it over the week end and, of course, it will be primarily factual, stating, in the first place, what has been done in the past two months to eliminate certain classes of people from the relief -- for instance, 30,000 aliens -- to go through the whole of the people on relief and do the very best that one can, humanely, to

eliminate from the rolls people who ought not to be there.

Of course, it has been perfectly clear, always, that with the changing conditions among a very large number of people, nearly 3,000,000, there is always a certain percentage who, because of changing conditions or error, should be taken off. It is, of course, a small percentage. That is a constant factor. I think it is worth while pointing out that, although I have never seen it put in the lead of any story, that that factor of error or factor of change, because it may be either, probably never runs more than about five people out of a hundred on the relief rolls. In other words, it is pretty good administration if ninety-five people out of a hundred on the relief rolls ought to be there.

Included in the five people who ought not to be there, are people who have acquired money or somebody is taking care of them and therefore they should not fall into the class of needy persons. In other words, they got means of subsistence after they had come on the rolls.

Then, of course, another group of people among those five out of a hundred, are those who are actually doing work on the outside, night work, et cetera and so on, and have not told about it. Of course they have to be separated from the W.P.A. rolls.

Then, in the original listing, there are always a small, very small percentage of people who got there because of some false statement, either on their part or the part of somebody else.

But the main point is that probably ninety-five out of a hundred on the relief rolls ought to be on the relief rolls and

as to these five people out of a hundred, there is a constant elimination of them. Sometimes they do not catch the case for two or three weeks, sometimes for two or three months, but that small turnover among the five per cent, five people out of a hundred, is going on all the time.

Q The percentage of chiselers is small, in your estimation?

THE PRESIDENT: Very small. And then, of course, the other thing that I have never seen put in the lead of a story, that is that on the rolls for relief, the people who choose the names in a locality, they are local government people and not Federal Government people. The Federal Government does not attempt to list the people. In Meriwether County, Georgia, it is an organization under the County Commissioners. In Dutchess County, New York, it is the Welfare Department of the county, which is under the Board of Supervisors of the county, and so on through the whole of the country. They are local people who put the names of prospective needy people to go on the relief rolls; their names are put on by local government authorities. I do not suppose -- I suppose it is largely because the thing has not been stressed in the past, largely because it has not been printed enough. You have to report a thing like that. Probably half the population of the United States does not know those two facts, that ninety-five per cent of the people are rightly and justly on the rolls, which is a pretty good average and, secondly, the choosing of people to go on is a local government matter and not a Federal Government matter.

Now, on the larger question, the checkup of these five people out of a hundred is going on all the time and it is being done

again since January in pursuance of what was the objective of Congress. Thirty thousand aliens have been separated. At the same time, we have checked up on the number of people that are on the waiting list and that number has increased slightly since the third of January, obviously because January and February, those two months, as you know, are after the Christmas season and before the spring pickup and there is always a seasonal decrease in January and February. Therefore, instead of having 750,000 people on the lists, needy people, certified by the localities as needing employment, which was the January third figure, now there are about 850,000, which is in accordance with the statement made on the third of January. They were the figures we estimated. At the same time, the new checkup showed that the original estimate of January we still think will hold good between now and the first of July; in other words, that a substantial number of people will be taken off the relief rolls. My guess, which was made back in January, was that it would be about 300,000, which would reduce the total number of people in the country who are either on the rolls or waiting to get on, from 3,850,000 -- in other words, the 3,000,000 on the rolls plus the 850,000 certified to the rolls -- it would reduce that to about 3,550,000.

That is just the preliminary check that I have had with Harrington.

Q Does that indicate that you will ask for \$150,000,000?

THE PRESIDENT: I am not giving you any indication because that will be in the Message to Congress.

Q As these 30,000 aliens were thrown off the relief rolls in accord-

ance with the Act of Congress, were they replaced by people on the waiting list?

THE PRESIDENT: Yes.

Q Secretary Hopkins does not like the words "business appeasement" with respect to your program to bring about cooperation between business and government. Would you give us a word we could use?

