

CONFIDENTIAL

Press Conference #598,

Held while the President was seated in his car
alongside of the Presidential Special Train,
At Hyde Park Station, New York,
November 17, 1939, 8.40 A.M.

THE PRESIDENT: Has anybody been asleep?

Q I think there was some sleep.

Q A minimum.

THE PRESIDENT: Didn't have an all-night party?

Q No.

THE PRESIDENT: I don't know a thing. That is not an unusual condition.

Q Mr. President, are you going to wait until January to fill this Supreme Court vacancy, or could we expect it before then?

THE PRESIDENT: George (Mr. Durno), I haven't really thought about it at all but I think probably, if I were writing the story I would say January unless there were some emergency.

Q Mr. President, after your speech in laying the cornerstone of the Jefferson Memorial, there was some speculation by various columnists on what you meant.

THE PRESIDENT: (Laughing) I watched the faces of everybody and they were funnier than a crutch. They thought something was coming and I expressed the perfectly terrific thought -- I mean one of those soul-stirring, national interest thoughts -- that I hoped that I would be able to go back to the dedication in January, 1941, and all you fellows -- Oh, you have been having an awful time since.

Q I trust you read Mark Sullivan yesterday morning?

THE PRESIDENT: Yes. Wasn't that funny? I did it deliberately and everybody bit.

Q Mr. President, Senator Wheeler suggested a Congressional investigation of this faulty ship design. What is your information on that subject?

THE PRESIDENT: Well, to put it in lay language, when the ships were designed, when the plans were first drawn, there was a difference of opinion between naval architects -- some of the naval architects and engineers in both Government and private plants felt that the metacentric height, which is not the same thing as the center of gravity --

Q (interposing) What was that phrase you used?

THE PRESIDENT: Metacentric height, which is not the same thing as the center of gravity -- you will have to go and find out why; I could not tell you -- was too high. It was an honest difference of opinion. As the ships were being built the usual thing happened: new inventions, new designs, added more weight, thereby throwing the metacentric height again a little too high according to some opinions. When the ships were tried out, the earlier ones, they found that the school of thought which had said in this highly scientific computation that the metacentric height was too high were correct. Since then they have made certain changes; they have lowered the metacentric height and it is all over.

That is all there is to it, this thing that calls for Congressional investigation. If you tell them that, you tell them the whole thing.

Some newspaper may, quite correctly, remember what Senator Smith (Senator William Alden Smith) of Michigan questioned at the time the TITANIC went down. You remember that one? Don't you know that story? Well, the TITANIC, you know, scraped an iceberg and the ice tore out her plates along the starboard side in a sufficient number of watertight compartments to prevent her staying afloat. A ship, you know, is divided across, across the middle. An investigation was held by the Senate of the United States, or a Congressional Committee. Senator Smith of Michigan said to one of the officers who had been saved, "Didn't your ship have watertight compartments?" The officer said, "Yes, Senator." "If so, why didn't the passengers go into the watertight compartments and be saved?" (Laughter)

MR. HASSETT: And there was the opening question, "What is an iceberg made of?"

THE PRESIDENT: Yes; that's right; that is true.

MR. HASSETT: He retired from public life.

THE PRESIDENT: Don't say I am forestalling the Senate on this thing, or the Congress, but the whole story has been told. You can have the same thing explained by engineers, if anybody wants to. You will get more on metacentric height.

Q What the heck is that metacentric height?

THE PRESIDENT: I don't know; I frankly don't know, except they always tell me in the Navy it is different from center of gravity. Apparently they don't know either.

Q Will you clear us up on the removal of General Ashburn? Steve Early --

THE PRESIDENT: (interposing) I would, if I could, but it is a long-

standing thing. The old -- this is off the record -- the old man has done an awfully good job in all these years. He is awfully old and he did manage to slip himself another \$5,000. a year and it is over and above what the obvious intention is. On the other side, the Commerce people did not use their beans in the way they fired him. I think he should have gone but I think the way Monroe Johnson did it was cruel. Well, you have had that.

Q Did your redesignation of Mr. Gruening as Governor of Alaska -- is that indicative that new commissions will have to be issued to other recess appointees? I believe there were some sixteen of them altogether.

THE PRESIDENT: I signed quite a lot right after Congress adjourned.

Q Is that the signing again of new commissions?

THE PRESIDENT: Yes.

Q That is because they were not sent up to the special session?

THE PRESIDENT: Yes.

Q I presume the entire group will be sent up?

THE PRESIDENT: I think in order to get pay they will have to get new commissions.

Q Can they get pay before they are confirmed by the Senate?

THE PRESIDENT: I don't know. Frankly, I don't know. I don't believe they can.

Q I don't think so either.

THE PRESIDENT: I believe they have to have new commissions in order to make their actions legal -- that was it.

Q You don't anticipate any difficulties through challenges of author-

ity in this interim?

THE PRESIDENT: No.

Q Have you any appointments today?

THE PRESIDENT: I haven't got a single appointment today, even with a neighbor or a postmaster or a contractor or an architect. Absolutely free.

Q You are going to take a ride today, aren't you, Mr. President?

THE PRESIDENT: Yes. It is perfectly grand. It is going to warm up and be perfectly all right. I don't know where I am going but I am going to have a free day today.

Q Anything you can tell us about possible economic or financial aid to Finland? There have been reports that we have promised them economic and financial aid.

THE PRESIDENT: No. They were -- I would check up on this -- they were after a loan about two months ago for some specific purpose. I don't know -- it was to build a railway or something like that, and, as I remember it, they were referred to New York banks because, as you know, they have a perfect right to get a loan from banks -- underwriting. That is quite a while ago.

Q The story was that their attitude toward Russia stiffened on a promise from this country of economic and financial aid.

Q Can you tell us anything, Mr. President, about our position in regard to Belgium and the Netherlands and the peace overtures, the mediation overtures made by the rulers of those two countries. As I understand it, our representative in the Hague had rather a long conversation with the Queen but no information has ever come out.

THE PRESIDENT: No, and it won't. (Laughter) It may, some day.

It is all right. There is no story in it, really, and you would be surprised if you knew what it was. I would say it was not of very great international importance.

MR. BELAIR: In the absence of Mr. Godwin, may I say, "Thank you, Mr. President"?

THE PRESIDENT: Yes. I will let you know if anything turns up.

CONFIDENTIAL

Press Conference #599,
At the Site of the new Post Office,
Wappingers Falls, New York,
November 18, 1939, 12.10 A.M.

THE PRESIDENT: Are you ready to do some architectural reporting today?

Q Yes, indeed.

THE PRESIDENT: Well, this building here is another adaptation of local old Dutch designs. It differs from some of the others that we built because the end gables are brick on top of the -- above the regular stone (field stone). It is just another type of the old Dutch stone house.

