

CONFIDENTIAL

Press Conference #541,
Executive Offices of the White House,
April 21, 1939, 10.35 A.M.

Q Good morning, Mr. President.

THE PRESIDENT: Good morning. How are you? It is a perfect day, is it not?

Q While you are away, just think of what I am going to do (showing the President some trout flies). I am going to Rapidan.

THE PRESIDENT: Fine. Isn't Rapidan the place they put the trout in just before you arrive?

Q I know the story of every one of those trout. They carted them across Washington with tons of ice and they damn near died before they got there.

THE PRESIDENT: You know I went to the Woodmont Club about three years ago and they had a lot of placed trout. When does the season open?

Q The season opened yesterday -- the Virginia season opened yesterday.

Q It is like shooting ducks in a bathtub, isn't it?

THE PRESIDENT: Yes.

MR. DONALDSON: All in.

THE PRESIDENT: Steve says that he is a flat tire and I am a flat tire and you are all flat tires. (Laughter)

Q Pardon me, sir. We are reporters. We are not the editors. (The reporter was referring to the fact that the President had held a conference with the members of the American Society of Newspaper Editors the previous evening)

Q Mr. President, is there anything you can tell us about Judge Davis in Philadelphia? Has he retired?

THE PRESIDENT: Not that I know of. I heard there was a possibility of his doing it.

Q Can you tell us anything about the possibility of some action on the reorganization both of the District of Columbia Government and the National Government?

THE PRESIDENT: Only that the thing is very definitely still in the study stage. In other words, there are several different plans but the thing is coming along very well and I hope to get the first plan or the first two plans through Congress sometime next week. It has not been drafted yet. It takes a good deal of careful draftsmanship and I don't know that it will get in next week, but I hope so.

Q That is the National Government?

THE PRESIDENT: Yes.

Q Anything to say on the District of Columbia Government?

THE PRESIDENT: No.

Q What do those plans cover, Mr. President?

THE PRESIDENT: That is just what we are talking about. (Laughter)

Q Can you tell us anything about the proposed transfer of the R.F.C. to the Department of Commerce?

THE PRESIDENT: Nothing on that. That is all pure guesswork because there are three or four possible ways of working things like that out.

Q Getting back to this reorganization for another question, the law would permit you to merge the R.F.C. into a department?

THE PRESIDENT: Yes, or any of the other lending agencies.

Q It does not lose its entity?

THE PRESIDENT: Oh, not a bit.

Q Can you tell us anything about the S.E.C. appointment?

THE PRESIDENT: No, not yet. There won't be anything at all on that until next week.

On the reorganization, I would not do any guessing because I could not guess it myself. Nothing has been decided. There are various ways of working things out. The objective, of course -- there is one objective and a rather simple one: There are a great many of these agencies and it is physically impossible for the person who is in charge of the Executive Branch of the Government to see them all, the heads of them all, all the time. For instance, there are four or five lending agencies -- just using that as an example -- and that means the Executive head of the Government has to see four or five people and, if there is any question as to conflict of opinion as to procedure between them, the President has to straighten it out in the first instance. And the whole thing, from the point of view of the corporation executive, is to have those things decided by somebody who will act or sit over all of them. Physically, there isn't enough time for one man to see thirty or forty people constantly. No corporation is run that way.

Q Can you tell us anything about the possibility or probability of your appointing six assistants, White House aides or whatever you call them?

THE PRESIDENT: Nothing on it yet because it will depend to a certain extent on the way these plans are evolved. There has been no consideration given to it and, as a matter of fact, I think there is

no money to pay them at the present time. I have only the authorization to appoint them but no money to pay them. The money will be put in some appropriation bill this spring.

Q Can you tell us anything about your talk with Phil La Follette and Bob La Follette yesterday?

THE PRESIDENT: No, except that Phil was just back from abroad and he told me all the things he had seen and heard over there. That is about all there was.

Q Did he ask you to recall Ambassador Kennedy, Mr. President?

THE PRESIDENT: No. (Laughter)

Q There was a story in this morning's paper that Jesse Jones might succeed Harry Hopkins as Secretary of Commerce?

THE PRESIDENT: That was the same story that had the other fake news in it.

Q That Hopkins might become Secretary of the Navy?

THE PRESIDENT: That was the same story that had the thing put under Commerce.

Q Can you tell us what Colonel Lindbergh told you about preparations abroad?

THE PRESIDENT: No, we did talk about the general airplane situation all over the world.

Q Is that military as well as commercial planes?

THE PRESIDENT: Military only.

Q Mr. President, can you tell us about your discussion with Secretary of Labor Perkins yesterday on the coal deadlock?

THE PRESIDENT: I do not know what has happened today. There was some question yesterday about -- you had better ask them in the Depart-

ment of Labor about it because I am a little afraid to talk without more knowledge of the statute. There is a statute that allows us to call a meeting of them, I think, but I am not quite clear on it. You had better get the information over there. That would be the next step, if they do not agree pretty soon.

Q Would that be similar to the setup in the steel strike a few years ago?

THE PRESIDENT: I think you had better find out. You have got me.

Q What time are you leaving today for Charlottesville?

THE PRESIDENT: At 12.30.

Q Have you as yet received any reply from Hitler or Mussolini?

THE PRESIDENT: No, nothing at all.

Q Any comment on Premier Mussolini's speech of yesterday?

THE PRESIDENT: No.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #542,
Executive Offices of the White House,
April 25, 1939, 4.10 P.M.

THE PRESIDENT: I am going to give you a lot of filler. Is that what they call it, filler?

Q What is the reaction, pretty good?

THE PRESIDENT: Reaction?

Q On reorganization.

THE PRESIDENT: Very good, as far as I make out.

Q It sounds fine.

Q What is the scarlet ribbon for?

THE PRESIDENT: This? (Indicating) It came around a thing that was taken out of the White House -- a medicine chest.

Q It made a very good story.

Q That medicine chest is the one that the Canadian's grandfather stole out of the White House?

THE PRESIDENT: Yes.

Q I asked Colonel Watson what it was this morning and he said it looks like something you might be able to carry two quarts of liquor in.
(Laughter)

THE PRESIDENT: Well, that is not my crack. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I am not responsible for this and it is off the record but the Press Secretary of the President (Mr. Early) just handed the front row a line which I think is unfair and mean. In this medicine cabinet that was stolen from the White House in 1814 and has just been returned, there is one drawer that still has some

medicine in it. It is hemlock bark and that is a specific against scurvy. Steve (Mr. Early) suggested that I hand it over for distribution to the Press. Now, I do not think that is nice.

Q Let Steve try it.

Q Hemlock bark is worse than the bite.

(The President and quite a number of the Press booed.)

Q I thought that hemlock was a poison.

THE PRESIDENT: Well, perhaps Steve had that in mind; I do not know.

Q Wasn't it Socrates that had to take it?

Q Have you anything to add to the reorganization plan that you sent up to the Capitol today?

THE PRESIDENT: No, except that I think it is probably a good thing to read it before making hasty comment. One gentleman stated that the R.F.C. had been put in with the relief agencies. It has not. It was put in with lending agencies, and so forth and so on.

Q You made it clear but I think one thing may be added. Can you tell us today who will head these three departments and divisions? They require a head, do they not?

THE PRESIDENT: Oh, yes.

Q There is a report that Jones (Chairman Jesse Jones) will be coordinator for the lending agencies?

THE PRESIDENT: There has not been a thought of filling places anywhere.

Q Under this setup will you ask for lump appropriations for each of the new divisions or would they still be earmarked as they were in the past?