(Laughter)

THE PRESIDENT: No, I do not think I would hazard one. I have one or two in mind, but I am afraid that either one would be misconstrued. You had better let me get out my old thesaurus and I will try to get one by Tuesday.

Q Since the correspondents cannot use the word "appeasement," couldn't they coin a substitute?

THE PRESIDENT: I wish you would try. Why don't you appoint a committee? I think the president of the Association (White House Correspondents' Association) and the dean of the Association (Mr. Russell Young) might appoint a committee to bring in a new word on Tuesday.

Q All right, sir; we will undertake to do that if you will agree to use it. (Laughter)

Q Couldn't you consult Stuart Chase?

THE PRESIDENT: Why?

Q He wrote it (referring to the word "appeasement").

Q We will undertake to bring in a word.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #530,
Executive Offices of the White House,
March 14, 1939, 4.10 P.M.

Q Is the new Secretary (meaning General Watson) too busy to come to the Conference?

THE PRESIDENT: I don't know what he is doing today; probably celebrating.

Q Earl (Mr. Godwin) has his pad full of words with synonyms of "ap-peasement." (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I think the first business before the meeting is a report from Mr. Synonym Godwin and Mr. Paraphrase Young.

Q (Mr. Godwin) Mr. President, we went into the thing very carefully and the suggestions we have from the committee, I think, seem to take on the aspect of the approaching Gridiron Dinner and, for that reason, I think that we of the committee had better say that the matter is still in the study stage. (Laughter)

THE PRESIDENT: The only suggestion I had in regard to the word "ap-peasement" was whether there was any connotation in it that suggested Austria and Czechoslovakia.

Q That is what we are afraid of.

Q Those were the only ones we dared show you.

Q Have you got another one that you can make short enough for the headlines writers?

THE PRESIDENT: No.

I do not think I have got anything. You read the Message that went up today at twelve o'clock and I have heard nothing

since.

Q There has been a hysterical twenty-four hours in Washington over the statement that you had been asked to appoint Mary Holmes as District Commissioner. Do you care to say anything?

THE PRESIDENT: I am very keen about Mary. I have known her for a long time. But there isn't anything new on a District Commissioner and I do not think there will be for some time.

Q Are you going to wait until the Griffenhagen report is threshed out?

THE PRESIDENT: Again, the whole thing is in the study stage, not only that phase but other phases.

Q Would you care to give us your views on Mr. Pittman's statement about building ships for Latin America in American yards?

THE PRESIDENT: I think it is a pretty technical thing. I think you had better get that from the Secretary of State. There is no question of loans involved; that is the only thing that should be made clear.

Q I noticed this morning's papers say this will displease England. Have you had any indication?

THE PRESIDENT: No, not a bit. As a matter of fact, from a practical, cold point of view, English shipbuilding yards are chockablock with work, and ours are pretty nearly chockablock with work.

Q Mr. President, on our trip down to Key West we had a Conference, as you remember, at the C.C.C. Camp on Summerfield Key, in which you indicated that there were certain developments abroad that might bring you back in a hurry, if necessary. Is there anything you can tell us now as to what those developments were?

THE PRESIDENT: No, certainly not.

Q Would you care to discuss the question of tax revision at this session of Congress?

THE PRESIDENT: Well, Senator Harrison and Congressman Jere Cooper are coming down, I think it is tomorrow or it may be Friday.

MR. EARLY: Tomorrow, sir.

THE PRESIDENT: Tomorrow, to go ahead. We have been getting, in the meantime, since they were down before, some figures that Senator Harrison said he would like to have on certain suggestions that he made. I have got the figures for him and that is about all there is to say. Of course he has not seen them yet.

Q On yesterday afternoon Senator Barkley and today Speaker Bankhead both made statements opposing any tax revision at this session of Congress. Does that reflect the Administration attitude?

THE PRESIDENT: I don't think I have taken that up at all. It is still in the study stage, the whole thing.

