

CONFIDENTIAL

Press Conference #555,
Executive Offices of the White House,
June 20, 1939, 4.06 P.M.

Q Where were you in the storm Saturday night?

THE PRESIDENT: I was laying alongside the wreck of the U.S.S. TEXAS,
way down below the mouth of the Potomac.

Q Where did you go Friday night?

THE PRESIDENT: I was on the way down from Annapolis.

Q How was it?

THE PRESIDENT: Nice and cool as long as we kept moving.

Q It was hot, wasn't it?

THE PRESIDENT: Yes, it was.

Q Did you get that northeaster?

THE PRESIDENT: Yes.

Q It blew a fishing boat up on the shore.

THE PRESIDENT: It did, really?

Q It was forced into a creek and went high and dry.

Q Where did you do your fishing?

THE PRESIDENT: Down there by the old wreck. We got about three nice
big whiteheads.

Q Trout?

THE PRESIDENT: Yes; four or five trout and some Norfolk spots too.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news.

Q Next week I will send you some Lake Erie perch.

THE PRESIDENT: They are good.

Q Will you be here?

THE PRESIDENT: No, at Hyde Park.

Q I will send them there.

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

Q Anything you can tell us, sir, regarding this neutrality situation at this stage?

THE PRESIDENT: I do not think so. I think you know just as much about it as I do.

Q We hear, indirectly of course, that you would not want to see this Congress adjourn without action.

THE PRESIDENT: Well, I think that is perfectly true for the very obvious reason that if, after Congress goes home, some war should start we would find it very difficult to change legislation to create neutrality without having it said that we were favoring one side or the other. For the sake of the Congress, it is much easier to insure against getting into that kind of a dilemma.

Q At the last Press Conference you told us about efforts being made looking into the matter of financing railroad equipment. Have you done anything further as to any other loans?

THE PRESIDENT: No; I am still studying and may have something before I leave on Friday night.

Q Just on the railroads?

THE PRESIDENT: No, several other methods of lending.

Q Can you tell us anything about it?

THE PRESIDENT: No, because a good many things are still under discussion.

Q Any chance of a Message on that?

THE PRESIDENT: No.

Q If you do anything, what would it likely be?

THE PRESIDENT: I do not know; I have not decided on the form but it probably would not be a Message to the Congress.

Q Mr. President, what did you talk to Mayor LaGuardia about?

THE PRESIDENT: We talked about a lot of things; I have forgotten now especially what I could tell you. Just a lot of things.

Q How about the new bridge?

THE PRESIDENT: Yes, we mentioned the new bridge too.

Q How about politics?

THE PRESIDENT: Oh, now, Fred (Storm); we are getting into the hot season.

Q You mean the question was hot?

THE PRESIDENT: No, no; I mean the weather, just the weather.

Q Mr. President, will you be a candidate for reelection in 1940?

THE PRESIDENT: Look, I will tell you: I made an awful mistake the other day. The columnists all said that I had forgotten to mention the corner, so you will have to go and stand in the corner. They made what they call "deductions" because of the fact that I had forgotten to mention the corner and they discoursed for paragraphs on the fact that I have made the omission. So, from now on, we won't make the omission, we will revive the corner.

Q Will I be stood in the corner if I ask whether you have any comment on last week end's developments in Wisconsin?

THE PRESIDENT: What was that?

Q Secretary Wallace made a speech and the Democrats at a meeting came out for a third term and then, the next day, the Attorney General

made a speech praising the La Follettes.

THE PRESIDENT: They are only headlines and they did not conform to the rest of the speech, I am sure.

Q I don't know.

Q Getting back to neutrality, Mr. President, it is said by some people in the Administration that if the Bloom Bill were passed it would go a long way to insure peace for this year. Do you think that is an accurate statement?

THE PRESIDENT: I think it would help our influence for peace.

Q Is there any possibility of a special session?

THE PRESIDENT: Oh, Pete (Brandt); that is "iffy."

Q There was a story to that effect.

THE PRESIDENT: That does not prove a damned thing.

Q Could you say anything more on legislation or probable legislation on this lending plan?

THE PRESIDENT: No; still too vague but I think they are getting on pretty well.

The House, I think, is taking up neutrality next week. They have passed their relief bill and their tax bill and I understand the Senate is going to take up taxes the end of this week and relief at the beginning of next week, so I am very hopeful we will get those two through and on my desk by the thirtieth of June.

In other words, things are looking up on the Hill.

Q Do you think that tax bill is all right?

THE PRESIDENT: It is very good.

Q Do you hope at this session to abolish tax exempt securities?

THE PRESIDENT: I hope so.

Q You really have a hope instead of just a wish?

THE PRESIDENT: I have a hope. You know, I have been called an incurable optimist.

Q Do you expect to visit Panama this summer?

THE PRESIDENT: I do not believe I can get there.

I think you can say this, that I have pretty well made up my mind because -- I was not going to say anything until Friday -- I have pretty well made up my mind, because things seem to be going faster than they were a week ago, not to go to the Coast on the second of July but to wait until after Congress adjourns.

Q It will be much cooler weather.

THE PRESIDENT: Yes.

Q When will that be, sir, do you think?

THE PRESIDENT: Ask the Vice President. He makes the book for the family.

MR. YOUNG: Thank you, Mr. President.

Q Can you tell us whether you discussed the W. P. A. setup in Missouri with Governor Stark?

THE PRESIDENT: Yes.

Q With reference to Nat Murray?

THE PRESIDENT: Yes; that is right.

Q Can you tell us what decision was reached?

THE PRESIDENT: No.

Q He resigned his Kansas City job today.

THE PRESIDENT: He did? He was drawing two salaries?

Q Yes.

CONFIDENTIAL

Press Conference #556 -- Special,
Executive Offices of the White House,
June 22, 1939, 11.05 A.M.

(Note: This was a special conference called by Mr. Early at
10.30, to be held at 11.00 A.M.)

Q (Mr. Storm) Good morning, Mr. President: I see the Lone Eagle
of the White House sitting over there. (Referring to General
Watson, who had been invited with Mr. Early to fly on the
Clipper plane to Europe, but who had declined on sundry grounds.)

THE PRESIDENT: Yes.

This is not an emergency conference in any sense of the word.
It has nothing to do with foreign affairs and I merely thought
you might like to come in so that we could go over this letter
which has been sent to a number of Senators and members of the
House.

The occasion for this letter was a letter to me from Senator
Byrnes (under date of June 19, 1939), in which he said:

"Dear Mr. President:

"The resolution passed by the House on the 16th,
making an appropriation for work relief, provides
that of the amount appropriated one hundred and twenty-
five million dollars shall be transferred to the Pub-
lic Works Administration.

"You did not submit to the Congress an estimate
for an appropriation for the Public Works Administra-
tion. I wish you would advise me what effect, in
your opinion, this transfer will have upon the number
of persons to be furnished employment during the next
fiscal year, and whether or not you believe the trans-
fer wise."

That brought up the question of what this transfer of
one hundred and twenty-five millions from Work Relief to P. W. A.

would mean. And, in doing that, it brought up the whole question of putting more people to work, if we can, by methods other than relief and by methods which will not increase the out-of-pocket, the permanently out-of-pocket expenses of the Government. In other words, won't bust the budget.

That was in line, of course, with what we have talked about in Press Conferences before. As you know, the thing has been under study for a year and this is the net result of the studies:

"June 21, 1939

"Dear Senator Byrnes:

I have your letter of the 19th in which you ask my position as to the provision of the 'Work Relief and Public Works Appropriation Act of 1939' as passed by the House of Representatives (H.R. Res. 326) which would allot \$125,000,000. to the Public Works Administration for loans and grants for non-Federal public works."

On that we have to remember that on the P.W.A. method we give right out of the treasury 45% of Federal money and that does not ever come back -- it is not a loan, it is a grant -- and the other 55% is really borrowed by the locality, either from private sources or from the Government. They have the right to borrow that 55% from us. In a great many cases they actually do not borrow from us but borrow from private sources.

"I am opposed to this provision. It means simply that 165,000 men who are badly in need of work will have to be dropped from the Works Progress Administration rolls;"

That is the net effect, we have to drop 165,000 people from relief rolls.

"men who in the great majority of cases are the sole support of families whose subsistence depends on this slender income. What will happen to most of these men is that they will be forced onto

already overburdened direct relief rolls of cities, towns and counties, or, if these are insufficient --"

As they are in most cases --

"--to care for them, onto private charity.

"I believe there is a better way to accomplish the laudable purposes of this bill. The great majority of people of this country have come to realize that there are certain types of public improvements and betterments which should be undertaken at times when there is need for a stimulus to employment. At such times the Federal Government should furnish funds for projects of this kind at a low rate of interest, it being clearly understood that the projects themselves shall be self-liquidating and of such a nature as to furnish a maximum of employment per dollar of investment."

In other words, this whole thing is based on the self-liquidating policy. The Government gets the money back and it does not appear as merely a net debt against the Government but is like any business transaction. It appears on both sides of the ledger.

"There seems no reason why there should not be adopted as a permanent policy of the Government the development and maintenance of a revolving fund fed from the earnings of these government investments and used to finance new projects at times when there is need of extra stimulus to employment. Such times will recur in the future, as they have in the past, and there will always be need for public facilities and improvements in our natural resources which can be most profitably met by the use at times of greatest need of employment of the accumulated receipts of such a revolving fund.

"At my suggestion, various departments and agencies of the Government have canvassed the situation to find projects which will meet genuine public needs -- projects that can be put under way quickly and, of great importance, will be self-liquidating. They have found a variety of such projects which have stood the test of careful scrutiny and which hold the promise of a great volume of productive expenditure and employment. I believe this is a much sounder

method of dealing with the problem than the diversion of \$125,000,000 of work-relief funds. All can be financed through the issuance of guaranteed securities by Government agencies with good prospect of repayment of both principal and interest through earnings.