THE PRESIDENT: No. There again, if you will read the thing, it carries out what the law says. It does not ask for any appropriation.

Q I do not mean in the present; I mean for the future.

THE PRESIDENT: In the future?

Q Yes.

THE PRESIDENT: That depends on how the Congress wants it. In other words, we follow the request of the Congress for the lumping of different appropriations into one bill. For example, the State Department is in with several other departments and then there is the Independent Offices Bill. We follow the procedure that the Appropriations Committee asks.

Q I think it was Mr. Byrnes (Senator Byrnes) said today on the Hill that there was no authority under this law for you to fix the salaries of these administrators?

THE PRESIDENT: That is right.

Q Did you fix the salaries of these administrators at \$12,000. with power to appoint an assistant?

THE PRESIDENT: It is only put down that way and then it comes down.

I cannot pay them anything until I get an appropriation.

Q Then fixing a salary of \$12,000. was just an indication of what you thought the job was worth?

THE PRESIDENT: Yes. But, as you know, on all budget estimates for salary they very often change it. You will remember that they cut Harry Hopkins in one House and then restored it.

Q I think it was Mr. Hopkins over in the House who said that there was nothing in the bill that required Senate confirmation like the administrator? Did you consider that they required it?

THE PRESIDENT: Oh, I had just as soon. There isn't that old clause that requires confirmation on various people getting \$5,000. and

over?

Q Yes.

THE PRESIDENT: If that clause applies, then these people would have to be confirmed.

Q Since Federal Housing is not a lending agency, why did you put it in with the lending agencies?

THE PRESIDENT: Isn't it a lending agency?

Q Sure, but they do not lend.

THE PRESIDENT: It is a sort of close definition. They guarantee something.

Q I am not quite clear about how you intend to handle personnel. You have brought personnel management into the Executive, and you have mentioned that certain laws prohibit you from doing certain things and you handle that with six Administrative Assistants --

THE PRESIDENT: (interposing) Merely a liaison. I have something to take up with the Civil Service Commission and then with the individual department, "B", and then the budget, "C." Now, the liaison officer will merely do that work for me.

Q You do not become a personnel officer?

THE PRESIDENT: No. That lets me see one person instead of three.

Q Mr. Ambrose Kennedy (Representative Kennedy of Maryland) had an engagement with you which was cancelled. Do you expect to see him sometime soon?

GENERAL WATSON: He was not in town.

Q Will the next Message be on departmental?

THE PRESIDENT: There will be two other major ones. One will be interdepartmental and the other will be intradepartmental. Whichever

is ready first will probably go up after I get back next Tuesday. I will put on the finishing touches so that it will go up a week from tomorrow.

Q The reason you are not making a third one is because it will keep Congress too long in session?

THE PRESIDENT: Oh, no. If they go home, then I will put it in the following January.

Q What happens to the heads of the various agencies as they are now constituted after the reorganization?

THE PRESIDENT: They keep right on the way they are. In other words, there is no abolishing of any of these agencies except one or two that are very minor ones. They are just as separate entities as they are today. In the second place, in spite of the things said on the Hill by some people, it does not make anything permanent. There is no permanent department or agency of the Government. The Department of State is no more permanent than the C.C.C. Now, that is actually a fact. They are both created by law, not by the Constitution, and the Congress at any time has the perfect right to abolish the State Department by law or abolish the C.C.C. by law.

At the same time, they have another method: they can simply cut off the appropriations without abolishing the agency. In the case of the State Department or the War Department, any department of the Government or any agency, they can just cut off the appropriation and the thing dies. Every branch of the Government is subject to the action of every session of every Congress. Now, that is perfectly clear.

Q In the several hours that have elapsed since the issuance of your Message, can you tell us anything about any comment that you might have received?

THE PRESIDENT: I have not received any comment except what Steve (Mr. Early) brought in from the ticker.

Q Can you tell us what happens in order to bring about those economies estimated to be between fifteen and twenty million dollars?

THE PRESIDENT: The difficulty is this: There are a great many ways in which it can be done and, unless I gave a complete picture, it would be unfair to print just one or two ways.

Q Can you tell us anything about the interdepartmental plan?

THE PRESIDENT: No; I haven't got it yet.

Q A newspaper said there would be 75,000 new jobs. Have you made any study of the number of jobs it might create?

THE PRESIDENT: I should say on the whole it would create very definitely fewer jobs.

Q You mean fewer than 75,000?

THE PRESIDENT: No. I mean there will be in the long run, after this gets working, fewer people running these different agencies than there are now.

Q At first brush one would think the economies are in that area.

THE PRESIDENT: Yes, and material too, and rent. Rent is quite a large factor.

Q Would it be a logical step, after these agencies are set up, to seek legislation giving them Cabinet rank status?

THE PRESIDENT: No. Forbidden by law.

Q Any idea when the intradepartmental will be along?

THE PRESIDENT: I don't know which will come first. It will be one at the beginning of next week, after I get back, and the other as soon as I can get to it.

Q One of the plans is to consolidate the investigating services of the Treasury Department?

THE PRESIDENT: Yes.

Q When would that come up?

THE PRESIDENT: That would be in the intradepartmental.

Q What happens to the independent boards, like the Home Loan Bank Board and the Social Security Board? Will they continue as policy-making bodies?

THE PRESIDENT: They are in the exempt form classification.

Q Anything about the Labor Board personnel?

THE PRESIDENT: I sent the nomination in, that is all.

Q Tell us what is going to become of Mr. Smith (Mr. Edwin S. Smith, of the National Labor Relations Board), if anything?

THE PRESIDENT: I do not know.

Q Did you reply to Judge Davis' request for retirement as yet?

THE PRESIDENT: Have we got it yet?

MR. EARLY: Yes, sir.

THE PRESIDENT: I have not answered it, have I?

MR. EARLY: No, sir.

Q Will Mr. Davis be named to succeed Mr. Leiserson? He was in to see you today. There was some report he was to succeed Leiserson.

THE PRESIDENT: No.

Q How about reports that Congressman Lewis is being considered?

THE PRESIDENT: He is being considered. That is a good guess; it is

all right.

Q Practically in the bag, isn't it, Mr. President?

THE PRESIDENT: Except that I haven't -- I want to put Davey Lewis in there but I haven't had time to speak to him yet, otherwise it is all right.

Q Can you tell us anything about your conference with Mr. Davis (Mr. William H. Davis, of the New York Mediation Board) today?

THE PRESIDENT: We were talking about the investigating people who went abroad this past summer and what they found on the other side and how it compares with the general labor problems over here.

Q Can you tell us anything about your attitude now toward changes in the Wagner Act?

THE PRESIDENT: No.

Q Anything on taxes?

THE PRESIDENT: No, nothing on taxes.

MR. YOUNG: Thank you, Mr. President.

THE PRESIDENT: I am going to Hyde Park tomorrow at midnight -- maybe not until Thursday afternoon. I am going up to get a lot of stuff cleaned up and then we will be there until either late Monday night or sometime next Tuesday. I will meet all the social editors of the papers during that period, thank you.

Q Are you going to have us all out when you sit around the radio listening to Chancellor Hitler?

THE PRESIDENT: I will not; it is 6.00 A.M. What do you think? You haven't forgotten that I was a newspaperman once; I am asleep at that time.

For the transcript of a press conference held by William Hassett, White House secretary, at the Nelson House, Poughkeepsie, New York, on April 27, 1939, see pages 485-492 of this volume.

CONFIDENTIAL

Press Conference #543,

In the observation end of the President's car attached to the Presidential Special Train, immediately upon leaving Highland, New York, where the President had entrained,
May 2, 1939, 3.00 P.M., E.S.T.