Q The entire corporate tax structure expires in December, including the corporate surplus taxes. Will you ask to have that reenacted?

THE PRESIDENT: The only thing I can say is this, that there are, as you know, in the corporate tax structure, there are about five different kinds of taxes. The bulk, ninety per cent of the money, comes from the percentage tax and the only discussion so far has related, as you probably know, to a consolidation of the whole thing into one form of tax. But there is general agreement on the part of everybody that no matter what the form is, as long as it is a workable form, that the total amount of taxes from corporations as a whole shall not be reduced. Now Senator Harrison,

that was one of the first statements he made the other day. That, of course, is something that I do not think has been brought out. In other words, nobody in the majority party wants the total amount of dollars from corporations to be reduced. Now, how they are distributed, that, of course, is a thing that has to be studied. Now, that is terribly important. That is the one thing that there has been, not on the part of any individual, but a complete lack of understanding because everybody has hoped that they would, in some way, save taxes.

Q You say four or five taxes. You mean capital gains and all those?

THE PRESIDENT: Yes; different forms of taxes that apply to corporations.

Q Speaker Bankhead said specifically today that there had been some talk of this consolidation of taxes and that he was opposed to it because the effect of it would be to increase the taxes on small business and there would be a great howl if that were done. He said that this talk of deterrence of business because of the tax laws was a pretext.

THE PRESIDENT: Just use a little common sense and mathematics. If you repeal three or four taxes that today yield fifteen per cent of the corporate tax revenue, you have got to add fifteen per cent to the other eighty-five per cent in order to make up the same total; in other words, one hundred per cent. All right. Now, in that adding of that fifteen per cent that has been repealed to the eighty-five per cent that remains, you can do it several ways: If you do not increase the burden of the little corporations, you have got to add practically the whole burden to the big corporations.

On the other hand, if you put it on a pro rata basis, all corporations, that automatically gives a greater burden, puts a greater burden on the little corporations. Now, that is just plain mathematics. You see the point? In other words, you have got to get X number of dollars.

Q Could not that be overcome by graduation?

THE PRESIDENT: Yes, that could be overcome by graduation.

Q We were talking about consolidating those taxes into one tax. Do you favor that?

THE PRESIDENT: It is still in the study stage.

Q Those figures you have for Senator Harrison, are they based on the 1938 returns? They would be on the returns a year old and may be changed on March fifteenth?

THE PRESIDENT: Yes, that is right.

Q And there is not much chance of anything happening until you get the March fifteenth figures?

THE PRESIDENT: No, not a chance.

Q Has the gains tax been passed as to corporations?

THE PRESIDENT: That part that relates to corporations.

Q That is their own security dealings?

THE PRESIDENT: Yes.

Q And do not take that into consideration on individual income taxes?

THE PRESIDENT: No.

Q It was given officially on the floor of the Florida Senate that with a bill to tax Federal incomes there would be a move made to freeze the two per cent social security taxes on the theory that this reserve is not necessary, that a two per cent tax would be sufficient?

THE PRESIDENT: I have not heard a word about it.

Q You say that the whole discussion has related to corporate taxes,
to individual income taxes or capital gains --

THE PRESIDENT: No.

Q No doubt about nuisance taxes being extended?

THE PRESIDENT: I hope not. In other words, we have to get the revenue.

Q Can some arrangement be made whereby the little corporation will bear
to some extent part of the increase to pay the reduction of taxes
that may come out of the repeal of the excess profits tax?

THE PRESIDENT: That is a difficult question because you can imagine
few of the little corporations which in the past few years have
been paying some of the taxes which have been repealed. They would
be given an increase on this pro rata increase, therefore it would
bear more heavily in the future than it had in the past..

Q Of course the corporation taxes were in reality increased the last
session of Congress. That threw more tax burdens on the corpora-
tions and a great deal off the --

THE PRESIDENT: (interposing) How much did it amount to in dollars on
all corporation taxes? Did the total increase?

Q No.

THE PRESIDENT: I am talking about the total.