"I have caused estimates to be made of the extent of the field for investment of funds in revenue earning channels on a self-liquidating basis and in no way competitive with private enterprise. The estimates are, I believe, conservative. The types of projects I have in mind are listed below, together with the sums which, it is estimated, can be put to work to provide employment for men and machines in diverse lines of industry within the coming fiscal year. These projects are in addition to programs already submitted."

And then come six general headlines.

First, under the new Federal Works Agency -- that is all of the public works agencies under that new agency, we have non-Federal public works:

"Projects of the self-financing type to be financed by loans at sufficiently low rates of interest to stimulate borrowing for this purpose. The type of projects would be water-works, sewage disposal plants, bridges, hospitals, and other municipal projects."

And then comes the program. Just to use this as an example, I put down in the first column the number of years and the total amount that we would ask as a ceiling on the lending, followed by how much we would spend in the fiscal year 1940. Well, this one -- mind you, the years are not all the same -- this one happens to be a two-year program and the ceiling on that two-year program is \$350,000,000. on this item. We estimate that during the fiscal year 1940, the Government would actually spend -- the Government agency -- \$150,000,000.

Then the next item, under Federal Works Agency, is Express

Post Roads:

"Self-liquidating toll roads: bridges, high-speed highways and city by-passes."

Mr. MacDonald, of Public Roads, has a long list of such projects which he certifies and believes would be self-sustaining. There he brings us a four-year program with a total ceiling, an authorized ceiling, of \$750,000,000. but estimates that in the fiscal year 1940 he would spend on these self-liquidating projects only \$150,000,000.

Then we come to Railroad Equipment: The general thought -- we have talked about that before, you know -- the general thought is that it is better to have a Government authority or corporation which will, when the railroads come to it and say, "We need this, that or the other thing in the way of equipment," -- enter into a contract to lease the equipment, whereupon the Government authority orders it -- standard equipment that would be good on any railroad -- and as soon as it is finished it is leased under the contracts to the railroads to use, and the title remains in the Government so that if the road goes into the hands of the receiver, there is no question as to the Government's lien. The Government has title to the equipment.

That is put down on a three-year program basis with a total limit or ceiling of \$500,000,000. and a total actual expenditure during the fiscal year 1940 of \$100,000,000.

Then we come to the Department of Agriculture. There are two items and Rural Electrification is the first.

"Expansion of present rural electrification program to reach a maximum of 1½ million rural families not now receiving electric service nor likely to receive such service in the near future."

That means about five million people not now receiving electric service, nor likely to receive such service in the near future.

That, of course, is a long program because it is done mostly by the cooperative method and also by agreements and contracts with the private electric companies. It is going very well and Carmody (Mr. John M. Carmody, Administrator, Rural Electrification Administration) figures we ought not to hurry it too fast but ought to continue the work that is going along now and which is entirely satisfactory, not only to the rural families but also to the companies serving the electricity. It is a seven-year program, which would amount, in the seven years, to \$460,000,000. There is your ceiling. But he thinks in the coming year of 1940 we would only spend through the Agency \$20,000,000.

Q Sir, is that in addition to their present appropriation of 1940?

THE PRESIDENT: Yes. These are all in addition to present appropriations.

Then, the second item under the Department of Agriculture, the Farm Tenant Program:

"Expansion of the self-liquidating portion of the program of the Farm Security Administration for tenant farm purchases, rehabilitation program, loans for minor improvements and repairs, loans to resettlement cooperatives, and loans for water facilities."

There is a total amount for a two-year program, a ceiling of \$500,000,000. and loan disbursements in the fiscal year of 1940 of \$250,000,000.

And then the final item, which is called "Foreign Loans":

"Extension of short and long-term loans to foreign governments for the purpose of promoting our foreign trade. The proceeds of these loans would be spent in the United States and would be used for development and reconstruction purposes in the foreign country."

There we have \$500,000,000. for two years and loan disbursements of \$200,000,000. in 1940. Note that this would not in any shape, manner or form violate the Johnson Act and would, at the same time, give us a greater outlet for some of our surplus commodities.

That is, really, nothing more than we have at the present time, which is the right of the Export-Import Bank to do this, and then, after the loan is made by the Export-Import Bank, the R.F.C., as you know, has the right to buy those securities for the loan from the Export-Import Bank. This allows the Export-Import Bank to do it in some other place. It is to stimulate trade and of course we would not violate the Johnson Act in any shape, manner or form.

And here are your totals: The total amount of the program, which runs, depending on the agency, from two years to seven years -- the ceiling -- is \$3,060,000,000. The actual estimated disbursements during the fiscal year 1940 will be \$870,000,000.

(Below is given the complete table, as set forth in the press release, from which the President quoted, as indicated above, in part:)

	"Program duration <u>(years)</u>	Total Amount of <u>Program</u>	Loan disbursements of fiscal year <u>1940</u>
"I. Federal Works Agency -			
(a) Non-Federal public works: Projects of the self-financing type to be financed by loans at sufficiently low rates of interest to stimulate borrowing for this purpose. The type of projects would be water works, sewage disposal plants, bridges, hospitals, and other municipal projects.	2	\$350M	\$150M
(b) Express Post Roads: Self-liquidating toll roads: bridges, high-speed highways and city by-passes.	4	750	150
(c) Railroad Equipment: Authority to purchase all types of railroad equipment which is to be leased to railroads at a rate which will return the cost to the United States over a period of years. Carriers would have the option to buy the leased equipment.	3	500	100
II. Department of Agriculture -			
(a) Rural Electrification: Expansion of present rural electrification program to reach a maximum of $1\frac{1}{4}$ million rural families not now receiving electric service nor likely to receive such service in the near future.	7	460	20
(b) Farm Tenant Program: Expansion of the self-liquidating portion of the program of the Farm Security Administration for tenant farm purchases, rehabilitation program, loans for minor improvements and repairs, loans to resettlement cooperatives, and loans for water facilities.	2	500	250

III. Foreign Loans -

Extension of short and long-term loans to foreign governments for the purpose of promoting our foreign trade. The proceeds of these loans would be spent in the United States and would be used for development and reconstruction purposes in the foreign country.	2	500	200
TOTALS		\$3,060M	\$870M"

(The President then continued reading:)

"This program would stimulate a greater amount of productive expenditure than is indicated by the total estimated loan disbursements of \$870 millions for the fiscal year 1940. Some parts of it will involve additional local expenditures not financed by Federal funds, and other indirect expenditures will be generated.

"To give effect to the program outlined above, some supplementary legislation will be necessary."

Practically all of this is merely supplementary legislation, extending the existing ceilings or providing specifically for the setting up of corporations, like the railroad equipment thing, to carry it out.

"As a part, however, of the whole program for stimulating productive employment, I include another proposal which will not require legislation in addition to that now pending. This is the expansion of the public housing program of the United States Housing Authority through extending its borrowing power by \$800,000,000. I have already indicated my approval of this legislation."

And, incidentally on that subject -- this is not in it but just for your information -- I have been talking with Straus (Nathan Straus, Administrator, United States Housing Authority) and in a great many of these cities we find a gap, which you people and I well can/understand. A lot of this housing is taking care of really poor people at a reasonable rental and between them and the people

who are earning, well, let us say, from \$1,250. up to \$2,000. a year, that classification, we have not done anything for that group. Private enterprise on housing, through the F. H. A., is doing a perfectly grand job in providing housing, apartments, et cetera and so on, for the next higher group, in other words, people earning \$2,000. a year and up. You have examples right here in Washington. There are those new apartment houses at the place down there, across the river in Virginia. And that is grand for people who are earning between \$2,000. and \$3,000. a year. But the rents there are too high for people with families who are earning less than \$2,000. and if we get this \$800,000,000. additional housing money -- of course it won't all go out in one year but part of it will be under construction -- we are going to try to take care of that intermediate group that is not taken care of by the actual slum clearance work, people who are not in the lowest classification of earnings but cannot afford the privately built apartments or houses. That is going to take care of this intermediate group that we really have done very little for.

Q Does that involve a rent subsidy?

THE PRESIDENT: The same idea, yes, but it will be a lower rent subsidy.

Q Do any of these categories involve any grant whatsoever?

THE PRESIDENT: No free money whatsoever.

I will read you the rest of the letter:

"If you think well of such a program as I have outlined I shall be glad to confer with you and your colleagues and with Members of the House of Representatives. I am sending copies of this letter to the Chairman of the Appropriations, Finance and Banking and Currency Committees of the Senate and to the Chairmen of the Ways and Means, Banking and

Currency and Appropriations Committees of the House."

And then I am also sending it to the Vice President, the Majority Leader, the Speaker and the Majority Leader. That is all.

The point to emphasize is that this does not cost the Government any permanently out-of-pocket money. There is no grant involved. It is just like R. F. C. lending or H. O. L. C. lending and the money comes back to the Government.

Q Will these agencies, Mr. President, borrow directly from the public?

THE PRESIDENT: Yes.

Q It will not go into the regular budget?

THE PRESIDENT: It will not go into the budget of the United States at all.

Q Who will do the financing for the account of these agencies, the Federal Public Works Agency?

THE PRESIDENT: Yes, the same way we do it now, with the approval of the Treasury Department so that you do not get two issues out to the public the same day.

Q Would this come under Public Works or under the new lending agency?

THE PRESIDENT: Each one does their own, according to their own setup.

Q Different corporations?

THE PRESIDENT: Different corporations but all clear through the existing Interdepartmental Committee.

Q The railroad loans will come under the lending agency, as they do now?

THE PRESIDENT: The railroad loans -- let me see -- the railroad equipment, that would come under the Federal Works Agency but the

actual borrowing of the money will be cleared with the lending agency of the Treasury.

Q Mr. President, have you given consideration to asking the Federal Housing Administration to lower the maximum rate on mortgages which it insures?

THE PRESIDENT: That is under consideration and requires no law.

Q Any thought of what the interest rate will be on those -- on the financing of those self-liquidating projects?