THE PRESIDENT: Squeeze in and sit ye down. Some of you will probably have to sit on the floor, but it is all right. It reminds me, in Albany when we had a joint session of the Legislature, the old Lieutenant Governor Conway would preside the way Jack Garner does in a joint session. He would go up on the rostrum and in would come the Senate of the State of New York. Old Conway would say, "The Senate of the State of New York will take their accustomed places upon the floor." Down in the well they had seats for them. I loved it.

I don't believe I have got any news at all; I have not heard anything.

Q What is the new decoration?

THE PRESIDENT: Phi Beta Kappa.

Q Anything doing tomorrow?

THE PRESIDENT: Just a lot of hangover conferences left over from last week. (Laughter)

Q That is below the belt. (Laughter)

Q Are you going to send any recommendations to the Congress tomorrow on reorganization?

THE PRESIDENT: No, I won't be ready. That is one of the things I am doing probably in the afternoon. By the way, put them down -- I had forgotten it. I think you might have them in for lunch and

that gets rid of it. (Speaking to Mr. Kannee) Get hold of the Budget Director and Louis Brownlow and Merriam and Gulick, if they are in town.

It won't go up, I imagine, until Friday at the earliest. Both Houses have to be in session under the law when it is sent in and that will be either Friday or Monday.

Q Will it be intra --

THE PRESIDENT: (interposing) One of the two. I won't know which until after luncheon tomorrow.

Q Have you been receiving any reports from abroad to make any news for us at all?

THE PRESIDENT: Just the usual State Department stuff and I have a pile that thick (indicating). I haven't read them through but I have had the gist telephoned to me.

Q Anything you can tell us about the general looks of the situation?

THE PRESIDENT: No.

Q Have you seen the full text of the Hitler speech yet?

THE PRESIDENT: What?

Q Hitler's speech?

THE PRESIDENT: Only the one that came out in the papers. Probably the State Department is still translating it.

Q It takes a while, I imagine.

THE PRESIDENT: Do you suppose that the text was handed to them, translated into English in Berlin?

Q Yes, sir; one of the stories said it was handed to them in an English translation.

THE PRESIDENT: Was it?

Q Official translation.

Q The English translation was flown to London, I saw in one story.

THE PRESIDENT: Well, the State Department was doing its regular translating from what they had taken down on the verbal stuff. I don't know how much he followed the text. As you know, sometimes I do not stick to the text.

Q You did a pretty good job. (Referring to the President's addresses at the New York World's Fair and also at the dedication of the Rhinebeck Post Office)

Q I think you enjoyed yourself thoroughly.

THE PRESIDENT: It was a nice little party, wasn't it? (Referring to the Rhinebeck dedication)

Q It was splendid and a delightful talk.

Q Stories from Washington yesterday revive the tax revision. It said the Treasury Department had completed a four-point report.

THE PRESIDENT: I don't know. The first I heard of it was on the radio. But I think we ought to be careful in saying these are recommendations from the Treasury Department because I do not think they will be recommendations from the Treasury Department. They will be merely what happens if you do this and what happens if you do that.

Q Can you comment at all on the World's Fair, as you saw it there? (Referring to the New York World's Fair)

THE PRESIDENT: It is a wonderful spectacle. I will tell you, you can say that later on in the summer, after Congress has adjourned, I hope to go there early some morning and at least go around the grounds and see some of the exhibits. I do not believe that I

will be able to do it until after Congress has gone home and until after I have gone to the Coast because that is one of the things definitely planned. I have to go to San Francisco sometime. You won't miss that trip.

Q Any plans for a cruise afterwards?

THE PRESIDENT: I have been looking into it.

Q North, south or directly west? (Laughter)

THE PRESIDENT: Just thinking in terms of Hawaii, are you?

Q (Mr. Storm) Yes, sir.

Q Any plans for two or three days in Frisco?

THE PRESIDENT: Two or three days in Frisco? I thought you wanted to go back to Rio?

Q (Mr. Trohan) That is another thing. Yes. (Laughter)

THE PRESIDENT: No, I do not believe I would have time for more than one day in Frisco.

Q Mr. President, I believe it was the Buffalo News that printed a story that you were going to become editor of Stern's paper?

THE PRESIDENT: Editor of the Buffalo News?

Q No, editor of Stern's paper, the New York Evening Post?

THE PRESIDENT: I will give you the answer off the record. If I go with any paper, it is going to be a solvent paper. (Laughter)

Q Would that be 1940, 1944 or 1948? (Laughter)

THE PRESIDENT: Oh, I could carry on both jobs. (Laughter) That will hold Walter (Mr. Trohan).

Q Yes. (Laughter)

Q (Mr. Storm) Mr. President, to see if we can start a political discussion of some sort, will you run for a fourth term?

THE PRESIDENT: No. Really, as a matter of fact, again necessarily off the record, I have only got down to about the seventh. I haven't gone any lower down than that yet, in my own mind.

(Laughter)

Q (Mr. O'Donnell) Mr. President, the War Department has created the Department of the Caribbean as an Army base. Was that decision reached as a result of your operations down there during the Naval maneuvers?

THE PRESIDENT: I think it was. However, the general study has not been just going on this year, it has been in the making for two years. You know, in the previous years we had joint Army and Navy operations in Puerto Rico?

Q Yes, sir.

THE PRESIDENT: You see, the net thing is, and it is perfectly all right to say it, that with the air entering into it, it makes the arrangement of bases a more precarious thing than it was before. For example, at Guantanamo Bay in the past, two or three guns up on the headland was enough to protect Guantanamo Bay, or the Port of San Juan, would protect San Juan against any of what might be called raiding squadrons of ships. But, now that the third arm has entered into it, the air, it is necessary to protect them against air attacks.

Q (Mr. Storm) Mr. President, did you see Colonel Lindbergh's -- rather, the statement attributed to him in this morning's paper that this country was five years behind the European nations in air research, that is, in the development of military planes?

THE PRESIDENT: I did not see that. Of course I could not comment on

it except off the record. I do not believe he ever said it.

Q He was supposed to have said that to a crowd at a luncheon on the steamer.

THE PRESIDENT: He talked to me about it, again off the record, and he said he did think we were behind in the sense that we did not have sufficient coordination of all the experimental work going on, but I don't believe he ever said a term of years. You cannot describe being behind in terms of years.

I think I said at one of the Press Conferences, for example, that on the research into the infantile paralysis bug, one reason the National Foundation was organized was because there were about twenty-eight different laboratories in this country that were trying to find the infantile paralysis germ and the flu germ. They are first cousins and probably the same identical experiment was going on in half of them at the same time. Of course it is perfectly silly to duplicate experimental work. Now we have all twenty-eight in one room and when one particular experiment is going to be started, all the other twenty-seven know about it, and they do not duplicate that one experiment. That is the same thing with the development and engineering and design of aircraft and aircraft engines.

We had the same thing in the war on the anti-submarine listening devices. We put them all in one shop, longhaired scientists, and we saw to it that no two scientists did exactly the same experiment. It would have been a waste of time. At the end of six months we had two different listening devices that were far better than anything we had before.

Q How much is available for research in the air now?

THE PRESIDENT: I do not know. They have that National Aeronautics Advisory Committee.

Q They were cut down by the House and the attempt was to have it restored by the Senate in conference. That is the question now.

THE PRESIDENT: Yes. Of course that does not necessarily have to be done by spending a lot of Government money but, if you have one board that knows what every firm is doing in the country and that supplies information, you are all right.

Q In the matter of taxes, Mr. President, isn't that whole effort likely to get down to a simple resolution extending existing business taxes?