The decoration in this building is going to be very interesting. We are going to have two panels. Down here at the foot of the street is the famous Wappingers Creek. This is (was) the main center of the Wappingers tribe of Indians and the creek was called after them. We will have a picture of the way the falls -- it was a very lovely gorge with falls -- the way it looked at the time that the Marquis de Chastellux came through here to join Rochambeau's army on the way to the siege of Yorktown.

Q Will you spell that?

THE PRESIDENT: I will try to but I am not sure -- C-h-a-s-t-e-l-l-u-x -- the Marquis de Chastellux. He wrote -- he kept a diary. He came over just after Rochambeau landed at Newport in 1780 and they had left Newport and started on the famous march on Yorktown. He came after them and he kept this diary. He came through Wappingers from Newport, across the river, and went on down, on horseback, and he has a complete description of these falls right here at the

foot of the hill, just across the bridge.

This painting, the first panel, will be the way the falls looked at that time, before there were any buildings, before it had been altered in any way.

Then the second picture will be the same scene, from the same spot, from an old painting about 1850, when this was a very big and very important manufacturing center, literally, with cotton mills and the water power all harnessed. It is a picture of the mill and a picture of the houses of the period.

Q Are they using that water power now?

THE PRESIDENT: I could not tell you; I do not know. I think they are -- I think there is a bleachery down here.

Q The town does not look any too prosperous.

THE PRESIDENT: It is a lot better than it used to be ten years or twenty years ago.

Q How much does it cost? (Indicating the post office)

MR. MOORE: (Representative of the Procurement Division of the Treasury Department) About \$50,000.

Q Why these gables and brick?

THE PRESIDENT: It is another form of old architecture. Generally, there were three types, one where the stone was carried up to the peak, another one was wood with clapboards on the gable and another was brick.

Q This makes how many of this general type of post office that you have put up in the county?

THE PRESIDENT: What is it? (Turning to Mr. Moore) Of course there are some on the other side of the river.

Q In the valley?

THE PRESIDENT: In the valley. I should think there are three in Ulster County, and the Beacon place -- is that stone?

MR. MOORE: It is a stone building of the colonial type.

THE PRESIDENT: That does not count. We have one at Rhinebeck and one at Poughkeepsie.

MR. MOORE: And then there will be one in Millbrook and one in Pawling.

THE PRESIDENT: One in Millbrook, one in Pawling and one in Hyde Park.

That building directly ahead, across there, (indicating) is one of the oldest buildings. It is the old Mesier homestead.

Q How is that spelled?

THE PRESIDENT: M-e-s-i-e-r. And that (indicating) is a public park.

MR. MOORE: Our stonework matches somewhat with the stone chimneys in that building.

Q Mesier homestead -- who is Mesier?

THE PRESIDENT: Some early inhabitant.

Q Some early settler?

THE PRESIDENT: Yes, and that is now a public park.

Q Who is doing these murals?

THE PRESIDENT: Mr. Billings. Isn't that right?

MR. MOORE: Yes, sir; he is working on the murals now.

Q Where is he from?

MR. MOORE: Dutchess County.

THE PRESIDENT: Yes, he is somewhere up in the town of Milan.

Q Which town?

THE PRESIDENT: Milan.

Q We could probably find him in the phone book.

THE PRESIDENT: Yes.

Q That somewhat resembles that Governor Clinton House.

THE PRESIDENT: It does, a little.

Q It is the same general idea.

THE PRESIDENT: Yes.

Otherwise, everything is all quiet.

Q Are you going to have any advance on your speech tomorrow?

THE PRESIDENT: Yes.

Q When do you think we could get it?

THE PRESIDENT: I will try to get it down to you tonight.

Q That would be perfectly fine.

Q Are you going to have any deliberate interpolations?

THE PRESIDENT: No, just plain English. But we never can tell what will happen to the plain English.

Q Nothing we will be able to bite on?

THE PRESIDENT: I do not believe so.

Q For the sake of the record, we were all behind you (at the Jefferson Memorial) so that the people into whose faces you were looking were not us. We did not write it.

THE PRESIDENT: I did not say so. If I had caught George's (Mr. Durno's) eye it would have been all off. I might have said something dreadful.

Bill (Mr. Hassett), have you told them the thing about the Library?

MR. HASSETT: When we get back.

Q We wanted that for Sunday morning papers. We haven't room in the Saturday papers.

THE PRESIDENT: What else was it? I gave you a long dissertation about it yesterday.

MR. HASSETT: It was all on the Library.

Q Where did you go yesterday?

THE PRESIDENT: I got lost. I got stuck -- not lost. Did you tell them that?

MR. HASSETT: I did not tell them that.

THE PRESIDENT: Well, I got to a corner of the property way out east that I have never been able to get into because I did not buy it until recently. There were about forty acres that I have never been in because there was no road. So I tried to do a little exploring. We took the car into a swamp and I was all right as long as I kept going but I stopped to look at some trees and, unfortunately, when I looked up again -- down again, my car was down to the running board. So we got the Secret Service and three of my men and I got hauled out by man power.
(Laughter)

I am trying to build a road in there so that I can get to it. It is really a firebreak -- that is primarily the object of it, a firebreak. I am going out there again this afternoon to try to select a place to get over the swamp.

Q We will watch the Secret Service shoes. (Laughter)

THE PRESIDENT: Yes. I do not think there is another blessed thing.

Q No change in the plans for Warm Springs, et cetera?

THE PRESIDENT: No. I talked to Washington this morning and everything is all quiet. Nothing new.

Q They certainly made your weather to order for you this trip.

THE PRESIDENT: It says clear and possibly rain tomorrow. This is perfect; it could not be better.

Q Yes.

THE PRESIDENT: George Fox says the greens are pretty good, too.

Q Yes, but his golf isn't so good.

THE PRESIDENT: He said he did a 44.

Q That is not so good for him.

THE PRESIDENT: Isn't it? It is not bad. Anybody who goes under 50 cannot complain.

(The President was driven down to the bridge over Wappingers Falls, where he pointed out to one member of the Press the location of the Falls and the surrounding buildings.)

CONFIDENTIAL

Press Conference #600,
Held in front of the Veeder Cottage,
Warm Springs Foundation, Warm Springs, Georgia,
November 24, 1939, 10.45 A.M.

THE PRESIDENT: Doc (Mr. O'Connor), you can stay there; they won't bite.

Well, I hear you are quite a golfer.

Q (Mr. Belair) I am not so hot. I did not have to be perfect yesterday.

THE PRESIDENT: I don't know a thing; not a thing.

This letter -- Bill (Mr. Hassett) will give you copies of it -- to the members of the War Resources Board speaks for itself. It was sent to all of them. It thanks them for the fine spirit and patriotic offer of further services. We express our appreciation and hope that they will continue to act in an advisory capacity to the Munitions Board as it may request from time to time. You can get the list of people that it was sent to.