THE PRESIDENT: They will be just about as low as we can borrow the money.

Q Will the interest rate be expected to pay the cost of administration?

THE PRESIDENT: Yes, the whole thing.

Q Are these considered to be completely self-liquidating projects?

THE PRESIDENT: Yes, all are considered completely self-liquidating.

Q They will cost the taxpayer nothing in the long run?

THE PRESIDENT: No.

Q You are not considering hospitals in that?

THE PRESIDENT: There will be hospitals because they will be able to get the money cheaper than any other way.

Q That includes the U. S. Housing Authority?

THE PRESIDENT: Yes; we do not need any law on that.

Q Do you consider U. S. H. A. as a completely self-liquidating project?

THE PRESIDENT: No, that is why I did not put that in in the same category as the others. It is not in the same category.

Q I am not clear on those foreign loans. Under what agency? The Export-Import Bank?

THE PRESIDENT: Yes.

MR. YOUNG: Thank you, Mr. President.

Q Mr. President, in obtaining this money by the various authorities, what interest rate will they pay on their securities?

THE PRESIDENT: Just as low as they can get.

Q How about the rate charged?

THE PRESIDENT: Same thing.

Q Will it be based on that administration cost?

THE PRESIDENT: Yes, and that, of course, will depend a little bit on the length of life of the project. For instance, just for the sake of example, railroad equipment, I think the average life is ordinarily, in the banking end of it, ten years, isn't it? That is on railroad equipment notes. Well, it is something like that.

Well, we might extend that to twelve or fifteen years and we would get, of course, our money at a great deal cheaper rate than we would on a 25-year or 30-year loan. The shorter the loan, the lower the interest.

Q These would be all bond issues to obtain money. Would they be at varying maturity dates?

THE PRESIDENT: Yes, depending on the purpose.

Q Will the mechanics of making these loans be handled by the Treasury?

THE PRESIDENT: Just the same relationship that the Treasury has now to Jesse Jones' financing or John Fahey's financing. It is a cooperative method of handling the issuance of all these securities.

Q Mr. President, is legislation required for the railroad equipment plan? You spoke of the possibility that legislation might be required?

THE PRESIDENT: You do need that if we actually order these cars through a Government corporation and retain title to the cars.

Q If I understood your letter, you have definitely decided to do that?

THE PRESIDENT: Yes.

Q There will be some budgetary outlays for capitalization?

THE PRESIDENT: I do not know. Whether we can do that out of existing law or not, I do not know.

Q Is this the total of the lending? Is this likely to be supplemented by something like the Mead Bill or is this the total?

THE PRESIDENT: No, this is a separate thing entirely.

Q Mr. President, you mentioned the \$3,060,000,000. ceiling for the two to seven years. Is that the ceiling on which the Government would lend or the ceiling on the total cost?

THE PRESIDENT: No, the Government could have outstanding at any one time the total of that ceiling and, as the money is paid back on these loans, the Government would be able, depending on the unemployment situation, to put it out again on some new project. It is, strictly speaking, a revolving fund with that ceiling.

Q In connection with R. E. A., is there anything with respect to the development of St. Lawrence power?

THE PRESIDENT: Not a thing.

Q These will be guaranteed by the Federal Government?

THE PRESIDENT: Just like H. O. L. C. and Jesse Jones.

Q How much of the \$800,000,000. for U. S. Housing would be used, as an estimate, for 1940?

THE PRESIDENT: I do not know. You will have to ask Straus. I do not know.

Q Will there be details available as to those toll roads and bridges as outlined on the part of public roads?

THE PRESIDENT: Yes, MacDonald (Mr. Thomas H. MacDonald, of Public Roads) will be able to give them to the Committee on the Hill. I have not got them. He believes he can do a great deal more than I have put him down for. In fact, nearly all of these agencies -- I have blue penciled them -- they think they can go considerably stronger than the figures I have put down.

Q On the toll roads, does this involve the principle of excess condemnation?

THE PRESIDENT: Yes.

Q That would require legislation?

THE PRESIDENT: Yes.

Q I am not clear whether the obligations to be issued by the Government agencies are guaranteed by the respective agencies or by the Treasury?

THE PRESIDENT: Same relationship as Jesse Jones' securities and Fahey's securities, whatever that is.

Q This rural rehabilitation agency, does it have authority to issue its obligations?

THE PRESIDENT: No.

Q It would be given that authority?

THE PRESIDENT: Yes.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #557,
Executive Offices of the White House,
June 23, 1939, 10.45 A.M.

THE PRESIDENT: Good morning. I did not wake up in time to see you this morning.

Q If you could have heard the King of England broadcast --

THE PRESIDENT: Was it pretty good? Steve (Mr. Early) told me about it.

Q No. Did Steve say he was good?

THE PRESIDENT: Yes.

Q I thought he was awfully dull.

THE PRESIDENT: Of course he is slow in talking.

Q But he was good on the content of his speech; it was regal and royal.

THE PRESIDENT: That's all you have to have.

Q I'll bet he is glad he does not have to run for reelection.

(Laughter)

Q There is the pantsless wonder (referring to General Watson who had openly admitted that Mrs. Watson would not permit him to take the trip to Europe on the Clipper ship.) (Laughter)

Q The Lindbergh of the White House. (Laughter)

(The President's attention was called to the cloth donkey on his desk.)

THE PRESIDENT: You know, it is an interesting thing, that was nearly a foot tall in 1933. Every time it goes to the cleaner it gets smaller.

Q It will be growing quite regularly now.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think I have any news this morning.

Q Mr. President, will the bonds issued by the Government agencies under the self-liquidating or lending program be tax-exempt securities?

THE PRESIDENT: I hope not. I do not know what the law on it is. I hope we will get Congress to make it clear that there won't be any more, anywhere.

Q Mr. President, I understand that you are considering a restriction under which the Niagara Falls bridge is to be built.

THE PRESIDENT: I do not know anything about it except a message from Congressman Andrews in which he asked to see me and I am going to see him when I get back.

Q Isn't there a memorandum being submitted to you to take to Hyde Park for consideration?

THE PRESIDENT: I have not got it; maybe.

Q There is a protest from Niagara Falls that they cannot get the bridge unless the income from these bonds is nontaxable and that you are looking for the (tax) freeing of income, although you insist on the bridge bonds being taxed.

THE PRESIDENT: I do not know; I cannot answer intelligently because I don't know enough about it.

Q Will you ask for new legislation to extend the monetary powers in the event that the filibuster defeats the legislation now before the Senate?

THE PRESIDENT: Yes.

Q You will ask?

THE PRESIDENT: Yes.

Q At this session?

THE PRESIDENT: Yes.

Q There was an announcement in the House of Commons today that Great Britain and the United States were going to sign the barter agreement today?

THE PRESIDENT: You will have to ask the State Department. All I know is that yesterday or the day before they were almost in agreement.

Q Mr. President, on these self-liquidating projects, have they worked out the interest rate that these local governments will pay? In other words, what are the mechanics?

THE PRESIDENT: As low as possible.

Q Berle says that on hospitals it will be as low as one-half of one per cent, or one per cent, and I was wondering whether you merely wanted the principal back?

THE PRESIDENT: No, I want interest, too.

Q You want the interest?

THE PRESIDENT: Sure.

Q Mr. President, the Food and Drug Bill becomes effective day after tomorrow and the House has sent you a bill extending the effective day of part of it. Are you going to expedite it --

THE PRESIDENT: (interposing) I do not know; it hasn't come to me yet.

Q Are you anywhere nearer appointing the heads of the reorganized agencies?

THE PRESIDENT: Yes; two of them are going in today.

Q Thanks for that tip.

Q Do you want to announce them now?

THE PRESIDENT: I had better not out of courtesy to the Senate.

Q When does the third go up?

THE PRESIDENT: I don't know.

Q What about the executive assistants, the six of them?

THE PRESIDENT: I do not think I have any money for them yet, Pete
(Mr. Brandt), have I?

Q Have you money for these other people, the heads of the reorganized agencies?

THE PRESIDENT: That I do not know. (Laughter)

Q I do not think you have. That would mean that possibly they already have some money, being in the Government? (Laughter)

THE PRESIDENT: That I do not know.

Q Mr. President, the House has accepted the Senate amendment on the agricultural parity payments. Have they discussed with you any means of raising the revenue?

THE PRESIDENT: Not yet.

Q Do you expect them to come up?

THE PRESIDENT: I do not know. I'm getting a memorandum this afternoon from Agriculture as to just what it is.

Q Are you likely to have a message on that?

THE PRESIDENT: I could not tell you.

Q If I might go back to the Niagara Falls bridge, do you feel that the income as well as the bonds should be taxed?

THE PRESIDENT: I was just saying that I do not know anything about it; I could not tell you.

Of course, there is this thing to remember: I can give you a very simple example, and this applies to this lending program a little bit:

Once upon a time, when I was in Albany, the American Legion got through the Legislature a bill to build a road up to the top of -- what was the name of the mountain, the big mountain up in the Adirondacks?

Q Whiteface.

THE PRESIDENT: Yes, Whiteface, as a toll proposition, as a memorial to the New York State people who had died in the war. A very, very careful checkup on it showed that it would pay, pay its way, interest and principal. The Comptroller of the State of New York, after the Authority had been set up, tried to get private bids for the bonds, but there wasn't much interest on the part of the people who were asked to buy the bonds and he could not get a bid. It was a perfectly good, self-liquidating project.

Well, he was so sure that the thing was self-liquidating, that he bought the bonds himself out of various State funds, investment funds for the State. And the road has been built and it is paying ever since.

Now, that is a pretty good example of what can be done. Of course, those were tax-exempt bonds but, whether they were tax-exempt or not, they would have had the same problem for their sale to bond brokers. That is a little bit of an illustration. That is why, on this lending program, there are a great many projects on it that the various private bankers do not care to go into because there is not enough spread for them, which is about the answer.

Q In the case of this particular episode, I understand it that under your program the Treasury would have guaranteed those bonds?