THE PRESIDENT: Business taxes?

Q Yes.

THE PRESIDENT: You mean nuisance taxes?

Q The whole corporate tax structure. I mean, there has been so much talked about reducing this and readjusting that. Isn't it likely to get down to a resolution extending what we have (now) for next year?

THE PRESIDENT: The minimum would be to extend the nuisance taxes and extend the other expiring thing. That would be the minimum. Whether they would put more on, I have no idea.

Q The whole thing expires?

THE PRESIDENT: Part of it does expire.

Q Some of them expire, I think, the end of June.

Q Those are the nuisance taxes and the corporate structure in December.

THE PRESIDENT: Yes.

Q Have you selected a District Judge for Ohio? I have a message that Robert M. Wilkin had been tentatively chosen?

THE PRESIDENT: I haven't a single recommendation that has not gone to the Senate.

Q It says that Attorney General Murphy and Senator Donahey have agreed on this man Wilkin?

THE PRESIDENT: I have not even heard of him, but don't say so.

Q Have you had any further word from London as to whether the King and Queen are going to make their scheduled trip?

THE PRESIDENT: Oh, I suppose they are.

Q In your letter to Judge Davis the other day, my boss was curious about the fact that the letter was dated the twenty-ninth but accepted the resignation effective April fifteenth; in other words, two weeks retroactively?

THE PRESIDENT: Well, I cannot answer except informally and off the record. I think that we lost the letter in the office. I may have stuck it in the bottom of my desk. In other words, I thought it was all done, all accepted.

Q He was not sitting?

THE PRESIDENT: He may have been. In other words, if he was sitting, it was a perfectly good sit.

I think we will have a fairly quiet time until the Nicaraguan.

Q He arrives Friday?

Q You will turn the town upside down for that military parade and go down to the station?

THE PRESIDENT: Yes. You see, that is the first head of an American republic that we have had in Washington.

Q Did we ever have one?

Q The President of Brazil.

Q We had one president of a Latin American republic.

Q I think it was the President of Panama.

THE PRESIDENT: Did we really?

Q We had Batista (of Cuba), which is just as good.

Q And the King of Siam.

THE PRESIDENT: He went to the White House, did he not?

Q Yes.

THE PRESIDENT: Did he stay there?

Q I do not think he did.

Q I think they turned the Anderson home over to him.

THE PRESIDENT: This is off the record entirely. Did you ever hear the story about old Gus (Gennerich, a former bodyguard of the President, who died in service)? When I was Governor (of the State of New York) the King and Queen of Siam went from Washington to Mrs. Whitelaw Reid's place at White Plains. I drove down from Hyde Park with the Missus and Gus to call on him. I walked in on Gus's arm, in this great big library, a huge room, bigger than the library at Hyde Park, with more books, a higher ceiling, a bigger room in every way. There were the King and Queen and the Queen's mother. The Queen was under twenty-five and I don't believe the mother was more than forty and very attractive. So I sat down -- there were three sofas and I sat down on one sofa and talked with the King, and the Missus sat down on another sofa and talked with the Queen and Gus sits down on the third sofa and talks with the Queen's mother.

They all speak English and in a lull in the conversation I hear the Queen's mother say to Gus, "Captain," -- I do not know how he got the title -- "Captain, isn't this a wonderful lot of books?"

"Yes, yes," says Gus, "but you ought to see the Governor's library. Why, it is twice as big as this room and has twice as many books." So the Queen's mother says, "Has he, really? Oh, it must have been wonderful to have read so many books as this." And Gus says, "Say, the Governor has read every book he owns." (Laughter)

Well, I think everything is all quiet. I don't think we will have much except the President of Nicaragua.

Q How do you pronounce his name, S^oamoza?

THE PRESIDENT: S^oamoza.

Q Do you have any plans to come back to Hyde Park before the British King and Queen --

THE PRESIDENT: (interposing) Oh, I may run up about the twenty-fifth of this month, just for the week end.

Q Decoration Day week end?

THE PRESIDENT: I do not know when the week ends come, George (Mr. Durno). About the twenty-seventh or twenty-eighth.

Q Decoration Day comes on a Tuesday.

THE PRESIDENT: I will probably be up that week end. That will be about right.

MR. STORM: Thank you, sir.

CONFIDENTIAL

Press Conference #544,
Executive Offices of the White House,
May 9, 1939, 4.05 P.M.

THE PRESIDENT: In the family, I have got a new one for Russ (Mr. Young) when the King and Queen (of England) get here. They will be in the first carriage, the Secret Service in the next carriage, and then I am putting Russ in the third carriage so he can really see them. He will be all alone and it will have a sign on it, "Dean."

Q In big gold letters?

Q What is this?

THE PRESIDENT: You ask him about it afterwards.

I have the damndest sinus. It is not sinus, I do not know what it is. It is not cold. It is just an inflammation where the nose ought to have a free passage but it hasn't

Q There is a lot of pollen flying around.

THE PRESIDENT: You know it may be -- it may have something to do with hay fever or rose cold.

Q You never had it before?

THE PRESIDENT: It is just Washington climate. You don't dare print it, so it is all right.

Q I would lose my job.

Q When are we going back (to Hyde Park)? Will you wait until Decoration Day?

THE PRESIDENT: Yes, I think so; that week end.

MR. DONALDSON: All in.

THE PRESIDENT: They are asking me when I am going back to Hyde Park and I said I hoped to get back the Sunday before Decoration Day.

Sunday the twenty-eighth, I think it is.

Q What can you tell us about your conference with the coal negotiators today?

THE PRESIDENT: Well, I emphasized the fact that the public good demands from the gentlemen who were here that coal mining be resumed at once. I told them -- I asked them to consider that they were not only operators --

Q (interposing) Will you please speak a little louder, Mr. President?

THE PRESIDENT: I suggested to them that they consider not only that they are operators and represent miners but that, first and foremost above that, they are American citizens. That is the first consideration. I asked them to sit continuously and I asked them to bring in some method by which the resumption of coal mining would take place and to bring it to me by tomorrow night.

We discussed the matters at issue and, speaking broadly, they seem to be these: Every point that was brought up on March fourteenth, including wages and hours and working conditions, they are substantially in agreement on. Furthermore, they are in -- and that is not an issue. Wages is not an issue today.

On the other point, all ten of them, operators and United Mine Workers, indicated that they are willing to go along on the principle of the vertical union and the recognition of the United Mine Workers as that vertical union for the purpose of collective bargaining. Now, that is the principle that they are agreed on and they have not been able to work out the details to carry that into effect.

That is what I have asked them to go back and try to solve.

Their objective is the same, and it is a very interesting fact. That is the objective. Now, there are various things, half a dozen things, when you come down to the details in carrying out that objective. They are agreed on the objective and there is no use my going into the details, because that is up to them.

Q Are they coming back tomorrow, Mr. President?

THE PRESIDENT: We did not discuss that at all.

Q But they are to get this plan to you in one way or another, through secretaries or --

THE PRESIDENT: (interposing) Yes, and get the mining and coal started up again, right away quick.

Q Are they agreed on that?

THE PRESIDENT: They agreed to try.

Q And if they should fail, sir, are you looking that far ahead?

THE PRESIDENT: No.

Q Did you receive a telegram from Joe Ozanic, who is president of the Progressive Mine Workers, which is the rival of the United, asking permission to take part in these negotiations?

THE PRESIDENT: I haven't the faintest idea.

Q He announced he had sent you one.

THE PRESIDENT: I have had several hundred telegrams from several hundred people.