Q To whom was it sent?

THE PRESIDENT: To all of the members.

Q Does this mark the end of the Board?

THE PRESIDENT: Yes, except, of course, they are still keeping on in an advisory capacity when called on.

I don't know why I should waste gas on you fellows. (The President turned off the ignition.)

Q Anything you can tell us about business and taxes? There was something on that before we left Washington.

THE PRESIDENT: I don't believe so because I haven't got any figures yet. Of course the objective is to cut down on all the expendi-

tures that we can properly cut down on at the present time.

Well, I will tell you what I can do: I will give you a story because you can raise a question for public discussion, which is always useful. Let us assume that we are able to cut appropriations and that Congress does not appropriate large sums not in the Budget as they did last year. That is quite an important point to make because that is not generally realized, that they ran over my budget about \$350,000,000.

Assuming that a budgetary and appropriation cut is made, thereby -- oh, yes, and that tax revenues are very definitely increasing as far as we can tell now -- it means that you have a reduction of this year's deficit from two sources: first, an actual reduction in the budgetary appropriations and, secondly, an increase in taxes.

Now, here comes a question which is a good thing for public discussion. Undoubtedly, because of the world situation, we will have to appropriate a fairly large sum, more than we appropriated last year, for national defense. Let us assume that that sum would run to approximately \$500,000,000. more than last year. Query: Should we borrow money to pay for it or should you pay as you go for emergency national defense?

If we borrow the money -- and it will have to be paid off sometime in the future -- it means no additional taxes this year. If we adopt the principle that national defense expenditures are a current item and bring back nothing into the Treasury except a few additional business taxes from profits, it means additional taxes. Shall we put it on future generations

or "pay as you go?" If we attempt to pay as you go, it would mean, of course, the levying of some form of emergency national defense tax or taxes.

Now, that is the first principle that the country ought to understand, ought to do some discussing about. I simply raise the question. It is a perfectly proper question to raise as a question. There has been nothing decided at all.

Q What form could that tax take?

THE PRESIDENT: I am not talking -- I am talking principle and principle can be spot news just as much as dollars and cents. Excuse the dirty dig, George. Do you see the point? It is really a matter of importance as to which way we will determine this question and, if it should be decided by the Congress that it should be in the form of additional taxes, then we would come to the question of what form the taxes should take, but not until it is decided.

Q As a matter of principle, have any national defense expenditures been on a "pay-as-you-go" basis?

THE PRESIDENT: They were, of course, during the war. In other words, we did not make it wholly pay-as-you-go; we borrowed a great deal of money but we also increased taxes a great deal.

Q It is an election year. Do you think that the Congress would be very anxious --

THE PRESIDENT: (interposing) I should say, offhand, this is not a matter for politics but for principle rather than politics.

Q Does this imply that the Budget could be balanced next year, aside from national defense?

THE PRESIDENT: No, but if you get a reduction of appropriations, if you get increased taxes and if you took care of the increase in emergency national defense expenditures, you would have a very, very substantial decrease in the deficit. You would probably be able to cut it more than in half, which would be pretty good.

I do not mean "increased taxes"; I meant to say increased tax revenues.

Q That five hundred million increase in national defense, is that for sake of example or would it run about that much?

THE PRESIDENT: Run approximately that much. I mean that is only an approximate figure.

Q That would bring it up to \$2,300,000,000.?

THE PRESIDENT: No, less than that.

Q I thought it was a billion eight or seven?

THE PRESIDENT: Not expenditures. There is another thing that people never quite understand. In other words, appropriations are not quite the same as expenditures.

Q That is largely the increase in personnel, is it not, Mr. President?

THE PRESIDENT: No, not at all; none of it.

Q I meant the additional half billion?

THE PRESIDENT: Oh, yes, some of that. When you say "personnel," you mean enlisted men?

Q Yes.

THE PRESIDENT: Only I would not call it "personnel," because people would think it is additional civilians. It is additional people in uniform. It means additional civilians, of course, working

in factories.

Q Mr. President, this increased business volume: There is every indication of it continuing for some time, I take it?

THE PRESIDENT: I am not playing the market. (Laughter) I am being tough today, Felix, but it is all right.

Q I don't happen to play the market either but all the predictions I heard were that it is going to continue.

THE PRESIDENT: I am not very strong as a prognosticator this morning.

Q (Mr. Ralph Smith) A member of our Journal (Atlanta Journal) was up there when they set off that blast and he said that if you had as much gold as that assays, it would pay off the national deficit. That will assay \$160,000. to the ton. (Presenting to the President a small piece of gold-bearing ore)

THE PRESIDENT: How much did they get out in the old days, all told?

Q John C. Calhoun took seven or eight million dollars out of there and Samuel J. Tilden took a world of gold. He sent his son down there to reform him and found out that he had found as much corn whiskey down there as in New York.

This (indicating a large sample of gold-bearing ore) is one that I cannot present to you. It contains an ounce of gold.

THE PRESIDENT: It may be pyrites.

Q (Mr. Smith) You can add that (the small sample) to your collection. That came from the second blast.

THE PRESIDENT: What was it, down below the old vein?

Q This is a new branch of the Calhoun vein.

THE PRESIDENT: Who is doing it?

Q A fellow named Major Dugas. He is a typical prospector who has been

down there for a long time.

THE PRESIDENT: This is up in North Georgia at Dahlonega, where the United States Government at one time had a mint.

Q (Mr. Smith) The first mint was there and any money which was stamped with a "D" has a tremendous premium with collectors.

THE PRESIDENT: Well, let's go up there. I know a lot of people who would like to get in on that.

Q I see the Highway Commission here and I want to ask you one in advance and that is about the fence and no fence law. That has to do with the cattle grazing at large on the new highway. The "no fence" means that the cattle cannot run at large but "fence" means that you keep the farm fenced up.

THE PRESIDENT: They are supposed to be fenced in?

Q It is a county question. They run all over in this county and in others they do not.

THE PRESIDENT: Generally you damage the cow more than the automobile.

Q If you hit a good sized cow it would bust you up. Some folks have been killed.

THE PRESIDENT: Generally that is quite late at night.

Q "No fence" means that the cattle cannot run at large but "fence" means you keep the farm fenced up.

THE PRESIDENT: The farms are supposed to be fenced up. I suppose they (the cows) run from one side to the other.

Q We do not know that they are yours, Mr. President; they do not have a brand on them.

THE PRESIDENT: Maybe Otis overslept.

Q You are going to be too busy to go to Pine Mountain Valley? (Laughter)

THE PRESIDENT: I had intended to ask you people what day you wanted to go.