THE PRESIDENT: Only if a careful survey showed that the bridge would pay.

Q Since the express highways would have a military value, would not the Government make some contribution to them?

THE PRESIDENT: I do not think so. That is too ephemeral. Use it and see if anybody understands it. (Laughter)

Q I know -- e-p-h. (Laughter)

Q Mr. President, would private organizations be allowed to borrow money, such as the American Legion, or a group of doctors who want to build a hospital, or must it be a local government?

THE PRESIDENT: No, it can be a quasi-public group.

Q Cooperative?

THE PRESIDENT: I think it applies to cooperatives but I do not know. You will have to check on it as to whether it is only farm or food cooperatives or whether it can be extended to other groups. As to that I do not know.

Q But a purely private company could not do it?

THE PRESIDENT: No.

Q Would the interest vary according to the type of project under this program? Would hospitals, say, get a lower interest rate than a more commercial enterprise, such as a power plant?

THE PRESIDENT: I should say not. I think we would probably have a standard rate. Just to give you an illustration: If the Pennsylvania Railroad -- that seems to be solvent -- wants some new equipment and another road that is not in such good financial situation wanted to buy equipment, we probably would lump the two together so that they would get the same rate.

Q Mr. President, how much of this \$113,000,000. in the Agricultural Appropriations Bill is involved in your new W.P.A. food stamp program?

THE PRESIDENT: I have not the faintest idea.

Q We were told on the Hill that you were very much interested in that one fund because a large part is used to finance W.P.A. food sales?

THE PRESIDENT: That is true but I could not tell you how much.

Q Have you any comment to make on the \$225,000,000. farm parity fund?

THE PRESIDENT: I was just telling Pete (Brandt) that I have not any memorandum on it as yet.

Q On the proposed loans to foreign governments, will those be granted to those who have bonds in default, in the same way that we regard interest on war debts?

THE PRESIDENT: They have practically the same relationship to it but not very much. Those, of course, were private debts made back in the palmy days when we were forcing money on foreign governments, regardless.

Q These foreign governments -- the South American governments?

THE PRESIDENT: Those who did not need to borrow money, and firms in New York forced these bonds on South American governments and then forced them from there onto the consuming public in the United States through the old method of using the bank, the little local bank, saying, "If we take your money in New York to put it out on the call market, as a quid pro quo, you have to take x number of Bolivian bonds and palm them off on your bank customers in Poughkeepsie, N. Y."

Well, I cannot say that that ancient fraud of the 20s has

much to do with sound loans at the present time, the money to be spent in the United States. Again it comes down to a question of current soundness.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #557-A (Annual Conference
with Editors of Trade Publications),
Executive Offices of the White House,
June 23, 1939, 11.00 A.M.

(Paul Wooten introduced each one of the editors to the President.)

THE PRESIDENT: They are a very, very young-looking bunch. It is all right.

Q Mr. President, it is a great while since this group has had the opportunity of chatting with you. Our engagements have put that off. I think you know we represent the business press from a representative standpoint rather than from an editorial standpoint and we know that you are interested in what business is doing and where it is going.

I think we are all interested in your action yesterday (statement of the lending program) and that you might like to give us your ideas of where we are going and what we can do to help.

THE PRESIDENT: Of course this thing has been done after an enormous amount of study. Oh, I suppose it started in about the fall of 1937 when things started to go down and there was one group, you might say people in different departments down here, that had the belief that there is a great deal of investment that the banks and private investors won't touch, quite frankly. They don't want to touch it. I used the illustration just now (to the previous Press Conference) with the Press of when I was Governor. There was this bill passed to complete a memorial highway, put through by the (American) Legion, up at the top of Whiteface Mountain, a toll road. They were 5% bonds -- of course that was the era of tight money -- and nobody would touch them. We issued those bonds

after being definitely assured by the engineers, et cetera, that it was not only practicable but would pay its way. But the banking people, who ordinarily bought bonds, would not touch them; there was not enough spread -- it was a sales proposition and there wasn't enough spread.

We took the bonds for various sinking funds of the State. It has been a gold mine for us, so much of a gold mine that we reduced to ourselves the rate of interest from 5% to 4%. It put an awful lot of people to work, they bought a lot of material that went into the construction of that highway, although it was not a big amount, the whole thing costing about \$4,000,000.

There is the private financing element. It is perfectly legitimate, they did not want to touch it.

Now, on this new program, there are a great many things that private investing companies, banks et cetera and so on, won't touch. And what happens? It means that you do not build the project. There is a field in there where the Government can do it and where the private companies cannot do it.

Another reason is that there are certain things that only the Government can do. Well, you take a very simple illustration: suppose you want to build a toll express highway. The private company has not the right to go in there and condemn, or, if they are given by state legislature the right to condemn, they have to do it by the old-fashioned method of going before a jury. You know what that means. Then again, suppose it is in two states. Then you have to go to two state legislatures.

On that particular thing, what I am trying to get the Federal

Government to do on their highways is to adopt the same method we have used in the State of New York for about ten or twelve years, that Al Smith and Bob Moses invented. It is called the method of appropriating. You go to the man and say, "I am awfully sorry, but we have to put this road through the back part of your farm and so I want to pay \$3,000. for the right of way." He says, "I am awfully sorry too, but I think it is worth \$13,000." You say, "All we can find in value is \$3,000. and we will give you the \$3,000. and start things moving. And, if you do not take the \$3,000., we will give you a preferred place on the Court of Claims calendar and whatever the Court of Claims says is due you, we will pay you."

Now, that is the method and there is nothing new about it. On this particular item of building toll roads, we want to do the same thing, Federally, that they have done in several states for many years. You see, the private companies cannot do that. It is just an illustration.

On farm tenancy, we are trying to solve this problem in part, this serious problem of trying to get ownership to replace tenancy in part. It is a \$250,000,000. program. No private company can do it.

That is why the editorials, like those in the New York Times and the Herald Tribune, are so silly. They say, "This is a dreadful thing." They say that we are entering the private field. Well, the simple answer is that this private field has been open right along and nobody has gone into it. As a matter of fact, I do not believe I would do it if I were a private man. And yet, we think

that all of these projects into which we are going will be self-liquidating. If the private investment groups won't touch them and finance them, there is only one answer and that is that the Government has got to do it because it is needed and it is going to put an awful lot of people to work on a basis that does not mean money permanently out of the Treasury.

You know, on the operation of P.W.A., the last two or three years, we have given to any community that wanted a new schoolhouse, 45% grant, which is a pure gift out of the Treasury and which will never come back. I have used it up in the town of Hyde Park in building a million dollars' worth of schools. The Federal Government is handing out, just a handout, \$450,000. Well, I was not going to pass up the chance.

But, it is not the right way of going on permanently. Obviously, your Congressman wants to go on with P.W.A. because his district likes to get the handout but, in the last analysis, it is not sound because a school is not a self-liquidating project although a school is a beautiful monument that a fellow likes to have in order that he may make much of it.

That, however, boosts the budget -- the P.W.A. boosts your budget.

The other method of lending, the self-liquidating end of it, it will come back to the Government over a period of years -- ten to perhaps thirty years. That is the simple business theory of it and we think we can get this money, eight hundred and some millions.

As a matter of fact, I cut the estimates of the different

agencies just about in half. They thought they could use a billion and a half on work, and, being extremely conservative, I cut them to eight hundred and fifty million and I hope, with that cut, they will be able to put that money out in the fiscal year 1940 so we can get the thing fairly soon.

I think we will probably get most of it through. Of course there are a lot of people on the Hill that prefer the P.W.A. method, the handout, and of course the organization that has been doing it in Washington, they want to keep their jobs and go on with it.

Q Presumably the program will depend a great deal on the terms they establish for lending that money?

THE PRESIDENT: Yes.

Q That is up to the Congress, is it not?

THE PRESIDENT: No. The general theory is that we will borrow the money at whatever the market will stand. That depends, of course, a little on the length, the term. At the present time, on thirty-year borrowing, we can borrow probably at $2\frac{3}{4}\%$. That means that we would charge probably an extra quarter of one per cent.

Q That would be a very low rate?

THE PRESIDENT: Yes, as low as we can get. If it is ten years to repay them, I suppose we could borrow the money at perhaps pretty close to 2% and in that case we would lend the money out for the project at about $2\frac{1}{4}\%$ or about a quarter over what it costs us.

As I see it, nearly all of these things are things that private capital cannot do for one thing or another. I am not cussing the banks for going on strikes -- there are reasons for

being on strike and I probably would be myself.

Q There is quite an item there for railroad equipment and, of course, the railroads can get their credit back if business improves and be able to finance it without help, presumably?

THE PRESIDENT: Oh, yes. Of course there are two schools of thought on railroads. A great many of the railroads say, "We do not need any more equipment; we are revamping the old equipment."

Those, of course, are the stronger roads. The weaker roads are actually hiring cars today from the stronger roads that have surplus equipment and that are charging a dollar a day for such equipment. In other words, the strong roads are charging the little roads a dollar a day for the use of these cars and making money. The strong roads have kept their equipment up. They have plenty and they are leasing it to the little roads at a profit on a dollar a day.

The other side is that these little roads probably ought not to be charged, on the basis of present prices for cars, much more than fifty-five cents per car per day.

After all, it is just like all strong people who get in the position of having something that the other fellow needs. We will charge all the traffic will bear. Now, that is human, too, a perfectly natural human thing.

Q Certainly.

THE PRESIDENT: As a matter of fact, on straight valuation, the charge ought to be about fifty-five cents instead of a dollar.

You see, by pooling all these needs for cars and leasing them on what we call equipment trust notes for the length of life of

the notes, which will be twelve to fifteen years -- somewhere between ten and fifteen years -- we ought to be able to borrow that money at somewhere around 2, $2\frac{1}{4}\%$ and charge an extra quarter. We would rent them on that basis to the railroads that most need the equipment.