Q In view of the vote for farm parity payments without raising taxes, Mr. Morgenthau said he was disturbed by these steadily increasing deficits?

THE PRESIDENT: So am I.

Q Do you intend to ask Congress to raise new taxes?

THE PRESIDENT: In the first place, the bill has not gone through, therefore we do not discuss it and, in the second place, all I need do is to reiterate that I was promised last year that that \$200,000,000. would be made up in taxes and it has not been, and this year the Senate added \$371,000,000.

Q That is what I am speaking about.

THE PRESIDENT: That is exactly the point. The first question is what the Congress is going to do about it. They know my position very clearly.

Q Who made the promise?

THE PRESIDENT: The leaders.

Q It was in a resolution.

THE PRESIDENT: Yes, it was in a Senate Resolution.

Q In that connection, this general tax revision program which would come up, that would be a factor?

THE PRESIDENT: Of course it would.

Q Would you veto the bill?

THE PRESIDENT: You know I never answer questions of that kind. We are talking about principles, not what I am going to do at some distant date.

Q Senator Barkley was one of those who voted to increase it and he was one of the leaders who assured you --

THE PRESIDENT: (interposing) I am simply telling you what the situation is. \$225,000,000. last year and now \$371,000,000. Where do we go? I am asking.

Q You feel new taxes should be levied to make up for it?

THE PRESIDENT: I have told you the whole story. Where do we go? I

did not get the \$225,000,000. I was promised and now they have made the situation worse. Go and ask them.

Q Mr. President, are you satisfied with the agreement worked out with Senator Tydings on the Philippine situation? The legislative --

THE PRESIDENT: (interposing) We had an extremely harmonious and, I think, a unanimous agreement with all five Senators. The problem, as you know, is not a political one in any way -- purely an economic one. Everybody agreed to the thought that this Congress should pass that portion of the agreed-on legislation which goes up to the Fourth of July, 1946, and therefore takes care of that portion of the total. And they agreed to do it at this session because, if we do not, it will be too late next session to have the Philippines and ourselves prepare in time for a change in the old Tydings-McDuffie Act next November, and therefore it is very desirable to do it at this session.

Q Mr. President, do you approve of R.F.C. loans to enable factories to move from one part of the country to another?

THE PRESIDENT: No, I do not. That, I think, is all ironed out; at least Mr. Jones said it was being ironed out.

Q Is the Wagner Act an issue in the coal negotiations?

THE PRESIDENT: That is one of the factors but it is one of those "iffy" factors. In other words, if the National Labor Relations Board should decide one way, it would have an influence on the future. But the question is as to whether it is of immediate concern in getting coal mined physically.

Q Does the issue of craft unions enter into the vertical territory?

THE PRESIDENT: Yes.

Q Do you suggest that mining should be resumed regardless of whether --

THE PRESIDENT: (interposing) I have told you all there was on that.

I did not put it that way.

Q Is the abolition of the Coal Commission involved?

THE PRESIDENT: No, not at all. It is purely a mechanical procedure.

Q Is the question of minimum prices involved?

THE PRESIDENT: No.

Q I understand the Commission (the Coal Commission) is preparing a new schedule of minimum prices and the negotiations hinge to some extent on that?

THE PRESIDENT: I don't think the resumption of coal mining this week hinges on any contingent future thing. It hinges on existing facts.

MR. STORM: Thank you, Mr. President.

Q Are you considering Mr. Sayre to succeed McNutt as Commissioner?

THE PRESIDENT: I am not considering anybody for anything.

Q How about the Third Circuit Court of Appeals?

THE PRESIDENT: I am not considering anything. I have no recommendations.

Q If the coal conferees fail to come through, what would you --

THE PRESIDENT: (interposing) That is what Fred (Mr. Storm) asked.

Q Would you have them come down again?

THE PRESIDENT: That is what Fred asked -- "What happens if something."

That is hypothetical -- "if something."

Wait a minute, I was asked to say one thing. I was asked to say that I asked the coal conferees to return to their conference with Mr. Steelman in New York because Steelman is running

the thing for the Government. In other words, I am not running it but it is Steelman's job. Make that perfectly clear. I am not taking anybody's job over.

CONFIDENTIAL
Press Conference #545,
Executive Offices of the White House,
May 12, 1939, 10.50 A.M.

(Mr. L. W. Robert and Mr. J. F. T. O'Connor were present at
this conference.)

THE PRESIDENT: Good morning.

Q Good morning, Mr. President.

MR. DONALDSON: All in.

THE PRESIDENT: I am going down the river tonight, about nine o'clock,
and getting back Sunday evening. I don't think there is any more
news in particular.

Somebody said they were going to ask about beef for the Navy.
It is a very simple situation. I guess it is brought up, as a
practical matter, by an amendment to the Navy Bill in the Senate.

Just about a month ago, or six weeks ago, there came up the
question of canned beef and we had a bid for foreign canned beef,
delivered with the duty paid, of fifteen cents a pound and the
lowest American bid was twenty-three cents a pound.

Now, the Government does try to feed and, I think, succeeds
in feeding its personnel, about 110,000 people, with the best
food. There was no question, after many tests, that this foreign
beef was infinitely superior to American canned beef, besides
being eight cents a pound cheaper.

Q It is better?

THE PRESIDENT: Infinitely.

Q Is it Argentine beef?

THE PRESIDENT: Argentine or Uruguay; it does not make any difference.

Of course canned beef does not carry hoof and mouth disease so you have a perfectly square issue there. If the amendment is put on by the Legislative Branch of Government, it means we have to give an inferior article of food to 110,000 men in the Navy at a cost of eight cents a pound more than an infinitely superior article.

Q To return to your trip, did you say who will be with you?

THE PRESIDENT: I do not know yet.

Q Any destination at all or just cruising around?

THE PRESIDENT: Just down.

Q In view of the action of the Senate rejecting the Bankhead cotton subsidy amendment, will the Administration go forward with its cotton subsidy program just the same?

THE PRESIDENT: I cannot tell you because it is still in the legislative process.

Q Getting back to the beef business, the Navy has been buying American beef?

THE PRESIDENT: It has been buying a good deal of foreign beef.

Q Is it always better?

THE PRESIDENT: No question about it. If you go off on a camping trip or fishing trip, buy American canned beef and foreign canned beef and see which you like better.

Q I always get my stuff from a country store and I wouldn't know what to ask about, nor would they have it.

THE PRESIDENT: There is some in this country.

Q I did not know any was available.

THE PRESIDENT: You test out the two, side by side.

Q Why is that so?

THE PRESIDENT: That is a thing we do not know much about. We do not know why, but American cows do not make as good canned beef as some foreign cows.

Q When this issue was up recently about the purchase by the Navy of a certain quantity of canned beef, we understand that you directed a letter to the Secretary indicating your opinion on that question.

THE PRESIDENT: Oh, yes.

Q Will you make that letter available?

THE PRESIDENT: Let me look at it first; I have got it here somewhere.

Q Was this beef packed by American packers?

THE PRESIDENT: That I do not know.

(There was a pause while the President perused some papers.)

Here it is. I think we can make it available. (Reading)

"THE WHITE HOUSE
WASHINGTON

April 13, 1939

"My dear Mr. Secretary:

"Your letter of April 5, 1939, expresses keen interest in an award under consideration by the Navy Department for the supply of 48,000 pounds of canned corned beef, involving bids on Argentine beef in competition with domestic beef. You urge that the award be made to the low bidder on the Argentine corned beef.

"I am impressed with the fact --"

Here is your answer:

"I am impressed with the fact that the price quoted by the Argentine Meat Producers' Cooperative --"

Now, who owns that I do not know.