Q Two weeks from next Wednesday. (Laughter)

THE PRESIDENT: We have got a good black road part of the way now; it is a grand road.

Q If you promise to go over they will pave another one between now and Wednesday. (Laughter)

Q Are you going to dedicate that community center?

THE PRESIDENT: This afternoon at 3.15 and then tomorrow morning I think I have a Congressional delegation (from Georgia), probably to discuss the article by one Ralph Magill in this morning's Constitution -- "Problems of the State of Georgia."

Q We have plenty of them and they won't be able to put them to you in a few minutes.

THE PRESIDENT: They are some problems.

Q You are not going to go home next Wednesday if you are going to take up all of Georgia's problems. (Laughter)

THE PRESIDENT: No, that is right.

Q Mr. President, how long are you going to be in Asheville on the way back?

THE PRESIDENT: About two hours. I will go and see Mac (Mr. McIntyre) first and then go and see Miss Durand.

Q That is the entire program?

THE PRESIDENT: Yes. It will be dark, you know -- after dark. I do not get there until after six o'clock.

Q There is a story printed in Philadelphia yesterday that Governor Earle has been considered for a diplomatic appointment?

THE PRESIDENT: There has not been any consideration for any of them. There are four or five vacancies but we have not taken it up at all.

Q Also there were stories that three or four ambassadors were being called home for consultation?

THE PRESIDENT: That was not Felix's (Mr. Belair's) fault; it was all right.

Q I am not blaming it on Felix.

THE PRESIDENT: Felix was clean on that. No, as a matter of fact, Joe Kennedy told me some time ago that he wanted to come home and spend Christmas at home. He asked if he could come and we said it would be all right if things are quiet. If conditions get worse, he will take the clipper back. Joe Davies, for the same reason. They both asked; they were not summoned.

Q Davies is also coming for Christmas?

THE PRESIDENT: Yes.

MR. TROHAN: Thank you, Mr. President.

THE PRESIDENT: I don't believe there is really any news at all. We leave here Tuesday morning or Wednesday morning -- I do not know which. It depends a little on the weather and things in Washington. Make it Wednesday, if we can.

Q It would be all right with me a week from Wednesday.

THE PRESIDENT: I do not believe we will go to Pine Mountain Valley or anywhere else. We will just stay right here.

Q It is a pretty nice place.

THE PRESIDENT: I hope you win that tournament this year.

Q (Mr. Belair) Not much chance.

THE PRESIDENT: George Fox is out. He got eliminated, so I think you have a good chance.

CONFIDENTIAL

Press Conference #601,
Held in front of the Veeder Cottage,
Warm Springs Foundation, Warm Springs, Georgia,
November 28, 1939, 11.30 A.M.

THE PRESIDENT: Anything doing? It is a completely dead day. It is a lovely day and too fine a day for you people to sit indoors and write stories.

Q Thank you, Mr. President. (Laughter)

Q Can we go to Pine Mountain Valley Saturday?

THE PRESIDENT: Yes, that is all right.

Q I wish we were. I could even take that.

THE PRESIDENT: I almost went yesterday.

Q Have you any callers?

THE PRESIDENT: Have I, Bill (Mr. Hassett)?

MR. HASSETT: I think none, Mr. President.

Q Have you gotten any reaction?

THE PRESIDENT: Any what?

Q Reaction to your suggestion the other day about the pay-as-you-go?

THE PRESIDENT: Oh, it was not a suggestion, because a suggestion connotes that we have made up our minds. It was just something to talk about, something to discuss.

I have read a lot of newspaper comments, editorials, et cetera. It is all to the good. The more we have the better.

Q The editorials have been very favorable to the idea?

THE PRESIDENT: Well, off the record, I suppose the stupidest editorial was the Times.

Q Belair (Mr. Felix Belair) did not write it.

THE PRESIDENT: Did you read it? It was terrible. This is all off the record. It was the dumbest editorial I have ever seen. In other words, it said, "We cannot have this deficit. It is awful to continue having a deficit and, after all, everything that goes into a deficit should be treated in the same way, whether it is for relief or armament or anything of that kind. Why, therefore, try to segregate one portion of the deficit and put a tax on to pay it?"

That, of course, goes right back to the same silly old story of people who say, "We have got to balance the Budget by having no deficit and the only way to do it is to spend less money." Then you get hold of either of the Arthurs, Krock or Sulzberger, and you say, "There it is. What do you recommend should be cut out?" "Oh," they say, "oh, it is not my business."

I will say, "Are you in favor of no more expenditures for armaments this year?" "Far be it from me to say that."

Then I will say, "Are you in favor of stopping all relief expenditures?" "Far be it from me to say that."

That is the attitude of most of the "fat cat" papers in the United States. That is all off the record. Isn't that right?

Q Vinson (Representative Vinson of Georgia) told me that the Georgia delegation is unanimously in favor of a tax for special armaments.

THE PRESIDENT: I saw that. But I hate "holier than thou" attitudes, where you are planning about this, that and the other thing and say, "What would you do?" and then you get no answer. Isn't that right, Ralph (Mr. Smith)?

Q (Mr. Smith) Yes, it is.

Q (Mr. Trohan) I would get a headache.

Q Mr. President, the Treasury announced in Washington yesterday a new five hundred million dollar financing with a new distribution method to favor small investors. There were some reports that you were particularly interested in that in your capacity as Senior Warden of the church at Hyde Park because the church has money to invest.

THE PRESIDENT: We are not buying any of these two per cent bonds. We are buying baby bonds.

The point is this: As we all know, in these bond issues in the last six years -- well, if any of us happened to receive a legacy in cash or had saved up something and we had five thousand dollars it is practically impossible for us to take a portion of any of those bond issues. The Treasury does not take any interest in us and if we still want to buy the issue we go to some of the larger people who have bought those bonds and we have to pay a point and a half premium for them. We are working on plans to let the small subscriber get his portion, 100%, because they are nearly always oversubscribed six to ten times. If a small fellow applies for five thousand dollars, let him get that.

Q It is always hard, too, is it not, Mr. President, to handle a hundred small ones rather than five large ones? It is costly business?

THE PRESIDENT: Very little difference -- infinitesimal -- about one-tenth of one per cent.

Q I see you lost a good friend yesterday, down here?

THE PRESIDENT: I was awfully sorry about old Jake. Well, I guess --

Q (interposing) Who is that?

Q Jake Jarrell.

THE PRESIDENT: Old Jake was one of the first people I saw down here.

When I got here in September -- I think it was 1924 -- old Tom Loyless met me at the train and we went up to this cottage, the Hart Cottage, right here (indicating) and Jake was on the steps to meet me.

Q Mr. President, is there anything you can tell us about your conference with Mr. Smith (the Director of the Budget)?

THE PRESIDENT: I don't think so. It was just like all the previous ones of the last six weeks.