The other advantage is that if the road goes into the hands of the receiver, the title remains in the Government instead of being all mixed up in the court and having a junior lien instead of a senior lien.

Q That would practically wipe out the investment in ten or fifteen years or it would be amortized?

THE PRESIDENT: Yes. It would run just like the equipment trust note. But there are a lot of little railroads in the country that find it difficult to go to New York and get money on equipment trust notes.

Q It is almost impossible.

THE PRESIDENT: And with that we hope to get in another thing -- some kind of a tie-in with the leasing of the cars -- some provision for taking over their antiquated, out-of-date cars that are really not worth repairing, and perhaps organizing some agency to scrap them.

Q They are practically laying on the sidetracks, idle, today.

THE PRESIDENT: Yes, and what we need is a universal scrapping agency. We could use that scrap for scrap storage. We do not want to export it to Japan or Germany at the present time but we could use it as a war reserve -- something of that kind.

Q That leads directly to another question in which we are tremendously

interested, Mr. President. What is the latest international picture as you see it? How much can you tell us?

THE PRESIDENT: Will you let me talk to you off the record?

Q This is all off the record.

THE PRESIDENT: Well, I will tell you. I will just give you two illustrations. What is the name of that U.P. man?

MR. EARLY: Webb Miller.

THE PRESIDENT: Webb Miller. Of course he is one of the best men we have in Europe. I said to him, "You know, I think the simple thing to do is to put things in terms of betting odds. The chances are there won't be a war during the winter, after the fifteenth of October -- that is, an European war." I said, "What are the betting odds on war between now and the fifteenth of October?"

"Well," he said, "I would say 3 to 2 against it."

That is damn close.

Q Too close.

THE PRESIDENT: Four days before, I had Bill Bullitt down. He had just come over to get his shoulder fixed up and is going back to Paris.

I said, "Bill, what are your betting odds?"

He said, "2 to 3 there will be war. You can put your money on either horse."

My odds are even money and you can pick either side and I will take the other. That is the fairest and simplest way of putting it.

You see, the thing is this: After my note to Mussolini and Hitler in April, if they believed that, economically, Germany and Italy were sliding down hill, my note gave them the out to try to

work out a new international economic accord peacefully because I just definitely said that we would go into that. In other words, we would try to get raw material sources for Germany and Italy. We would also try to work toward disarmament, the first step being no increases in armaments and the next step of trying to get a ten-year agreement that there would be no aggression of any kind, no troops crossing borders.

The door was wide open. If they had only come back and given me 10% of an opening to pursue it a little further! What I hoped was that they would see their own economic condition, that they would take that chance and come back to me and say -- my favorite phrase -- "Yes, but," or say, "We cannot do this or that but we are willing to talk this over a little further about our economic future, our surplus population in Germany."

Well, they closed the door right straight in my face and since then they have increased the number of men they have had under arms materially. Germany has about 1,800,000 men under arms and they are -- well, they have increased them at the Dutch border, they have increased them at the Swiss border, and they have increased them on two sides of Poland, in Germany proper and they have increased their garrisons in East Prussia. They have sent Germans to Italy in large numbers. They have sent Germans to Tripoli in fair numbers.

Italy, at the same time, has 1,200,000 men under arms. They are men under arms with equipment and everything that goes with it. It costs an awful lot of money.

Quite aside from anything else, you would think, as a matter

of common sense, that, having turned down that proposal to talk the thing over, the economic situation, peacefully, it looks as though they have come to the conclusion that they are going to bull the thing through and that their economic solution lies in conquest. That is too bad; we are out of luck.

Then, of course, on the other thing, I think the people over here are coming to realize what would happen if Germany and Italy won an European war. We would be out of the picture, entirely. Suppose they were to win an European war? Well, of course, what does the victor do? The victor disarms the fellow that he has licked. He takes his gun away, he takes away the British navy and the French army. There is complete domination of Europe.

Talking perfectly dispassionately, if I were a German conqueror, what would I do? Obviously, I would have the British navy out of the way and the French army out of the way. Scandinavia and the other countries up there cannot say anything. I would dominate the Baltics; Holland cannot say anything and Belgium cannot say anything.

The first thing I would do is to look around and say, "What outside territories do I want to take for myself?" The Dutch Indies, they are very nice. Congo from Belgium, they have copper, et cetera and so on there. Then there are various other raw material places.

We are not quite ready to take on the United States but we can do it by indirection very nicely. We are going to dominate South America without a war, without violating the Monroe Doctrine. So I say to the Argentine, "I am frightfully sorry, old man, but

you people in the Argentine are completely dependent on the meat and wheat and corn you sell to Europe. You have no economic life if that is taken away from you. You cannot sell to the United States -- they won't buy. That is perfectly true; you have got to sell to Europe. I, Hitler, tell you that you cannot sell in Europe except on my terms and through me. I am going to collect a commission of 1% on all sales you make in England, in France, in Scandinavia and Holland."

What does the Argentine say? "This is a God damn holdup."

Germany says, "Take it or leave it and yes, by the way, Senor Ortiz, I forgot one thing: You put the army and navy under the control of our German officers."

He (Ortiz) says, "It is a damn outrage."

Hitler says, "Yes, perhaps it is. You do not have to take it."

What would you do if you were the President of Argentine? You know your country would starve if they couldn't sell all of their agricultural products abroad.

He would say the same thing to Brazil. "We won't take your coffee, we won't take your rubber, we won't take your cotton unless you sign on the dotted line and, incidentally, we will pay you in South America not in gold or foreign exchange. We will pay in certain manufactured products that will keep our factories going, and we will decide what manufactured products we will pay you in."

It is a perfectly open and shut thing and, if you have the complete, physical power to do it, you win.

Isn't that right? It sounds like a crazy picture but it is perfectly obvious, it is so sensible.

Q It is rational.

THE PRESIDENT: Absolutely, from Hitler's point of view, it is rational.

And, if any of us were in his place, with his methods, we would do it.

MR. WOOTEN: I am afraid we are taking up too much of your time.

THE PRESIDENT: Tell me one thing, what is your general feel? None of us are prophets and we do not want to prophesy. Do you feel that things are a little better?

Q On the up side.

Q We represent so many different industries. I think it is a "feel."

THE PRESIDENT: It is a "feel"; that is all it is. That is why I put it in that way.

Q With our fingers crossed.

THE PRESIDENT: And, of course, as you know, I keep harping on the question of purchasing power. It is the same old story of the white man who is an employee working on the road or on the farm in Warm Springs, Georgia. He gets seventy cents a day when it is not raining. He cannot buy any of the stuff that your people are turning out. That is the real answer. I am not worried, as you all know, about the carpenter and the bricklayer or the plumber who is getting \$15. a day but I am interested in the family that is not making more than \$150. or \$200. a year because he cannot buy anything.

Q This new program will help the heavy industries.

THE PRESIDENT: Oh, yes; it is going to help heavy industries and also

the farm end on agriculture.

It is grand to see you. I hope our "feel" is right, and if we do not have war, everything will be all right.

CONFIDENTIAL

Press Conference #558,
In the President's Study at the
Hyde Park Home,
June 27, 1939, 10.55 A.M.

Q Good morning.

THE PRESIDENT: Good morning. James (Mr. Townsend, of Poughkeepsie),
you own stock in a newspaper or something like that, so you qualify.

Q (Mr. Townsend) I think the one I am interested in is right here in
my hand.

THE PRESIDENT: How about it, Dick (Mr. Coons), is he all right in here?

Q (Mr. Coons) Yes, he is all right; very acceptable.

THE PRESIDENT: Well, what is the news?

Q The Senate yesterday, Mr. President, dropped a couple of amendments
to the monetary bill. Do you have any comment on it, sir?

THE PRESIDENT: Yes, off the record, you are bright boys, awfully bright.
Sometimes you are too damned bright. (The President was referring
to the article in the New York Times, written by Mr. Felix Belair,
in which he referred to the fact that the President had heard about
the defeat of the monetary measures prior to making a trip to the
estate of John Mack, where he had gone trout fishing. Mr. Belair
represented that the President had retired to his favorite sport
in order to cogitate.) I did not hear about it. I read the lovely
story in the paper this morning that I was an hour late getting
down to Poughkeepsie because I was all upset by the thing. Well,
actually, I had not heard from Washington before I left for Pough-
keepsie and I did not hear about it until 7.00 P.M. when I got
back. That comes from being awfully bright.

Q (Mr. Belair) Or dumb, as the case may be.

THE PRESIDENT: In other words, it was one of the things that ought to have happened but did not happen.

Well, I will tell you --

Q (interposing) This is going on the record?

THE PRESIDENT: Not on the record but for background.

I think the easiest way of putting it is this: We will have to go back a little in history. In 1931, there was a great commotion or flurry in foreign exchange -- I should say the relationship of one currency to another -- and we were tremendously hit at that time. Probably Americans lost millions and millions of dollars because we had, at that time, an absolutely inflexible law relating to our currency.

France devalued and, mind you, every time that a nation devalued or talked of devaluing, international speculators were able to turn it to their personal account. You older people remember that as far back as 1931, and the result was that the relationship of one currency to another was jumping up and down like the Jack-in-the-box, with private speculators making money and, incidentally, disturbing the internal economy of every nation, including our own.

Actually, the control, such as there was in the United States, was vested almost wholly in Wall Street -- that is plain fact -- because they were in touch with international bankers all over the world, and the Treasury had no control over the money of this country.

Well, we came to 1933, and the first step there was to try to

bring back the control over American money to the Treasury and take it away from Wall Street. The first method -- wait a minute, I am getting ahead of my story.

Before that, England devalued in 1931. The fact that we could do nothing about our own currency relationship to that of other nations meant that again Americans lost millions and millions of dollars. Our hands were tied and the only people who made money were the international private speculators.

So we came to 1933 and we made an effort to adjust our currency to the great changes that had taken place in a great many other nations.

The first thing we did was to pay more for gold and we bought gold slowly and on the way up from \$21. an ounce to \$35. an ounce.