"is \$.157 per pound against the lowest bid on an American product of \$.2361. After payment of the

duty of \$.06 per pound on Argentine canned corned beef, the net cost to the Government would be about \$.097 per pound."

In other words, the net cost to the Government, after the Navy pays the Treasury, which is just out of one pocket into the other. That is, nine cents a pound against the American price of twenty-three cents a pound.

"It is also of moment that at the present time there is a decided difference in the quality of the Argentine product and that packed by American packers. An examination made of samples of domestic and Argentine corned beef shows that the Argentine product is of greatly superior quality and it is the Navy Department's policy to procure for the enlisted men a high quality of food when it can be obtained at a reasonable cost on a competitive basis.

"Sympathetic as I am with the spirit of the Buy-American Act, these facts compel me to direct the Secretary of the Navy to award the contract for this canned corned beef to the Argentine Meat Producers' Cooperative, the low bidder. Under the circumstances, I feel that by so doing the intent of the Buy-American Act has not been violated.

Very sincerely yours,

FRANKLIN D. ROOSEVELT

The Honorable
The Secretary of State"

Q Do the objections apply to domestic sugar also?

THE PRESIDENT: No.

Q That is included in this amendment, as I understand it, which requires them to make their purchases of sugar from domestic sources.

THE PRESIDENT: No; this is the first time I have heard of it.

Q Some of us are not familiar with the legislation. Has that been adopted anyway?

THE PRESIDENT: No, I think it is pending.

Q Simply pending?

THE PRESIDENT: Yes.

Q Mr. President, have you had any occasion to discuss this question with any members of Congress in order to try to eliminate that provision from the bill?

THE PRESIDENT: Have I done what?

Q Have you had any occasion to discuss this question with any members of Congress in order to accomplish the elimination of that provision?

THE PRESIDENT: I have not, no. I imagine the Navy has, through Senator Walsh.

Q Mr. President, can you tell us something about your conference with Mr. Doughton and Jere Cooper on the question of taxes?

THE PRESIDENT: It was primarily exploratory and they are talking their
it over with/committee of the Senate Committee. What is going to happen, I do not know.

Q A few days ago you discussed something at luncheon with Frederick M. Davenport and we failed to ask you about that. Was it career service?

THE PRESIDENT: It is getting on very well. All the departments have appointed their personnel directors, except the War Department, and we are trying to get the War Department to act, but the committees are all going ahead with this study.

Q It is a study which will lead to a report to you?

THE PRESIDENT: Yes. It comes to me and of course they are in touch with Mr. Justice Reed's committee on those special classes.

Q Tell us something about your railroad conference.

THE PRESIDENT: I saw Senator Wheeler yesterday and Clarence Lea and things seem to be in very good shape. In other words, I entirely approve of the objective, the principal objective, without going into details. There are, of course, a number of details, where they approach the objectives in a different way but I think that the differences can very well be straightened out, either in the process of the series of bills going through the two Houses, or else in conference.

Q Will you say whether you favor any revision of the corporate income taxes at this session?

THE PRESIDENT: Of course that brings up the whole question and reminds me in some of the approaches, of what happened last summer when one great newspaper printed half a sentence which I had emitted here in a Press Conference, leaving out the other half. I suppose that is the best illustration I can give of this tax problem.

You have mentioned one thing out of four. In the first place, there has been a lot of loose talk about "deterrent" taxes. Do you smoke cigarettes?

Q Yes.

THE PRESIDENT: Is that tax a deterrent? Unless you have a very large salary, which I hope you have, of course it is a deterrent. Every tax is a deterrent. Taxes on a farm are, in a sense, deterrent. If the farmer paid less taxes on his farm, he would have more money to buy a dress for his wife.

Now, the half of the sentence that is left out by so many

people is that "if" part, which says that if we repeal certain parts of the present series of corporation taxes, everybody, every leader on the Hill is agreed and I am agreed that we have got to make it up in some way from corporations as a whole.

Now, that raises the rather interesting question as to whether a lot of these people, who are talking about deterrent corporation taxes, are not deliberately omitting that half of the sentence with the hope that some of these corporation taxes can be repealed and no substitute put through to replace them. So, just in common or garden honesty, ought not we to put that in the lead of the story and then go on and say, "All right, if we do repeal one of these present elements and have to find a substitute, how do we do it?"

All right. Now, there are various ways of doing it and the Treasury is going to present various possible ways of doing it. Fine, we are all agreed.

On the substitutes, the most commonly advocated increase is on the percentage tax, which now runs from $12\frac{1}{2}\%$ on the little corporations up to about 19% on the big corporations.

Now, suppose, for the sake of argument, that on these so-called deterrent taxes, which are no more deterrent than the taxes on your cigarettes or on the farmer's farm, suppose we repeal them. That means we repeal somewhere between 25% and 30%, in dollars, of the total corporation tax yield; in other words, about -- oh, what? -- \$250,000,000. Now, let us be honest and still keep to the lead of the story. If we adopt the theory of spreading that \$250,000,000. as additions to the

percentage tax on a straight percentage basis, you are going to have the most terrible squawk, you are going to have a revolution from the little corporations of the United States and, in rough figures, out of 200,000 corporations about 160,000 are making less than \$10,000. a year.

Do you think, as a matter of practical politics, that the Congress of the United States is going to put an increase on the little corporations, 160,000 of them, who are making less than \$10,000. a year? No.

Do you think the Congress of the United States would dare to put a very large increase on what might be called medium size corporations, the companies that are making from \$10,000. up to \$50,000. or \$100,000. a year? No.

Now, what is the net result? The net result is that this \$250,000,000. that I am talking about, it would have to be raised to replace the other taxes that are repealed, would almost, as a matter of necessity, have to come out of the pockets of the very small number of very large corporations and there you will get the most awful squawk.

Now, those figures have all got to be considered by the committees and the Congress. In other words, they will be getting the whole picture, the whole sentence instead of the half sentence that has been used by some of the humorists.

Q Did you say a moment ago that the Treasury would present the alternatives or substitutes?

THE PRESIDENT: Yes, as taxes of corporations, Fred (Essary).

Q In other words, then, the Treasury has not been told that no

revisions will be recommended by the Government?

THE PRESIDENT: They simply will be placed before the committees, perfectly properly, as suggestions that have been made but not necessarily with the recommendation that this, that or the other be done because that would mean that the Treasury would have to say, "You go ahead, Gentlemen of the Congress, and tax all of the little corporations," or, "You go ahead, Gentlemen of the Congress, and put all these taxes only on the big corporations." We are leaving that question to the Congress.

And then, of course, we have to bear in mind, because, as T. R. said to Brother Harriman, "we are practical men," -- we have to bear in mind the general thought that a great many of the people who are advocating repeal of some of these things want, at the same time, to repeal certain restrictions that have been placed on them. The simple example, as I have used it before, is this question of eliminating entirely the undistributed profits tax. There was a very definite reason behind that two years ago, and that was to prevent a closely held corporation, owned by comparatively rich men, whose personal income taxes were in the upper brackets, to prevent them from continuing the practice of leaving their profits in the paper -- I mean the company (laughter) -- without paying income taxes on them, thereby increasing their wealth year by year without the Government getting any tax on that increase until they died. Of course the Government would then get certain inheritance taxes, it is true, if there were distribution but, of course, the inheritance taxes are nothing like as high as the upper brackets of the personal income taxes.

Now, the question will be presented to the Congress that if there is no undistributed profits tax, there ought to be found some other way of preventing that form of legal tax evasion. So that is the other half of that sentence.