Q We had him down at the cottage and he talks more than Danny Bell did but there is less news in it.

THE PRESIDENT: I will tell you what we did yesterday: We did Justice and Treasury.

Q And Panama Canal, wasn't it?

THE PRESIDENT: Panama Canal, yes. We did the usual thing. I trimmed a good deal but, when you come to dollars and cents, of course it does not look like an awful lot. Here is the process: This year -- about every four years -- somebody has to trim the payroll in any department that is doing normal work with nothing new -- no new functions -- trim it back and cut out the increases of positions that have slid -- slipped in in the previous two or three years. So I did what I call a "rule of thumb." This only applies, of course, to bureaus that are doing no new work, no new functions, that are going on doing the same work they did last year and the year before. I would take the total of this fiscal year and just put a rule of thumb on it and cut out for the next fiscal year

perhaps one or two positions which had grown in. For instance, on a bureau that costs three hundred thousand dollars a year to run I would take out three thousand dollars. Well, that means two positions -- two \$1500 positions -- and that would cut them back to \$297,000.

Well, in dollars and cents that cannot amount to an awful lot but it is a good thing for Government to prune the tree.

Q Mr. Smith told us yesterday that the Navy budget is already up.

THE PRESIDENT: That is only the regular budget.

Q I wondered about that because I thought most of the increase would go to the Army.

THE PRESIDENT: What I am doing is more of a mechanical thing than anything else. I am putting in what I call a "B" budget for increases in national defense so that there will be the regular Navy "A" budget, which would be what we would have recommended if there had not been a war. The same thing for the Army; the same thing for the Coast Guard and the same thing for the F.B.I. As best we can we are trying to put in a "B" budget for things that are caused by our neutrality position and the fact of a war. That is not finished yet.

Q That will be very late?

THE PRESIDENT: That is the thing that I said the other day at a rough guess will run around five hundred million.

Q And then relief will go up as usual when you get the picture?

THE PRESIDENT: Yes; we will take that up --

Q (interposing) In the spring?

THE PRESIDENT: No. We are putting in the regular thing for relief.

Again, we hope it will last; we hope it will do for the year.

We might have to add when we get our April survey, but I hope not.

Q What do you mean by "the regular thing?"

THE PRESIDENT: What?

Q You say you are putting in "the regular thing." Can you amplify on that?

THE PRESIDENT: When it is made about the middle of December we will make a recommendation for a total sum for relief which we hope will last through the following fiscal year but we have to remember that we are making this estimate in December for relief that won't start until the following July -- seven months later -- and therefore it must, of necessity, be considered the best guess we can make as of that time.

Q Mr. President, there have been indications that by July first relief spending will be on a basis of about a billion dollars a year. Do you think it can be held down to that total?

THE PRESIDENT: Have they given out, Harrington or Carmody, any allocation for the months to come?

Q I cannot say.

THE PRESIDENT: They have got one and I could not tell you what it is but it is based on the usual. Relief now is pretty well down to about a million six hundred thousand -- a million, seven or a million, eight hundred thousand people. You had better check on this -- that is why I asked you the question as to whether they have given

out anything. It will rise, as it always does, in the winter time in order to prevent too great hardships. It will rise in December, January, February and stay pretty high, up around, I think, two million or two million, one, and then slide off as the weather begins getting better. It happens every year. There is nothing new in it. It is the normal thing.

Q Any indications at this time -- have you and Mr. Smith made any measurements as to how far this industrial upswing will go? How much in additional revenues it will bring?

THE PRESIDENT: No. We will get the revenue estimates from the Treasury about the fifteenth of December for the following year and the balance of this fiscal year and we will get a final checkup, as usual, from them about Christmas Day.

Q About a week before it goes up?

THE PRESIDENT: Yes, about a week before it goes up and then it goes to the printer. We hold it until the last Monday.

Q What day does it go up?

THE PRESIDENT: It goes up the day before I go up on the Hill myself. In other words, some years I have gone up with the Annual Message on the third of January.

Q The third is on Monday this (coming) year. (Note: The third of January, 1940, will fall on a Wednesday.)

THE PRESIDENT: They always meet on the third, not the first. Some years I have gone up on the third and some years on the fourth.

Q It will be the fifth at the latest?

THE PRESIDENT: The Budget will go up the day after I go to the Congress. That is almost an intimation -- you won't have to ask me -- that I expect to read the Message in person. I think it is a safe guess.

Q Up at the Community House you tossed out another piece of bait to us and we leaped out and took it.

THE PRESIDENT: Don't they have a good time?

MRS. LORD: They don't miss a trick.

THE PRESIDENT: They don't miss a trick. I am having just as good a time as you are, so it is all right.

Q We will bite every time.

THE PRESIDENT: The family tells me that I take an unholy pleasure in doing this to you.

Q I think so, too.

THE PRESIDENT: I do, too. Well, after all, you have to get a certain number of words over the wire, don't you?

Q Sometimes we can do without them.

Q Some day it is going to come, just like before Landon's meeting in Kansas.

THE PRESIDENT: Which was that?

Q Up in Hyde Park, when you announced that you were going to meet with the various governors on drought relief.

THE PRESIDENT: Including Brother Landon? (Laughter)

MRS. LORD: Brother Landon. That is good.

THE PRESIDENT: Well, I will tell you what -- do you want something to speculate about?

Q Yes, sir.

THE PRESIDENT: I will try to give you something and I will invent as I go along. Don't, for Heaven's sake, attribute this to me, otherwise the whole thing is off but what you can say is this: "It is understood from high sources" -- you are a high source, Bill (Mr.

Hassett) -- "that a number of people who have seen the President recently have made the interesting suggestion that both conventions in 1940 be deferred for a month or a month and a half on the general theory that a campaign, especially in these times of international crisis, which lasts through July, August, September, October and into November bores the country to death. It never gets under way, actually, until much before September."

Well, that is the suggestion that comes to me -- literally that is true -- from a number of different sources. It would save money to both parties and headquarters would not have to be opened so soon. During July and August so many people are away and they are not very much interested. You don't get very far with campaigns in those two months.

You know, for instance, that I never campaigned until very late. I always had very short campaigns. In 1932 I think I started west about the thirtieth of August -- something like that -- and in 1936 I didn't start until September --

Q (interposing) September thirtieth.

THE PRESIDENT: September thirtieth.

Q It also helps Congress.

THE PRESIDENT: I don't think it has anything to do with Congress because Congress, both those years, was in session during the conventions.

Q This year it would help.

THE PRESIDENT: I don't think so. I don't think that is a factor at all.

Q If they remained in session it would help.

THE PRESIDENT: That is a pure pipe dream.

Q Have your suggestions been given to Farley or Hamilton or any of those people in authority?