The difficulty with that process was, frankly, that the nations began bidding against each other for gold and it seemed time to come to some understanding with the other nations to keep gold at about the \$35. level. But that entailed two other steps: The first was to give to the United States a stabilization fund so that the stabilization fund could be used in conjunction with other nations' to checkmate the international speculators and maintain foreign exchange at a reasonably constant level.

The second step was to retain in the Treasury the authority, within very narrow limits, in case of a crisis, to change within those narrow limits the price of gold, and the result was the legislation of 1934.

First, it established a stabilization fund and, secondly, it gave authority to the Treasury -- the dollar being then 59¢, to

reduce it to 50¢, or to put it up. There was not any limit on the up.

Q Pardon me, sir, you said to change the price of gold as a second step. Was that the price or the weight -- the bill reads weight?

THE PRESIDENT: It comes to the same thing. There is no difference. In other words, you have a certain flexibility within narrow limits.

Well, that worked extremely well because, since 1934, there have been two interesting results of this small flexibility. The first has been that foreign exchange has been held during all these critical days, with alarms and wars and all sorts of things, we have had substantially stabilized foreign exchange.

And the second effect, which is equally interesting, is that this has been accomplished by governments rather than by private speculators or legitimate private bankers. To put it the way you people and the public would understand better, the control of currency in international exchange has been restored from Wall Street to Washington.

In England, it has been transferred from the Bank of England to the British Treasury. In France, it has been transferred from the Banque de France to the French Treasury. It is the same thing in Belgium, and the same thing in Switzerland, and the same in Holland. In fact, we have run the ring of international speculators out of business and we have maintained the kind of international exchange so that the exporter and the importer can make contracts with the reasonable expectation that on the due date of the contract they will have the same exchange as the date they made the contract.

Now, what is the general effect of this Senate action which, by the way, is not final by any means? I am talking about the devaluation thing. For five and a half years we have had the right to devalue from 59¢ to 50¢. We have not used it and we have no intention of using it -- absolutely none -- unless some situation develops where other principal nations of the world start to take a crack at us, the way they did in 1930 and 1931, that took us three years to recover from, when we had a rigid exchange. As long as we have this right to devalue by 18%, it is a matter of betting odds, and the chances are about ten to one that we won't have to use it.

On the other hand, the taking away of that right means a possible return to the same conditions that existed in 1930 and 1931: First, giving to the international speculator group the opportunity to sell the pound short this month or sell the franc short next month or sell the belga short the following month. Those are the speculators.

It restores to the banks, the private banks in New York City and London, the only check on these speculative operations. Therefore, it returns to Wall Street the same control that Wall Street had over foreign exchange up to 1933.

Now, of course it is perfectly obvious that there are a great many people, including owners of probably most of the very big newspapers in this country, who would like to see the control over foreign exchange -- that is to say, the relationship of our dollar to other currencies -- would like to see that returned to Wall Street. That is obvious. They have always taken that point of

view. They resent having the control over United States money lodged in the Treasury of the United States.

Of course, the answer is that just so long as the control was lodged in Wall Street up to 1933, the American people lost very, very large sums of money, probably running into the hundreds of millions of dollars -- manufacturers, exporters, importers, farmers. Now, somebody made a good portion of that money that they lost and there were very large profits in those days.

(Addressing Mr. Belair) Write it down, Just because your paper does not want to print it -- go ahead and write it down.

Somebody made that money -- not all of it, some of it -- and there is great resentment that that source of profits can no longer accrue and has not been able to accrue since 1933 to the private bankers and the international speculators because the control has been turned over to the treasuries of the various nations rather than to the private banks.

Now, that is simply just plain facts.

Now, to give it to you in another illustration: I will give you a very good analogy:

This maintenance of a stable exchange, of a stable dollar, is very definitely a part of our national defense and the action of the Senate yesterday is just like saying this -- it is just like passing a bill saying to the Navy, "You have got to take half of the Navy and lay it up in Navy Yards, grease the machinery and red lead the ships -- half the Navy." Then, in case the United States in the future is attacked, you will have the chance to say to the Congress, -- after the attack has begun -- "Would you be good enough

to assemble and, after two or three months of debate, pass a law authorizing us to put that half of the Navy back into commission again and man it?"

Now, that is an absolutely legitimate comparison.

It is a very definite blow at national defense and in case of any crisis we would not be in the same position to meet it as under the present law and we would have to summon Congress and have two or three months' debate as to whether we should put half that Navy back into commission.

Then, of course on the silver thing, it is rather interesting to note some of the names of the people who voted for a fixed price subsidy for silver, because I take it on the same analogy, these same gentlemen would vote for a fixed price, guaranteed by the Government, for cotton and wheat and pigs and cattle, because silver is a natural product just like anything else that comes out of the ground and it is very interesting to note the people who voted for that price-fixing subsidy.

I am not, of course, including Senators from silver states because that is an obvious thing; they want the highest price they can get for their silver, that is obvious. (Examining newspaper)

Well, I cannot tell from the Times (the New York Times).

Which vote is which in this?

Q (Mr. Harkness) The Adams amendment, I think, was the devaluation amendment.

THE PRESIDENT: Oh, they had two votes.

Q (Mr. Durno) Here is your silver (indicating).

THE PRESIDENT: On your silver, let us see: Vandenberg of Michigan,

Lodge of Massachusetts, White of Maine, Austin of Vermont, Barbour of New Jersey, Danaher of Connecticut, Davis of Pennsylvania, little Freddie Hale of Maine. Don't say "little Freddie Hale," say "Senator Hale of Maine." We were brought up together so it is all right.

Well, that is just a little amusing.

Q (Mr. Harkness) There were some Democrats on that.

THE PRESIDENT: Oh, yes, but these are supposed to be against free coinage of silver.

Q (Mr. Harkness) Yes, there was one Republican voted against the amendment. I believe it was Senator Borah.

THE PRESIDENT: This is rather interesting; very amusing.

Q (Mr. Durno) You said that this action was not final. Have you any --

THE PRESIDENT: (interposing) Oh, no. It goes into conference now; I do not know what will come out of it.

Q You have not any --

THE PRESIDENT: (interposing) No; I have not talked to Washington.

Then there is one other thing that can be used, Friday night approaches -- Friday midnight. The Senate and House on Friday midnight will have been in session six months and you know what happens on Friday night if we do not get certain legislation. I think that is all that is necessary to be said on it.

Q (Mr. Harkness) Mr. President, for guidance in this situation, I recall, from having covered W. P. A., that they never end their business, say on Friday night. It is not a case of "we spend all our money, we owe nothing." There is always a big carryover. They have money outstanding or money in the Treasury.

If certain legislation is not passed on Friday midnight, does W. P. A. have authority to spend the \$50,000,000. or \$45,000,000., whatever they might still have in the Treasury?

THE PRESIDENT: Well, the \$50,000,000. already in the Treasury would represent wages due for this week's work and it would represent payment for materials that had been ordered for this week's work. I think, although I am not clear on it, that that being an obligation of the Government, that by Saturday morning they would not be allowed to create any further obligations. I should say they cannot put anybody to work on Saturday -- no more obligations after Friday midnight -- but that this \$50,000,000. in the Treasury would go to pay the wages for this week and the previous week and for paying bills for materials that are being delivered or have been delivered to the jobs. I do not think after Friday midnight they can create any other obligation; that means they cannot buy anything or work anybody.

Q There was a report in Washington yesterday, following the devaluation vote, that you might exercise your existing authority before Friday night.

THE PRESIDENT: That is about as intelligent as most of the reports that come out of Washington, just about. God, the amount of misinformation that comes out is perfectly terrible! It is the same old stuff. Why cannot people stick to facts and not write rumors and reports that just have nothing in them? God knows.

Q (Mr. Durno) When the Governors come up here tomorrow, have you anything in particular to take up with them?

THE PRESIDENT: Oh, no. I am going to be out, sitting under the trees,

and they will come in, shake hands and sit down at little tables and have lunch and then, after that, we will line up in three rows, one kneeling down, one sitting and one standing behind and the still people and moving people can take pictures, and then they will get into their cars and go away.

Q Will that be at Dutchess Hill?

THE PRESIDENT: No; out here on the lawn.

Q How many have accepted your invitation?

THE PRESIDENT: There is a total of about eighty people coming. I think, as I remember it -- Bill (Mr. Hassett) will give you this -- I think there are thirty-two Governors and then there are several Lieutenant Governors and of course their wives and some of their children and a couple of Adjutant Generals, I think. It makes about eighty all told.

Q (Mr. Belair) When you were referring to this Senate action yesterday and the definite blow to national defense, you were referring to the ability of the country to defend itself against speculators?

THE PRESIDENT: Oh, no. Speculators and everything else because we can weaken the country by hurting its foreign trade, very, very definitely, as the foreign trade of the country was hurt, millions of dollars lost, back in -- well, whatever the time was that the foreign currencies were being bruised and bent and, in some cases, broken.

As I remember it, it happened, the first was 1930 and then came the pound in 1931 and then various other currencies went with that. It does not mean that it will happen immediately but it gives a far greater opportunity for it to start happening again.

Q So far the stabilization fund has actually used about \$200,000,000. to operate. Do you think, in view of the Senate action, it might be necessary for them to use the remaining \$1,800,000. of it?

THE PRESIDENT: I do not think it is a probability but it makes the use of the stabilization fund more difficult, undoubtedly.

Q Mr. President, local stuff: I wonder if you would give us anything, in view of the fact that Dutchess County has been very much interested in and wants to do what it can to persuade the Legislature to carry through this depositary (referring to the library at Hyde Park). Naturally, we carried the stories about the suspended rules action a couple of weeks ago, how the Republican side tried to block it. Of course your friend, Ham Fish --

THE PRESIDENT: (interposing) I hope very much that in the next few weeks there will be a rule brought out and of course there is a very definite majority in the House for the plan and if a rule is brought out and it can be brought to a vote --

Q (interposing) Rule?