Q No, the proportion.

THE PRESIDENT: Then it is not an increase?

Q It is.

THE PRESIDENT: The total on corporations did increase?

Q Yes, but the total of income was reduced. The balance shifted over.

THE PRESIDENT: I thought it remained about the same; I did not know

it had increased.

Q I think so; there has been a considerable increase.

Q Would you mind repeating what you said about income taxes?

THE PRESIDENT: It is just a repetition of what I said, that we have not had any discussion on personal income taxes.

Q Senator Bridges introduced a bill in the Senate to repeal powers granted you to issue three billions in greenbacks. Since you did not ask for the authority and have not used it, do you object to its repeal?

THE PRESIDENT: I do not know why it should be repealed at this time.

Sometimes it is useful to have a club in a closet. (Laughter) It has not been used; I do not think it will be used. Perhaps you could use another simile: A little spare food in the back of the cupboard so that Old Mother Hubbard would not go there and find the cupboard so bare.

Q Mr. President, in your Relief Message you again pointed out that only five per cent, so far as your studies have gone, or less than that, on your relief rolls would be chiselers --

THE PRESIDENT: (interposing) I would not use the word "chiselers."

A great many are chiselers. A great many of them have found other means of support and, while they have not gone off the rolls, it does not necessarily imply dishonesty. It may imply dumbness, which is different.

Q The Senate Committee, about a year ago, taking due notice of that, made a similar study of that in five cities, among 22,000 skilled workers, and they questioned approximately 8,000 workers and found that, among those, there were sixty-three per cent in that class.

Sixty-three per cent seems a great discrepancy and I am wondering if your studies have indicated the cause of it in any way. Will you explain it to us?

THE PRESIDENT: I have a friend on relief and he has seven children, a wife and seven children. He is getting, I think it is \$54. a month, and outside of his relief work which runs, I think, five days a week, he picks up odd jobs where he can and he is adding about \$10. or \$15. a month to what he is getting from the relief rolls. Now, that is ninety-nine per cent of the sixty-three per cent that the Senate people dug up. There is your answer.

Q Thank you.

Q Under the prevailing wage clause of that bill, which was inserted by the Senate, I believe over Mr. Hopkins' objection, it is the fact, I believe, that a good many W.P.A. workers have been reduced quite drastically in their hours because their hourly wages are high. Isn't it true that they are competing in private industry with union labor and, in a good many cases, at good wages? Isn't that a part of the sixty-three per cent?

THE PRESIDENT: You know, we have to pay the average rate in the vicinity. In the City of New York -- don't quote me because it may be different -- a carpenter gets \$12. a day. The carpenter is on relief and, under the law, we have to pay him \$12. a day. That is paying him a dollar and a half an hour. He gets from relief, the maximum, which is, I think, \$84. a month. If you divide \$12. into eighty-four that is seven times, and he can only work seven days a month. That is the law.

Now, the rest of the time he can go out and find odd jobs.

But, as soon as it is called to the attention of the W.P.A. that he is making a substantial living, or has outside jobs, he does not stay on W.P.A. Actually, in very, very few cases do you find that, in their outside time, they make anything like the \$84.

Q Wouldn't that appear to be an argument on the idea of the prevailing wage law?

THE PRESIDENT: I am simply carrying out that law.

Q In your last few relief discussions, have you discussed the transient problem?

THE PRESIDENT: No.

Q Will there have to be a corporation tax (law) at this session?

THE PRESIDENT: There has to be some kind of a law passed, obviously, to renew the nuisance tax that brings in what? -- \$700,000,000, I think it is -- and also to renew the percentage corporation tax which brings in, of course, the great bulk, about a billion dollars, because all those expire, the nuisance tax and the percentage tax.

Q What are the mechanics? Do you have to recommend that?

THE PRESIDENT: Oh, no. As a matter of fact, it was recommended in the Budget Message. I recommended a renewal of all expiring taxes.

Q All expiring taxes?

THE PRESIDENT: I think so.