THE PRESIDENT: Not that I know of. It would shorten the campaign and save money. Make the thing short and sweet, with a kick in it. Isn't there something in that, Ralph (Mr. Smith)?

Q (Mr. Smith) I think there is a whole lot in it. It would save a lot of money and a lot of trouble, too.

Q There hasn't been any suggestion, Mr. President, as to which convention will be held first?

THE PRESIDENT: No. Again, from the same suggestive sources, toss a coin. (Laughter) Why not? Why take them so seriously? Why write so much about them?

Q We have to write about something.

Q Thank you, Mr. President.

THE PRESIDENT: Well, there is something for you to write on.

Q It is a good story.

THE PRESIDENT: I think it is an interesting suggestion. Not that I have espoused it or anything like that.

Q No -- high sources in Warm Springs.

THE PRESIDENT: I don't know. I haven't made up my mind one way or the other. Again, like this tax business, it is worth talking about. Well, I guess I have to swim.

CONFIDENTIAL

Press Conference #602,
Executive Offices of the White House,
December 1, 1939, 10.40 A.M.

THE PRESIDENT: How is everybody?

Q Fine, sir.

THE PRESIDENT: You look rather pale, all of you.

Q Too much Thanksgivings. I had to go to the doctor.

THE PRESIDENT: I think you have put on five pounds, I really do.

Q I certainly have.

Q Are you trying to freeze us out? (All of the doors to the grounds were open.)

THE PRESIDENT: Is it too cold? You are working too hard. Get out and play golf and tennis -- something like that.

Q When?

THE PRESIDENT: All the time there is.

MR. EARLY: Friday morning.

Q Yes, Friday morning, Tuesday afternoon and Mondays.

Q Six o'clock at the Dies Committee last night.

MR. DONALDSON: All in.

THE PRESIDENT: Well, No. 1: I signed last night an Executive Order which will please all of you, excusing Federal employees from duty on December twenty-third, the Saturday before Christmas, and December thirtieth, which is the Saturday before New Years.

And I got Steve to mimeograph for you -- you will have it when you go out -- a little statement about the Finland situation. (Reading)

*The news of the Soviet naval and military bombings within Finnish territory has come as a

profound shock to the Government and people of the United States. Despite efforts made to solve the dispute by peaceful methods to which no reasonable objection could be offered, one power has chosen to resort to force of arms. It is tragic to see the policy of force spreading, and to realize that wanton disregard for law is still on the march. All peace-loving peoples in those nations that are still hoping for the continuance of relations throughout the world on the basis of law and order will unanimously condemn this new resort to military force as the arbiter of international differences.

"To the great misfortune of the world, the present trend to force makes insecure the independent existence of small nations in every continent and jeopardizes the rights of mankind to self-government. The people and government of Finland have a long, honorable and wholly peaceful record which has won for them the respect and warm regard of the people and Government of the United States."

That is all the news there is.

Q Mr. President, may I revert to this December twenty-third, December thirtieth? I do not know whether you have taken it seriously or not, but one of our friends, Charlie Hamilton, has reached the White House with the suggestion that you advance the pay day. The boys will be broke by December thirtieth. (Laughter) I wonder, has that reached you at all?

THE PRESIDENT: No. Have you heard anything of it, Steve (Mr. Early)?

MR. EARLY: No, sir. I heard it on the air many mornings. (Laughter)

THE PRESIDENT: Did you take the precaution of getting the opinion of the Attorney General?

Q I got an opinion -- not the Attorney General's but the curbstone opinion, of course, of Mr. Forster.

THE PRESIDENT: Did Rudolph say it was all right?

Q Rudolph said it would be all right except that paymasters, in the

case of employees who had died before the proper date, would be personally responsible.

THE PRESIDENT: Is that all?

Q Yes, sir.

Q Mr. President, can anything be said about the application of the American neutrality law in the invasion of Finland?

THE PRESIDENT: No; nothing.

Q There is a great deal of agitation, as far as I can hear, for the withdrawal of recognition of Russia or, rather, the severance of diplomatic relations?

THE PRESIDENT: There is no news.

Q We have a so-called moral embargo, a policy against selling war planes to countries which use them to bomb civilian centers. Would that apply to discourage shipments to Russia in this instance?

THE PRESIDENT: You know, we have a note over there at the present time which has never been answered in regard to bombing civilian population from the air. I think, until we receive a reply, there isn't much can be said.

Q Mr. President, has Finland answered that?

THE PRESIDENT: Yes, I think so. You had better check with the State Department. No, I am wrong, it was a note of good offices which they answered. No, they have not answered it yet. They are in process of being bombed and of course they have not got around to it.

Q Has Russia answered the note?

THE PRESIDENT: No.

Q Is there anything you can tell us about the Minister of Finland?

He called yesterday --

THE PRESIDENT: (interposing) Why, I guess he told all of you people the same thing he told me.

Q He did not tell us very much.

Q Anything you can tell us about the calling back of Ambassador Steinhardt for consultation?

THE PRESIDENT: No. You see, this is just for background, we know so little about the actual happenings every moment over there that we cannot do anything until we get more positive information. Most of our information, just like the press information, is coming out when and if you can get a telephone through, either to Estonia or to Stockholm. All of our information is extremely fragmentary.

Q Do you plan to discuss this situation with the Congressional leaders?

THE PRESIDENT: Probably.

Q Have you asked them to meet you?

THE PRESIDENT: Either by telephone --

Q (interposing) I thought they might be called to the White House for a conference.

THE PRESIDENT: No, nothing formal like that. We can accomplish just as much, sometimes, another way.

Q Have you asked them to meet with you yet?

THE PRESIDENT: I have already answered the question.

Q Will you change your plans for tomorrow?

THE PRESIDENT: I may. In other words, if I give up going to the football game, I will also give up going to Hyde Park over Sunday.

Q Are you going, or what are you going to put on the walls here when you give those pictures to the Library?

THE PRESIDENT: Do you think that is subtle? May (Miss Craig), you must have stayed awake two nights thinking of that. (Laughter)

Q The doctor said she ought to sleep eight to ten hours every night.

Q When the Dominican Republic President, Mr. Trujillo (referring to General Trujillo, Chief of Staff of the Army of the Dominican Republic), was in Washington, the Dominican Legation issued a biographical sketch of him in which it stated that, after he had served two terms, he would eschew a third term in deference to the United States' tradition. I would like to ask you, sir, if you welcome that interpretation? (Laughter)

THE PRESIDENT: Well, possibly, if you would stay after, I will tell you something about Santo Domingo, solely for your own ears. It is very confidential and off the record but it is a friendly republic and I can only do it that way.

Q Thank you.

Q Mr. President, the National Power Policy Committee has formulated an electric power grid system which they are going to begin conferences on next week or this week. Do you approve of that proposed plan for setting up Government stand-by steam plants, et cetera?