THE PRESIDENT: What they call a rule. It means that the Committee on Rules brings in a rule as to which the first thing it does is to get an agreement on the length of time in which it can be debated. And then it has to be brought to a vote at the end of the debate period, and on that a simple majority is required to pass it.

Q Is that a combined action of the House --

THE PRESIDENT: (interposing) It is a regular House rule. The Senate has passed it. There is no question about the Senate.

I see the Hyde Park Town Board --

Q (interposing) Yes, they --

THE PRESIDENT: (interposing) -- which is composed of six Republicans to one Democrat, have passed a resolution to the Congressman asking him to vote for it.

Q Of course, strictly speaking, they naturally like the idea from a local standpoint as well as the great value from the standpoint of a national depository.

THE PRESIDENT: Of course it will bring a lot of visitors into Poughkeepsie and Hyde Park, a great many.

Q Has Mr. Walker made any plans? Wasn't he to head the funds committee?

THE PRESIDENT: Well, he has gone ahead. He has pledges. He has got pledges now for, I think, pretty nearly the whole amount.

Q How much was that, sir?

THE PRESIDENT: About \$350,000.

Q Any plans on the western trip? Anything definite?

THE PRESIDENT: No.

Q Will you return tomorrow afternoon or tomorrow night?

THE PRESIDENT: I do not know; I won't know until this afternoon.

Q When do you expect to come back again?

THE PRESIDENT: That I do not know either, because my mother is sailing for Europe on the sixth of July and I would like very much to come up here for Sunday and Monday and Tuesday -- Tuesday is the Fourth -- but it will depend a little bit on whether I have to be in Washington Sunday, Monday and Tuesday, so I cannot tell that until I get back.

Q Are you leaving tomorrow night?

THE PRESIDENT: I do not know; either tomorrow afternoon, after the

Governors go, or tomorrow night.

Q Could we find out a little later? Several of us are considering going down to the prize fight tomorrow afternoon, after the Governors leave, and we might be able to pick up the train in New York, if you will leave that evening.

THE PRESIDENT: It is a good idea. If I leave in the evening, I would leave here, daylight time, I should think about 11.00 o'clock daylight.

Q This bout goes on at ten.

THE PRESIDENT: That means Weehawken about 12.30.

Q I do not know, if you will --

THE PRESIDENT: (interposing) Or if you wanted to party -- 2.00 o'clock is the last train out of New York.

Q We have to go down with you, sir.

THE PRESIDENT: Go down with me, even in the middle of the night?

Q Stick on your job. (Laughter)

THE PRESIDENT: I will try to make it late so you won't have to be at Weehawken until 1.00.

Q On the old post office in Poughkeepsie, I understand an appraisal has been put on for about \$60,000. Is it possible for the City Government to buy it for a City Hall at half the appraisal?

THE PRESIDENT: No, the appraisal is about \$160,000.

Q But there was a new appraisal made recently. Are you acquainted?

THE PRESIDENT: No. As I remember it, the price fixed by the Treasury Department was \$50,000. as half of the real value.

Q Yes, something along that line.

THE PRESIDENT: I think the price fixed by the Treasury was \$50,000.

Q That is what it would cost the city?

THE PRESIDENT: Yes. I very much hope that the city will take it over because it would be a great pity for the city to have a big office building go right up to the curb, I mean right up to the sidewalk, of Market Street and Union Street. It adds to a rather serious congestion and makes it worse. I should think that that building, with a very small additional cost, would be quite usable for a City Hall. Isn't it true that the present City Hall is really needed for the police and firemen, et cetera? Well, it is a good chance to get land at a pretty important place at half price.

Q Any decision, Mr. President, on the head of the new welfare agency?

THE PRESIDENT: No, not yet.

MR. DURNO: Thank you, Mr. President.

THE PRESIDENT: I do not think anything else has happened. I am going to have a perfectly quiet day looking into the problem of repairs to the old buildings.

Q How did you find the trout fishing yesterday?

THE PRESIDENT: Fine.

Q We were interested to hear that Franklin was going to be down at Judge Mack's office.

THE PRESIDENT: Well, he could not find a better place to learn law than one of the most interesting offices in the United States, because I suppose John Mack's office handles a greater variety of law business and in more different jurisdictions than any other office in the United States. This is off the record, but I kidded John about having been admitted to the Reno Bar.

CONFIDENTIAL

Press Conference #559,
Executive Offices of the White House,
June 30, 1939, 10.55 A.M.

Q (Mr. Storm) Good morning, Mr. President.

THE PRESIDENT: What are you doing here?

Q (Mr. Storm) Still got a few weeks of grace. (The President and Mr. Storm were referring to the fact that Mr. Storm had just closed a two-year contract with Sam Goldwyn.)

THE PRESIDENT: It is a very quiet morning.

Q (Miss Craig) The taxicab driver who drove me over here and whom I do not know asked me to say "hello" to you for him.

THE PRESIDENT: Good. Take him again and say you did and tell him that I say "hello" to him.

Q Are you going up on the Hill?

THE PRESIDENT: No.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think I have any particular news at this time.

Q Think you will go away tomorrow?

THE PRESIDENT: I hope to go off tomorrow at midnight and come back on Tuesday, -the fourth.

Q Mr. President, this may be "iffy" now but it may not be by midnight: If the monetary bill is not enacted what policy will the Treasury follow on domestic silver purchases?

THE PRESIDENT: They are studying it now. I cannot give you any off-hand answer.

Q They still have some power?

THE PRESIDENT: That I do not know.

Q Mr. President, have you any comment to make on the tax bill, now that you have signed it?

THE PRESIDENT: No, I think not. The administrative end of it presents a number of problems, as you know, and we are working on the administrative end of it to see if it will work out all right.

Q Could you say anything about those problems?

THE PRESIDENT: What?

Q What they are, those problems?

THE PRESIDENT: I suppose some problem in almost every new session.

Q Have you any indications or any reports to indicate that now that some of these so-called business deterrents have been removed, that business will pick up?

THE PRESIDENT: I do not know; I have no information one way or the other.

Q Can you tell us anything about your conference yesterday with Senator Donahey of Ohio?

THE PRESIDENT: Just general conversation such as we have fairly frequently.

Q Did you see any of the Congressional leaders this morning, before you came over?

THE PRESIDENT: No. I started to do some 'phoning about 8.30, that is why I'm late.

Q Are you planning to go up to the Capitol this evening?

THE PRESIDENT: I am not planning to go up to the Capitol. Of course if either of these bills were to pass at the last moment and it was a question of fifteen minutes -- in other words, if they could not get them engrossed and ready for signature by quarter to twelve,

which would mean getting them down here by midnight, then I would go up there. It is merely a matter of fifteen minutes.

Q Have you any reports on what might happen on the Senate bill?

THE PRESIDENT: The only thing I heard was that the Republicans were in caucus to decide whether they would filibuster it or not.

Of course, I think I could say this: It seems to me that the people of the country as a whole would readily understand that situation and that I do not think the people of the country would be more favorably inclined toward the filibusterers because of the filibuster. That is a very mild comment. (Laughter)

Q Mr. President, there seems to be some disagreement about the situation in the event that this monetary bill does not pass by midnight, as to whether the legislation would have to be reenacted or whether the conference report adoption at a later date would continue the legislation in effect?

THE PRESIDENT: The only thing I can tell you is what I have been told. I have not looked it up and I have not asked the Attorney General. I was told that one or two of the parliamentarians on the Hill said that the bill as drawn is to extend legislation -- extend existing laws -- if those existing laws are off the statute books by expiration, that you cannot extend a law which is not on the statute books, therefore, that a new bill would be necessary to change that language and put back the original law with amendments. Now I do not know; that is simply what I was told as to what some of the parliamentarians up there said.

Q How closely associated with your good neighbor policy is the purchase of foreign silver -- I mean that coming from Mexico?

THE PRESIDENT: Well, that is only one phase of it. Of course that does cast some influence on North, Central and South American relations but, of course, there is another phase of it and that is the stabilization of exchange and the even flow of commerce between all the Republics and Canada.

Q Mr. President, has the Treasury had any assurance from the other signatories to the tripartite agreement that they would cooperate?

THE PRESIDENT: I do not believe it has been taken up.

Q Would you sign the agricultural appropriations bill in case --

THE PRESIDENT: (interposing) It has not reached me yet.

Q Without any new taxes?

THE PRESIDENT: It ought to be here sometime soon.

Q Will you say anything about what you may do?

THE PRESIDENT: No.

Q What about the Federal Securities head?

THE PRESIDENT: I do not believe I will have anything on it today.

Q What about the six administrative assistants? Anything on that?

THE PRESIDENT: Have I got the money?

Q Yes, I think you have.

Q It passed the Senate yesterday.

THE PRESIDENT: I have not signed it yet.

Q Will Jesse Jones remain as Chairman of the R.F.C.?

THE PRESIDENT: No.

Q Have you anything to say about who will be Chairman?

THE PRESIDENT: Not yet.

Q Mr. President, since the cost of collecting taxes on very small incomes will probably use up the revenue, what would you say as to

collection at the source of a gross income tax?

THE PRESIDENT: Just a straight gross income tax?

Q Yes.

THE PRESIDENT: Well, that might work terrible hardships. For instance, I can very readily visualize a person in a very -- below the low brackets, who would get a gross income of four or five thousand dollars a year in some small business but who would only have a net income of only one thousand dollars a year. I do not think that would work. I think it might hit an awful lot of poor people.

Q Mr. President, is it possible to say anything further about your western trip plans?

THE PRESIDENT: I will probably go west four days after Congress finally adjourns. And now, you know all about it. (Laughter)

MR. YOUNG: Thank you, Mr. President.

NOTE: What follows this note is a transcript made on June 19, 1956, of stenographic notes made by me and recorded as taken on April 27, 1939, at 6.30 P.M., of a Press Conference held at the Nelson House, Poughkeepsie, New York, by Mr. William Hassett, a White House secretary.