Q You say that is going to be presented to the Congress. Do you mean that actually --

THE PRESIDENT: (interposing) If we are asked about it. If the Congress says to us that one of the suggestions has been made that the undistributed profits tax be eliminated, that business wants it eliminated and thinks it is a deterrent, we will say, "All right, gentlemen, if you want to do it, it is perfectly all right with us, so long as you do two things: One is to return in the form of some other tax the same amount of money to the Government, and the other is, provided you find some method of preventing the closely held corporations from being used for legal tax evasion purposes." That is sort of words of one syllable.

Q In other words, you have the same opinion about undistributed profits taxes as you had when you first discussed it with this Press Conference?

THE PRESIDENT: Earl (Mr. Godwin), I am talking about this one phase of it only. I am willing to have this undistributed profits tax repealed providing we find some other method of preventing tax evasion. You are just as familiar as I am with the incidents.

MR. YOUNG: Thank you, sir.

Q Is there anything on the coal situation?

THE PRESIDENT: No, I know nothing except the general fact that has

been printed in the papers and, on the details, you can get them from Steelman.

I was asked at various times about Puerto Rico. I am planning, some time this summer, I am not telling you the date, to send the name of Admiral Leahy to the Senate as Governor of Puerto Rico to succeed General Blanton Winship. Admiral Leahy won't go down there until after the Congress has adjourned, sometime in the course of the summer.

Q Will there be a nomination for the Third Circuit Court?

THE PRESIDENT: No, I have not taken it up.

Q Are you planning a trip to Asheville to see Mac (Mr. McIntyre)?

THE PRESIDENT: No. I will tell you about that later because I have not any plans yet. I will go as soon as I can.

Q Admiral Leahy retires about the thirtieth of July or August?

THE PRESIDENT: Somewhere in there, yes.

CONFIDENTIAL
Press Conference #546,
Executive Offices of the White House,
May 16, 1939, 4.22 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any particular news.

Q Mr. President, the United Mine Workers from Harlan County, Kentucky, are reported to have sent you a telegram protesting the use of troops in the coal regions. Have you received it, sir?

THE PRESIDENT: Not that I know of.

MR. EARLY: Not received here.

Q There seems to be an idea in the West that you have impugned the honor of the American cow. Would you care to -- (Laughter)

THE PRESIDENT: I have cast no aspersions on the virtue of the American cow or the valor of the American bull. (Laughter)

Q May we quote that?

THE PRESIDENT: Steve, can we quote? (Turning to Mr. Early but not waiting for an answer.) No, Steve says, "No." You had better not. (Laughter) No. I would be the first to arise to the defense of American cattle. In other words, this whole question is a question of a certain kind of beef that comes in a can and the fact is that we, in this country, do not seem to use our highest grade beef for this canned corned beef, as the other people do. All of the higher grades of our beef are sold at relatively high prices in the fresh meat market, because we have a very large fresh meat market, and the other grades in this country are used principally in ground meat products. I believe there is some of it goes into another kind called

a "hot dog" and that occasionally these other grades are used principally to fill Government orders for canned corned beef. But, in South America, there is a different situation because they have not got enough market for the good grades, the good cuts of beef, fresh beef, and so they use the good cuts down there for corning and canning. They have a surplus of that. There is a difference in the economic conditions.

Q Mr. President, don't you have Navy specifications that govern both foreign and domestic beef?

THE PRESIDENT: I don't know. We try to buy the best there is.

Q Navy specifications covering corned beef --

THE PRESIDENT: (interposing) I could not tell you.

Q The surplus that they have is due to the prohibition in this country --

THE PRESIDENT: (interposing) We cannot take any here. That is under the law.

Q We would not have a surplus --

THE PRESIDENT: That is under the law.

Q Could you tell us from what report you were reading there?

THE PRESIDENT: What?

Q Were you reading from a report on the situation?

THE PRESIDENT: Yes, it is in the files. (Laughter)

Q Can you tell us what is holding up the appointment of the Collector and Marshal of Massachusetts?

THE PRESIDENT: I haven't the faintest idea; ask the Attorney General.

Q On the question of beef, some of us, after the statement last Friday, asked the War Department if they bought foreign beef and the

answer was, "No." Do you feel, sir, that the same principle should apply in both branches of the service as to the purchase of foreign beef?

THE PRESIDENT: I haven't the faintest idea. Do they use canned corned beef?

Q They use it but they say they purchase only from domestic packers.

THE PRESIDENT: I don't know; I will have to ask the General (General Watson) to find out.

GENERAL WATSON: We buy Australian beef in the Philippines.

THE PRESIDENT: We buy Australian beef in the Philippines; I don't think that is any answer but it is perfectly good for the occasion. (Laughter)

Q Mr. President, in a recent Press Conference you said you had no objection to the complete elimination of the undistributed profits tax, provided similar safeguards against tax avoidance were obtained under the law?

THE PRESIDENT: And, of course, the other proviso that any money loss is made up from some other form of corporation payments.

Q Do you think Section 102 -- I think that was discussed -- has those safeguards?

THE PRESIDENT: Isn't it Section 82?

Q I think it is 102.

THE PRESIDENT: That is a question we are talking over in a perfectly friendly way. There are two opinions. One is that it would be a safeguard and the other is that it has been on the books for a year and has not been a safeguard, it is almost impossible to administer. That is one school of thought.

Q Would you mind saying where you are on the question?

THE PRESIDENT: We are discussing it in a perfectly friendly way.

Whether that is the right safeguard or not we do not know yet.

Q There have been reports in the press that you would be disposed to propose an international economic conference if the international situation seemed propitious?

THE PRESIDENT: I read it in the newspapers and it was the first intimation I had, but it is all right.

Q Do you know whether or not the Virginia Senators are favorable to the appointment of Dean Dobie?

THE PRESIDENT: Steve told me there was something on the ticker that Senator Byrd's office had said O. K. and that his office also spoke for Senator Glass's office. That was on the ticker.

Q Did the White House notify either Senator that this appointment would be made?

THE PRESIDENT: Yes, Steve notified both offices this morning about 11:30. (Laughter)

Q Mr. President, do you have anything more to say on the tax conference yesterday?

THE PRESIDENT: No, except that we are making progress.

Q When will the next be held?

THE PRESIDENT: I suppose the next will be held as soon as the two gentlemen from the House, Mr. Doughton and Mr. Cooper, have talked it over with the members of their committee where, of course, any tax bill has to originate.

Q Is there anything you can tell us about the visit of King George and Queen Elizabeth? Mrs. Roosevelt said that she has been told

by Scotland Yard not to discuss it. Did you have any prohibitions like that?

THE PRESIDENT: I don't know.

Q Will the next conference --

THE PRESIDENT: (interposing) I suppose Pat Harrison will come down too and continue to talk about it.

Q Have you given any consideration to new taxes to take care of deficiencies left by the farm parity payments?

THE PRESIDENT: No.

Q What do you propose to do about the dirigible question? The House seems to want to build a bigger one.

THE PRESIDENT: Well, there is a very simple proposition on that. A year ago we talked it over very carefully in the Navy, and the Secretary and I decided not to recommend building any dirigible.

The House, with the concurrence of the Senate, put in an appropriation which left it to my discretion to build one at a cost of not to exceed \$3,000,000., which would mean about a 700-foot ship. After the bill went through and was signed, I talked it over and we agreed, Operations and the Secretary and I, that we ought not to build one of the bigger ships -- having lost three of them -- but that we could experiment with a smaller type of ship that would be useful for coast patrol purposes. In other words, it would be a ship about 300 or 350 feet long, about half the size and with a third of the volume of gas, and costing about \$1,000,000 instead of \$3,000,000, and not a ship that would be used for crossing the ocean but a ship that could

patrol against surface vessels and submarines, et cetera, staying off shore a couple of hundred miles and staying there three or four days.