Q Have you changed your mind about the undistributed profits tax?

THE PRESIDENT: No, because that is a readjustment, if they want to do it.

Q Mr. President, --

THE PRESIDENT: (interposing) But do not imply anything from that,

Pete (Brandt) because it is still in the study stage.

Q As long as some kind of amendment goes in?

THE PRESIDENT: That is the principal consideration. Now, the advisability of rearrangement, that is still in study.

Q How about taxes to finance the parity price payments?

THE PRESIDENT: You mean the processing taxes on agriculture?

Q Not necessarily, but you suggested in your Budget Message that possibly new taxes would be needed to finance the \$212,000,000. appropriated?

THE PRESIDENT: Of course, as you know, we got a promise from the Congress last year that at this session, when they passed the Agricultural Act of last year, they would have new taxes to take up that \$212,000,000. -- whatever it was -- which was an out-of-pocket addition to federal expenditures begun at the last session.

Well, it has not been done and I think you are right. I think in some Message I called their attention to that fact.

Q You also called their attention to the \$300,000,000. on national defense?

THE PRESIDENT: Yes but, specifically, on this particular thing I hardly considered that a new tax because it was a promise of the last session of the Congress to put it on. Well, that is being studied, too, by the Ways and Means (Committee) in the Senate.

Q Would this reciprocal tax agreement between the states and the Federal Government, would this law that is pending up there now, would that produce revenue sufficient to cover it?

THE PRESIDENT: I do not know; I have forgotten the figures on that.

I do not think it would. As I remember it, that reciprocal one

between the states and the Federal Government, I think it would yield to the Federal Government about \$150,000,000. That is a pure guess.

Q It was estimated \$155,000,000., I think, by the Treasury Department, of which \$140,000,000. would come from securities and \$15,000,000. from salaries.

THE PRESIDENT: Yes.

Q Would you care to comment on the situation, particularly with respect to Czechoslovakia?

THE PRESIDENT: I did, at the beginning of the Conference, speaking of the word "appeasement."

Q Have you had any discussion with people from the Hill about this oil tax and the possible effect on the reciprocal trade policy?

THE PRESIDENT: Only in a general way. The Secretary of State, before he left, took up that whole thing with Senator Harrison and we hope very much that that proposal, as first proposed, will not go through because it might be called an opening wedge for what happened in 1929 when a very innocent little tariff bill was started by the President with the help of Mr. Smoot and Mr. Hawley and it grew and grew and grew, and the logs rolled down the hill and up the hill and down again and we got that thing known as the Smoot-Hawley Tariff Act. So I do not think any of us want to start a little bit of a thing like oil for fear that other lobbies will become equally active.

Q In your study, would you say that those taxes as proposed by the Senators would have an effect upon reciprocal trade policy?

THE PRESIDENT: Yes, plus all the other ones that would follow along

later.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #530-A,
Executive Offices of the White House,
March 17, 1939, 10.35 A.M.

Q Top of the morning, Mr. President.

THE PRESIDENT: What is the matter with you? There isn't a green tie
(referring to St. Patrick's Day) even in the whole bunch.

Q Mine turned brown, waiting.

Q All the Sinn Feiners are in the back room. (Laughter)

THE PRESIDENT: What is the matter? Aren't Irishmen allowed in the
Press Room? There is not an Irishman in the bunch. Now, there
is something wrong.

Q Mr. President! (Indicating the fact that he was wearing a green
tie)

THE PRESIDENT: Good boy. There is one man after me own heart. I am
proud of him.

Q May I congratulate you today?

THE PRESIDENT: Yes, it is a very auspicious day.

Q Who sent the shamrocks, Mr. President? (Referring to the pot of
shamrocks presented to the President by the young ladies of the
office staff)

THE PRESIDENT: It is rather sweet. It is from the girls.

MR. DONALDSON: All in.

THE PRESIDENT: Well, go right ahead and shoot. Top of the morning to
you. As to this entire row of people that I can see, that extends
about ten feet back, there isn't an Irishman in the crowd, except
one, just one, and I do not know what the trouble is. I thought
the White House Correspondents were more inclusive. Don't

you admit Irishmen?