The President, at the time, was at his home in nearby Hyde Park, New York, and members of the White House staff had set up temporary offices in the Nelson House, through which the various forms of communications were channeled. Representatives of the press associations and of individual newspapers had their rooms and telegraphic facilities in the same hotel; these included photographers as well as writers.

A memorandum bearing date May 3, 1939, over my name, on White House stationery, explained the purpose of this Press Conference.

Henry M. Kannee
Washington, D.C.
June 19, 1956

Mr. HASSETT: The President completed the dictation of his World's Fair speech which would seem to be a reply to any allegation that he was going, on Sunday, to reply to what Hitler is saying tomorrow.

This further explanation, however, is entirely off the record and that is that in the exchanges between nations it is always customary to have at least an acknowledgment, if not a reply; that in no sense --- heads of state have the right to make public speeches all they want to but in no instance is a public address to be considered as a reply to a communication from one government to another.

Q You say that is off the record?

MR. Hassett: That is off the record.

Q That is obvious.

Q You mean that is not to be used in any way?

MR. HASSETT: That is for your own guidance. You can't use it as coming from the White House.

Q (Mr. Durno) You may say, coming from the White House, that the President

is going to make a speech in New York and he won't answer Hitler but you don't want to say it in advance?

MR. HASSETT: The speech that he is going to deliver in New York Sunday afternoon has been dictated. That is pretty good evidence, it seems to me; but this other is an explanation of the position taken in the exchange of notes between heads of governments.

Q Will it be possible to get the text tonight? It would help our offices.

MR. HASSETT: That I don't know but I think you will get the text well in advance of his delivery. The speech is completed already. It is conceivable, moreover, -- and this is off the record -- that if Mussolini or Hitler sent a communication to this communication, the President might refer to it in a fireside chat but that would not be considered a reply. He would still have the obligation to send a formal acknowledgment or reply to anything that was transmitted formally, and that this government will not consider anything that Hitler may say in a public address as a reply to an official document. That is plain, isn't it?

Q Yes.

MR. HASSETT: And it is all off the record.

Q (Mr. Durno) Conceivably the President replied informally yesterday when he addressed that conference and dragged in his Pan American speech. That wasn't formal. It was just a position.

MR. HASSETT: That is not comparable, George. You can't call it a reply. A reply to what? Again a reply to something that has not been received?

Q Not a reply but a statement. And every time he makes a speech, he states his position.

MR. HASSETT: Really, I don't see how it is profitable to continue the argument. Do you?

Q (Fred) No.

MR. HASSETT: (Continuing) On the basis of the simple fact that the speech he is going to deliver in New York is completed now. How can that be considered a reply to a speech that is going to be delivered tomorrow morning?

Q How many words, approximately?

MR. HASSETT: That I don't know. It has been dictated.

Q It is fifteen minutes and his pace is approximately one hundred and ten words a minute.

Q When will it be completed?

Q Nothing off the record. This is all being transcribed.

Q Anything in that he feels he has been officially snubbed by Hitler in that Hitler is going to make a speech in the Reichstag and not in response to anything from this government?

MR. HASSETT: Let us have it again.

Q This off the record thing that you gave to us: Can we consider that, still speaking off the record, as the President's own opinion that he believes that Hitler is not playing cricket by going before the Reichstag and not addressing a communication to him?

MR. HASSETT: The statement has been made in newspaper dispatches that the President would reply on Sunday to the speech Hitler is to make.

Q This explanation may throw some light on the President's attitude, in that Hitler, instead of coming to him through State Department channels or directly to the White House, chose this method.

MR. HASSETT: Adding, of course, that the President said he has the right to make all the speeches he wanted to but he will not consider anything that is in that speech as a reply.

Q We can say that on our own authority without quoting the White House?

MR. HASSETT: On your own authority you can say anything you want to say. But I don't think there is anything complicated about it. But I think you can make it complicated if you have too much talk.

Q The President does not want his Sunday speech to be considered as a reply to Hitler's speech. If we want to consider it as such, we are at liberty to do so.

Q We will get the speech at what time? We will get the speech -- we will be sweating around here to get the speech, the advance copies, and when we get the speech there will be a big bust and you know damn well there is going to be a slant on it -- just having covered speeches that Roosevelt has made over the last six years.

MR. HASSETT: You see, you have much better information than I have -- and I just talked to him.

Q Of course this speech is subject to change and subject to interpretation and so on.

Q Is the war on again?

Q (Mr. Belair) What this is aimed at is to try to prevent a war. More or less stories coming out for Roosevelt's Sunday's speech that it is

going to be a reply. What he is trying to get us to do is to refrain from so doing. If we do, that is our business.

Q (Mr. Durno) Why don't you make a statement for the Press that the President went to bed early intending to sleep very late and ignoring Hitler's speech because he couldn't get up that early and would get the dispatches casually as they come in and meditate on them.

MR. HASSETT: Well, the President, the last thing he said was that he was going to sleep early and get up at his usual time.

Q What time is that?

MR. HASSETT: I don't know but it will be later than six o'clock. I am not going to issue any statement as to what time the President is going to get up in the morning.

Q (Mr. Oliver) Any of this make any new lead?

Q (Fred) No. I am going to write a separate story on that.

MR. HASSETT: I have got some dope on the arrival of the visitors, if you want. This goes for all entertainment: There will be no formal dinners. They will have family dinners.

Q There is going to be smorgasbord. If there is, I want to be invited. I like salt mackerel and herring.

MR. HASSETT: The Norwegians will arrive about 4.30 tomorrow afternoon and will be received at the wharf by the President and Mrs. Roosevelt. They will be piped over the side, et cetera, and that is all there is to that. Then they will have a family dinner and after dinner the Vassar College choir will sing.

Q Oh, Jesus! (Laughter)

MR. HASSETT: I was waiting for that.

Q That is what you get for baiting royalty.

MR. HASSETT: On Saturday there will be a picnic for the Norwegians.

Q That is what I wanted to find out all day.

MR. HASSETT: And at that picnic they will be entertained by Norwegian singers and dancers.

Q Where is the picnic?

MR. HASSETT: I haven't been told and I don't know.

Q Are these local Norwegians?

MR. HASSETT: I think they have come up. There is some connection with the Fair.

Q The Norwegians load lumber at the dock. I think they got them from there.

MR. HASSETT: Then, again, family dinner Saturday night. And then, Sunday morning, as you know, the Norwegians leave --

Q The Royal Norwegians -- (laughter)

MR. HASSETT: -- leave.

Q After a breakfast of sardines.

MR. HASSETT: And the President goes down to make his World's Fair speech. Then he comes back and it is expected the Danes will arrive Sunday evening about 6 o'clock. After dinner -- family dinner again, and not a picnic -- there will be music -- singing by a Miss Kraus --

Q Miss Lena Kraus -- (laughter)

Q (Mr. Durno) Have you the first name?

MR. HASSETT: No -- and Carl R. Maxson's YMCA quartet.

Q What is that?

MR. HASSETT: You are not respectful toward your betters, anyway.

Q YWCA?

Mr. Hassett: Leave the ladies out. It is YMCA.

Q Of Salem College?

MR. HASSETT: Of course everybody knows where Salem College is.

Q I don't. Where is Salem College?

MR. HASSETT: It is in Salem.

Q Massachusetts?

Q There is a Salem, New York, right across the River, about thirty miles back.

Q Where do you get the YMCA and a College?

Q Every college has a YMCA except the Jesuits.

Q You know, Bill, we ought to invite Sir Wilmot Lewis.

MR. Hassett: I am not done with the Danes. Let's see. After they rest from all this singing, they will, on Monday, have a picnic. Monday afternoon they will accompany the President to the dedication of the Rhinebeck Post Office, at 3.30 P.M., where they will be presented to the assemblage -- but no speech by the Danes.

Q Do you think the Crown Prince will show his tattoo marks? (Laughter)

MR. HASSETT: The West Point Band will play the Danish National Anthem. (Laughter). I don't know why this is getting so funny.

Q This is a beautiful Tin Pan story.

MR. HASSETT: They will come back for a family dinner.

Q Back to Hyde Park?

MR. HASSETT: Yes, for a family dinner.

Q They get two dinners?

MR. HASSETT: Yes, have the same amount of vittles and they will depart that evening.

Q What is on the entertainment program that night?

MR. HASSETT: Doesn't seem to be anything.

Q Want us to go up and put on a tap dance?

MR. HASSETT: Yes, we might have amateur night that night.

Q On these various dinners, are we going to have guest lists?

MR. HASSETT: Obviously not. Family dinners. I assume not but I believe Miss Thompson will be in and I had hopes of turning you over to her.

Q Who arranged for the program?

MR. HASSETT: Mrs. Roosevelt, probably. I think they are going to have a lot of good, clean fun. (Laughter).

Q Certainly not Billy Rose. (Laughter).

Q I didn't get this Miss Kraus. What is she going to sing?

MR. HASSETT: That I don't know; about the smorgasbord, I suppose.

Q (Mr. Belair) Is that the works, Bill?

MR. HASSETT: Yes.

Q What time is the press conference tomorrow?

MR. HASSETT: There will not be a press conference tomorrow.

Q (Mr. Belair) They can't do that.

Q (John) No press conference?

MR. HASSETT: No.

Q (John) I had a radio put in for six o'clock tomorrow so that I would

have a background to ask questions.

MR. HASSETT: The President said, having made this explanation, obviously he would have no comment to make tomorrow on such information as he might have about the speech.

Q Sulking in his 99 room mansion, President Roosevelt --

MR. HASSETT: But, for your guidance, it is the best of my information, knowledge, and belief that the President will go to bed tonight and not get up until after 6 o'clock tomorrow morning.

Q (Mr. Dumo) Thank you, Mr. Hassett!

MR. HASSETT: You are very welcome. Kindly leave an offering as you pass out, to be devoted to some worthy charity.