The bids were asked for on that basis. One of the companies put in a bid on that basis and an alternative bid for a full-sized, \$3,000,000., 700-foot ship and said that -- this came from the Bureau of Aeronautics -- that they considered this (larger ship) a safer ship than the smaller one. In other words, they cast doubt on the safety of the smaller ship and, therefore, I have told the Secretary of the Navy that, in my judgment, we don't want the bigger ship, and doubt having been cast on the safety of the smaller ship, therefore we had better not build any.

Q Are you planning to intervene in the Harlan, Kentucky, strike situation?

THE PRESIDENT: No.

Q Mr. President, the Department of Agriculture has launched its Federal stamp plan for surplus food in Rochester. Do you have any comment?

THE PRESIDENT: I hope it will work. It is an interesting experiment.

Q Do you care to comment on the use of the National Guard in the Harlan County matter?

THE PRESIDENT: I don't think so. That is primarily up to the Governor of Kentucky.

Q Mr. President, can you tell us what is holding up the Judicial appointments in California?

THE PRESIDENT: I do not know; you had better ask Frank (the Attorney General). I have not heard about it for several weeks.

Q At your next conference on taxes will they present any concrete proposals?

THE PRESIDENT: I don't know, Pete (Brandt). We talked about, I suppose, fifteen or twenty different things and I suppose we will continue to discuss most of the fifteen or twenty different things.

Q Is it up to them to present the program or will you approve it before it is sent up?

THE PRESIDENT: I have not the faintest idea. In other words, they are going to talk things over. There is nothing you can say about it. They will let me know and then they will come down here and have some more discussions.

Q Is it in the nature of a filibuster?

THE PRESIDENT: Not a bit.

Q Do you know the percentage and the total amount of canned corned beef that is consumed in the United States that comes from abroad?

THE PRESIDENT: No. What is the percentage, also, compared with the total percentage of beef consumed? In other words, to come right down to it, we are not a canned beef eating nation. That is the simplest way of putting it. Have any of you people eaten canned beef in the last year -- knowingly?

Q (chorus) Yes. (Laughter)

Q What was the rest of that statement?

THE PRESIDENT: I said, "knowingly."

Q Canned beef?

THE PRESIDENT: Canned corned beef.

Q Canned corned beef hash?

THE PRESIDENT: That is not canned corned beef. It is corned beef hash. I always eat it out of a can because it is a lot better than I can get from the cook . That is a different product.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #547,
Executive Offices of the White House,
May 19, 1939, 10.50 A.M.

Q Good morning.

THE PRESIDENT: Good morning. I think you ought to send all the doctors' bills to Russell (Mr. Young). (Referring to the hang-overs following the annual convocation of the J. Russell Young School of Expression.)

Q (Mr. Young) I gave them the liquor cheap.

THE PRESIDENT: Don't you think it is a good idea?

Q (Mr. Young) I am against that.

MR. EARLY: We will have nurses from now on.

Q Doc McIntire helped in that.

THE PRESIDENT: I hear it was a good party.

Q Very good, fine.

THE PRESIDENT: Before we get through here we ought to have one party on the campus.

Q (Mr. Young) That would be fine.

Q (Mr. Godwin) Then we would have George Fox right close at hand.

Q (Mr. Young) Young Franklin did well the other night.

MR. DONALDSON: All in.

THE PRESIDENT: Well, what have you got on your chests?

Q What are your plans for the week end, sir?

THE PRESIDENT: Going down the river tomorrow or, rather, going over to Annapolis lunch time and back Sunday afternoon, late.

Q Mr. President, who will be with you?

THE PRESIDENT: I don't know yet.

Q Will the King be asked to attend one of these Press Conferences?

I see by the press announcement that that is not scheduled.

THE PRESIDENT: I do not know anything about it at all.

Q Will you ask him to do that for us?

THE PRESIDENT: Do you think that would be polite to a guest?

Q (Miss Fleeson) It would be a privilege, Mr. President. (Laughter)

THE PRESIDENT: It is open to argument. (Laughter)

Q Mr. President, where did you leave the Griffenhagen report and the errand that Ambrose Kennedy (Representative Ambrose Kennedy) came to see you about? That was on District government. They came away and told us they would take portions of that report and endeavor to get them through. Have you anything to add to that?

THE PRESIDENT: I do not think so. They told me that of course the Griffenhagen report is a very drastic reorganization plan and they felt doubt as to whether they could get the whole thing out and through at this session. We talked over the possibility of improving the District Government in part, in other words, to take certain portions of the Griffenhagen report, which might stand a chance of carrying through without very much discussion, leaving the three District Commissioners as they are and giving authority for a City Administrator under the three District Commissioners, and then starting in on the kind of reorganization that would mean consolidation of a very large number of independent or semi-independent agencies, some of which have not functioned for years. We would abolish them. Then we would put them all together in a much smaller number of departments,

a little bit along the line of the two reorganization plans that I sent up to the Congress. I think they said there were 135 of them --

Q (interposing) What, agencies?

THE PRESIDENT: Different kinds of agencies, and consolidate them down to -- I think the Griffenhagen report called for seventeen departments, and I suggested going a little further and putting them possibly into twelve different departments and then making that as this year's step towards improving the Government of the District of Columbia.

Q Did they think that they could get that through the Congress?

THE PRESIDENT: They said they would talk to their committees about it.

Q Sir, did you consider that City Council and the electing features or the appointing features of it?

THE PRESIDENT: Only in the sense that we did not think there was any chance of getting it through or anything like it at this session because that was a major change.

Q Any tax conference scheduled for the coming week?

THE PRESIDENT: I don't think so; not yet.

Q There has been submitted to the Congress the S. E. C. report on investment trusts, which is a pretty sad story all the way through. Are you going to make any recommendation for legislation?

THE PRESIDENT: No.

Q Just going to send the report?

THE PRESIDENT: Yes.

Q Will you omit your Press Conference on the Friday that the King and

Queen are here?

THE PRESIDENT: No; I will have it.

Q Has your attention been called to a plan which would involve taking \$1,500,000,000. from the stabilization fund for the purpose of making revolving loans to railroads for the purchase of equipment and advancing of credit activities?

THE PRESIDENT: Taking it from the stabilization fund?

Q Yes.

THE PRESIDENT: No, I never heard of it. I am "agin" it. I am "agin" monkeying with the stabilization fund.

Q Any plan to finance railway equipment?

THE PRESIDENT: I would not say any definite plan because it is under discussion right along.

Q Is the Argentine beef question settled?

THE PRESIDENT: No, I do not believe so.

Q What is the next move?

THE PRESIDENT: I do not know.

Q Any chance --

THE PRESIDENT: (interposing) Improve the brand and lower the price.

(Laughter)

Q That is domestic beef?

THE PRESIDENT: Yes.

Q Is there any chance that you would veto that Navy bill?

THE PRESIDENT: I do not know; I have not read it yet.

Q Mr. President, would ^{you} sign a bill that would bar Grover Bergdoll from returning to this country?

THE PRESIDENT: No, I could not tell you that.

Q To come back to the stabilization fund thing, there have also been stories that there was a plan under way for the taking of about \$1,500,000,000. out of that and using it either to loan or guarantee loans for housing. Is there anything of that sort or any plan to get the money any other place?

THE PRESIDENT: I have not heard of any attacks on the stabilization fund.

MR. STORM: Thank you, Mr. President.