THE PRESIDENT: That is not in that plan.

Q It has been published?

THE PRESIDENT: No, no. There is an awful lot of perfect rot that has been written because -- well, let me give you an illustration: Somebody the other day talked about a Message of mine to the Con-

gress, I think in June, May or June, 1938, in which I recommended the setting up of some nine, something like that, regional planning authorities. Well, there is no story in what I am going to tell you; it is just that the thing won't happen too frequently again.

Back in 1932 I was tremendously interested by George Norris' plan and desire to use the power of the Tennessee River. That was in 1932. In January, 1933, after I had been elected but before I came to Washington, I went down to Wilson Dam and Wheeler Dam to look over what had been done. George Norris went with me and we talked about his plan for developing water power in the Tennessee Valley. I went on down to Warm Springs and there were some of you people, I think, went down with me. George Durno was there. We had a very interesting one-hour talk -- this was January, 1933 -- relating to the development of the Tennessee Watershed, the development covering civil engineering and human engineering. The Norris Plans for water power development were incorporated into that plan but, actually, I suppose the water power end did not amount to more than ten or fifteen per cent of the total plan. In other words, we were talking about soil erosion, planting trees, bringing people out of the hills where they were living in abject poverty, and giving them all a chance to make a living. We talked about bringing in young, small industries into the small communities of the whole watershed, stopping floods, improving highways, transportation, waterways -- in other words, doing a great human engineering plan for the entire watershed of the Tennessee as an experimental matter.

If the thing worked, the idea was that the Government, over a very long period of years, would extend it to other watersheds.

Well, the effect on the population of that watershed after we began the work in 1933 began to be so encouraging in its results that by 1938 I thought the time had come to set up whatever the number was -- seven, eight or nine -- regional planning areas, one on the Atlantic Seaboard, one on the Texas, the Gulf area, one on the Upper Missouri, one down in Southern California, one in the Northwest to cover Bonneville and Coulee, et cetera, just so we could plan for further extension of human engineering in other parts of the United States.

Well, water power in that thing was a very, very minor portion of the planning. Very large areas had no water power; for example, the Ohio, there is very little water power concerned in that particular development. There was very little concerned in the rivers running into the Gulf. And yet somebody, the other day, comes out and refers to that Message as asking for nine power authorities. In other words, it is a deliberate -- because it is a man -- it must be deliberate -- it is a deliberate perversion of actual fact.

I suppose the time will come when we will do human planning for a good many other parts of the United States. When Joe Robinson was alive, he begged me to make the next experiment in the Arkansas because of the great length of the river. There is very little power, for example, in that. The Arkansas goes clear back through Oklahoma and Kansas and clear on into Colorado and way up to the Continental Divide, way back of the Royal Gorge, which is

the Colorado River, and the matter of water power in that case is practically nothing.

In other words, it is obviously a perfectly definite and deliberate effort to becloud human engineering by trying to make a controversy out of this power question.

Now, on the question you asked about, this particular study that is being made, I suppose the easiest way to put it is this: that in the event of our getting into war, we probably would have to connect up, by main transmission lines, a number of the great private systems and also the T. V. A. water power. It would be a tie-up between them so that power could be shifted from one locality to the other as needed. As I understand, the original report, they did talk about stand-by plans. In case of war we probably would have to have stand-by plans, steam plans, but in view of the fact that we do not, any of us, expect to be in war, I do not believe that matter is going to be considered at all.

On the question of connecting links, main transmission links, I think probably that private companies will be able to do that themselves without having to spend Government money on it and, if there is a question of needing money to build these tie-ins and they cannot raise the money in Wall Street, I suggest they go see Jesse Jones. I think that probably is all we need to do at this time. There is no immediate emergency.

Q How about the St. Lawrence development? Is that involved in this?

THE PRESIDENT: No, I think that is an entirely separate thing. Of course on the St. Lawrence, it just shows the change that comes

about. It was about three years ago we were talking about it last. There really was a question as to whether we needed a large additional block of power at that time. Today, with the definite upturn in manufacturing, both in the United States and Canada, it looks more and more important that we start work as soon as we can to develop more power for both countries. There is not actually a shortage but a potential future shortage.

Q Mr. President, do you favor continuation of the Dies Committee?

THE PRESIDENT: What?

Q Do you favor continuation of the Dies Committee, Mr. President?

THE PRESIDENT: Well, wouldn't you say that that was a matter for the Congress to determine? Don't you think that Congress has a right to set up a dozen of them, simultaneously, if they want them? I do.

Q Will your legislative program be long or short, the next session of Congress?

THE PRESIDENT: It depends on the definition.

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #603,
Executive Offices of the White House,
December 5, 1939, 4.05 P.M.

THE PRESIDENT: What do I hear? I hear female voices approaching.

Q Lady reporters.

THE PRESIDENT: Members of the White House Correspondents' Association?

Q No, sir. May (Miss Craig), have you any more trick questions?

THE PRESIDENT: Were you sitting up all night again?

Q (Miss Craig) I am crushed.

THE PRESIDENT: It is all right. I saw there was a box in the paper
about it. It complimented you.

Q It was good.

Q The answer would have been better. (Laughter)

THE PRESIDENT: May (Miss Craig), don't you think one of those great
big folio photographs of you, with your autograph on it, will go
nice up there? (Indicating left-hand wall of office) (Laughter)

Q (Miss Craig) That was subtle, too.

THE PRESIDENT: I am so sleepy. I think it is this damned air-cooling
system.

Q How about Pa Watson?

THE PRESIDENT: Oh, he has been asleep half the day. He will keep doing
that (yawning) and catching a snore on the fly.

Q (Mr. Young) I went over to see Bill Hassett. He is coming along
fine and enjoyed your letter very much.

MR. DONALDSON: All in.

THE PRESIDENT: Somebody will probably ask the question about the Finnish
debt. I have taken it up with the Treasury Department. Of course

we do not know anything about it except the press items reporting that the Finnish Legation has indicated that its Government intends to make payments on the due date, which is December fifteenth, and the amount is \$234,693.

Of course, legally, if and when that is tendered to the Treasury, the Secretary of the Treasury has to accept it. I have asked the Secretary of the Treasury and he has agreed that he will place it in a suspense account -- it is only a matter of two or three weeks anyway -- and that I would so inform the Congress after they get back here the third of January, with a recommendation that they take up the question of whether, by Congressional action, the use of it should not be changed from covering it into the general fund to some purpose for the benefit of the Finnish people.

I have not got to the point of knowing whether I will make a specific recommendation, either in regard to that amount or previous payments over the last four or five years, but at least this is a step indicating that the matter will be placed before the Congress at the earliest part of the session.