Q All from the north of Ireland, Mr. President. (Laughter)

Q What are these, shamrocks or four-leaf clover, Mr. President?

THE PRESIDENT: They are shamrocks.

If you want news, ask George Durno about the news he got last night. It is very important. He scooped you all. Ask George.

Q (Mr. Durno) It is a long story, Mr. President.

Q Anything you can tell us about your talk with Mr. Welles, whom you saw this morning?

THE PRESIDENT: No, just the usual checking up.

Q Any comment you can make on the European situation?

THE PRESIDENT: Not at this moment. I think Mr. Welles will probably have something to say at his conference at 12.30.

Q You are having the National Labor Relations Board this morning. Anything you can tell us about that?

THE PRESIDENT: They are coming in about various things, I do not know quite what yet.

Q The story is being printed this morning that the report you alluded to (at the Press Conference at the C.C.C. camp on Summerfield Key, Florida), that it might bring you back from those maneuvers, from the Caribbean Cruise, was the fact that there was being projected an invasion of France and Holland and Switzerland by Germany. Had you heard such a report before you left?

THE PRESIDENT: Before I left? Why, things like that were printed in the papers six or eight months ago.

Q Did you give serious consideration to those reports? (Laughter)

THE PRESIDENT: There were very definite reasons on the way to Key West

why that statement was made and why it was literally true at the time, and that is all the news there is in it.

Q Mr. President, are you in favor of putting an appropriation for Guam Harbor development in the Rivers and Harbors Bill?

THE PRESIDENT: Yes.

Q Mr. President, would you care to comment on the statement of Chairman Douglas of the S.E.C. with respect to suggestions that were made to him by a committee of stock exchange members?

THE PRESIDENT: I think it is probably not for me (to comment). It is largely a technical question and the kind of thing that naturally is within the sphere of the S.E.C. I think what he said was made fairly clear by him.

Q Speaking of Chairman Douglas, Mr. President, have you made any decision yet on the Supreme Court Judgeship? (Laughter)

THE PRESIDENT: Oh, Fred (Mr. Storm), that is an awfully crude way of putting it. (Laughter)

Q Mr. President, do you expect a Rivers and Harbors Bill at this session of Congress?

THE PRESIDENT: Why, don't we always have one?

Q I do not know.

THE PRESIDENT: I think so.

Q Mr. President, you are conferring with the major officials in the farm program. Can you tell us what that is about?

THE PRESIDENT: Only that we are getting on perfectly well, and I think that the problem of cotton, which was the major one we talked about, it looks as if all of us have some kind of a program that would help the present serious situation in regard to this very large

carryover. I cannot give any details at the present time but we are making very definite progress on it.

Q The conference is also studying the products from various other regions besides cotton?

THE PRESIDENT: Yes.

Q Can you tell us what that is?

THE PRESIDENT: That is the same general thing we are working on. There are various proposals, as you know, that have been made. One or two bills have been introduced. But, what we are trying to do is to solve the problem without bankrupting the Treasury and one reason why the Department was not very enthusiastic about the Smith Bill in the Senate was that it cost too much money.

Q Are we that near bankrupting the Treasury?

THE PRESIDENT: No. What paper do you write for? (Laughter)

Q Mr. President, can you comment on one of those proposals for an export subsidy?

THE PRESIDENT: No. I do not think that any -- we have not gone sufficiently far to put a title to any program, a connotation of a title like the word, "appeasement."

Q Can you tell us whether or not you aim at selling that cotton? Is that the definite objective?

THE PRESIDENT: Eventually, yes. In other words, we are not proposing to burn it up or dump it in the ocean and the other alternative is use.

Q Are there large possibilities for the use of that cotton as a military reserve?

THE PRESIDENT: No.

Q Mr. President, is there likely to be a Supreme Court appointment in the next few days?