Q Mr. President, I did not get the significance of your remark about the last four or five years.

THE PRESIDENT: Well, the suggestion has been made, you know, that we should make available to the Finnish people more than this payment or, in other words, some of the back payments that have been made.

Q You cannot cancel the rest of the debt, can you, Mr. President?

THE PRESIDENT: No, I cannot do anything under the law except to turn it over to the Secretary of the Treasury.

Q How about future payments, Mr. President? Would that likely be ad-

justed too?

THE PRESIDENT: Oh, not that I know of. This is just an immediate pending question.

Q What did you have in mind as to the use to which this money might be put?

THE PRESIDENT: That is just exactly what I said. I said I could not go into details because I do not know. We will talk it over, though, with Congress.

Q Is there anything you can tell us at this time about the severance of diplomatic relations with Russia?

THE PRESIDENT: Well, there is no news today. I do not know about the future. Of course things are happening all the time. In regard to the general method of handling the foreign policy from day to day, I am inclined to think that it must be pretty good -- what the Secretary of State is doing I think must be pretty good and I think it must have the general approval of the great mass of the American people for one rather obvious reason. The suggestions are coming in large part, the criticisms and accusations are coming in large part from two sources: first, the Soviet press, a portion of the Nazi press and our little friend, I have forgotten his name, who is now publicity agent of the Republican National Committee. (Laughter) And also the Hearst papers. They are all substantially in accord in attacking the foreign policy of the American Government.

And then, on the other side of the picture, a few statesmen in Russia and, I think, Germany and a comparatively small number of politically-minded people in the House and Senate of the United

States.

So, on the whole, as between those two sources, abroad and here, I would say probably that the foreign policy must be pretty good.

Q Does that mean a continuation of relations with Russia must be pretty good?

THE PRESIDENT: No. I have answered that question before -- there is no change today.

Q Would you include Mr. Hoover in that last category, Mr. President?

THE PRESIDENT: I do not think I need expand. I think it rather speaks for itself.

Q Mr. Secretary -- (laughter) -- Mr. President, is there anything you can tell us today with regard to applying the neutrality law to Finland and Russia?

THE PRESIDENT: No, nothing on that today. Of course -- let me give you just this for background and not for attribution in any way: You do have to consider that there are efforts being made at the present time, some of them you do not even know about, for the beginning of negotiations looking towards peace or towards the end of hostilities. There are different forces on the other side. We have nothing -- we are not participating any more than what we have already done but there are various efforts being made and the situation -- this again only for background -- is not yet completely hopeless. That is why I do not think we should do anything to upset any applecarts that may be in the making.

Q, You mean, of course, just Russia and Finland -- not just France and England?

THE PRESIDENT: Yes.

Q The thought that there is not declared to be a war, there is less likelihood of being one?

THE PRESIDENT: That is too hypothetical and too far off.

Q That it is not declared formally by the United States to be a war, that there is a chance of escaping a full-fledged war?

THE PRESIDENT: I think you are narrowing it down. I think we have to be more general than to make any categorical statements of that kind.

Q Referring again to the Finnish debt matter, have the Finns made any request themselves for any assistance in that regard?

THE PRESIDENT: Absolutely none. Purely and wholly initiated by this Government.

MR. YOUNG: Thank you, Mr. President.

Q Mr. President -- (laughter)

THE PRESIDENT: Who is next?

Q In that connection, do you believe that the Russians might properly consider that as an unneutral act in any respect?

THE PRESIDENT: No. How?

Q Here is a debt that the Finns owe us and we set it aside in a suspense account with the idea that Congress may consider using that fund for the Finnish people who have been attacked by Russia.

THE PRESIDENT: Not necessarily. Now you are presupposing that we would use that money to pay for airplanes to send over to Finland.

Q I was not presupposing that at all, sir.

THE PRESIDENT: You must have been, or something along that line. Suppose, for the sake of argument, we were to take care of Finnish

refugees, Finnish wounded? There is a little illustration that just proves the question. There are lots of ways it could be used in a perfectly neutral way.

Q Can you tell us anything about the prosecution of foreign aliens who have been violating the Federal law?

THE PRESIDENT: No, except that it is getting on pretty well. The Attorney General is working on it.

Q The Coast Guard, about half an hour ago, revealed that they had picked up for the Justice Department a 43-foot yawl just off Wrightsville Beach, near Wilmington. It has also revealed that it had a German crew aboard. Further than that they have been very quiet.

THE PRESIDENT: I have not heard; I had better check.

Q You have heard of the death of Santiago Iglesias, the Puerto Rican Commissioner?

THE PRESIDENT: I can say that I am awfully sorry to hear about it. He was a very good friend of mine and I had known him for many years.

Q Referring to the question asked last week about public power policy, Secretary Ickes suggested this morning that there was a likelihood of a high power transmission system hooking up several power areas of the United States and also that there should be increased generation. He has hinted in his remarks to the utility people present that the Government may have to step in on both of these, if industry did not. Can you clear that up for us, please?

THE PRESIDENT: I think the easiest way is to tell you what I was ^{just} talking to Mr. Scattergood about. As you know, there is this problem

of connecting links between privately owned transmission lines. In England they found that because these private companies were serving different localities, it was awfully difficult for the private companies not to have a fight between themselves if and when they managed a jointly owned connecting link. In other words, it was not a smooth running method of operation. So, as I remember it, the British organized some kind -- one of those things that they have, a half-and-half Government-private control of a company to build and operate, for the benefit of the private companies, connecting links, with a joint management, and each of the private companies using these connecting links paid an equitable charge for the use of the connecting links. In England it is working very well.

As I understand it, they are studying a proposition of that kind, to have those connecting links built over here.

I used to Scattergood the illustration of all the railroads running into Chicago (in the old days) when each one had its own railroad and owned freight depots and everything else. Somebody came along and built the Chicago Belt Line, I think it was, which serves all the other roads and all the roads pay to it a fee, a charge for the use of this connecting railroad that runs from the east side -- from the north side of Chicago around the city to the south side of Chicago and serves all roads. There is nothing startling in that, it is merely a matter of working out a system by which these connecting transmission lines can be built for the benefit of the private companies on all sides of them.

MR. GODWIN: Again, thank you, sir.

Q Mr. President, any idea of the cost of such a program?

THE PRESIDENT: Any what?

Q The cost?

THE PRESIDENT: Oh, no; only in the initial study stage.

Q Would it be necessary, in this country, to have joint management of the connecting links? Management by the Government?

THE PRESIDENT: Well, except that we know it has worked awfully well in other places.

Q Mr. President, did Scattergood take up with you the matter of revision of the Boulder Canyon Act?

THE PRESIDENT: No.

MR. GODWIN: Thank you, Mr. President.

THE PRESIDENT: Earl again says, "Thank you very much."