THE PRESIDENT: That is so much more delicately put than the way Fred (Mr. Storm) put it.

Q I thought you would like it that way.

Q (Mr. Storm) Mr. President, I very seldom get a chance to cover the State Department and get onto that diplomatic manner. (Laughter)

Q (Mr. Wright) God bless you, Fred (Mr. Storm)! May we always be friends.

Q (Mr. Storm) Thank you, Jim.

THE PRESIDENT: If you really want any questions asked about the Supreme Court, I do not know. I hope soon, but do not try to define the word "soon."

Q When will the Administration provide a bill to make available that gold to Brazil that was provided in that agreement?

THE PRESIDENT: I do not know the status of that. I think Senator Pittman and the State Department and the Treasury Department are all three working on it. I do not know whether any bill has been drafted and I do not know what committee it would go to.

Q Mr. President, do you want a revision of the neutrality legislation this session?

THE PRESIDENT: Put the question a little bit differently: "Do we need legislation on neutrality at this session?" The answer is, "Yes."

Q What sort of legislation?

THE PRESIDENT: That we are not talking about at this time.

Q Will you recommend that? Are you going to send a special Message?

THE PRESIDENT: I doubt it. I think it can be done at conference.

Q Do you think the developments of the last few days in Europe demonstrate the need of neutrality legislation?

THE PRESIDENT: Yes.

Q Does that need, sir, go beyond the possible reenactment of the cash and carry statement?

THE PRESIDENT: Fred (Mr. Essary), read the January fourth Message to Congress. That is the best answer I can give.

Q Sir, could you say anything about recognition of the Franco Government?

THE PRESIDENT: No news on that at the present time.

Q Whether that will be affected by the latest developments?

THE PRESIDENT: That is in the realm of speculation.

Q What is the status of our relations with the Loyalist Government now, Mr. President?

THE PRESIDENT: Status? Well, the Loyalist Government still has an ambassador in Washington who is recognized as the Ambassador of the Government of Spain.

Q That being the Negri Government or that which succeeded him?

THE PRESIDENT: The Government -- whatever is left of the old Government, which still has a great many square miles under its jurisdiction.

Q We still have a representative of the Loyalist Government?

THE PRESIDENT: Oh, yes.

Q Any further comment on taxes, Mr. President?

THE PRESIDENT: No, still working on that. We will probably get some information within the next four or five days as to the March

fifteenth results.

Q Did Senator Harrison give you the details of his plans on taxes?

THE PRESIDENT: No, only that he asked for certain information, as you know, and I have not actually sent it up to him yet. I have shown it to him and I just have not had the time to get it to him formally and officially and, of course, this is predicated on Senator Harrison's statement that the total amount to be received from corporate taxes should not be decreased over the present amount. Senator Harrison made that very clear.

Q Do those figures indicate anything -- those figures that you have for him? Do they indicate whether that could or could not be done, the revision without decreasing?

THE PRESIDENT: Yes. There are a good many different ways of doing it.

Q Was the Treasury asked by Senator Harrison to do that?

THE PRESIDENT: The Treasury? But not as a recommendation, simply as a statement of what might happen. We are in the purely factual stage. You see?

Q Yes. No decision on policy, though?

THE PRESIDENT: Not a bit, nor on the advisability of any method, individual methods, for the whole subject. Purely factual. It is dollars and cents stuff. If you do this, such and such a thing would happen. If you do that, such and such a thing would happen.

Q Can you tell us how soon after March fifteenth returns are in you could decide on any policy?

THE PRESIDENT: So far we have only got to the point of answering factual information, nothing else.

Q You would have to analyze the March fifteenth figures, which may take a month?

THE PRESIDENT: No, I would not say that; probably another two weeks.

Q Would the revision be confined to the corporate tax structure?

THE PRESIDENT: That is the only thing that has been discussed so far.

Q Do you think the developments in Europe might prevent the British King and Queen from coming over here?

THE PRESIDENT: That is a question I could not answer if I knew the answer.

MR. YOUNG: Thank you, Mr. President.