

CONFIDENTIAL
Press Conference #613,
Executive Offices of the White House,
January 9, 1940, 4.10 P.M.

Q Good afternoon, Mr. President.

THE PRESIDENT: How is everybody?

Q Pretty good.

THE PRESIDENT: I was sorry I did not wake up in time to hear you this morning. Russ (Mr. Young) said it was grand.

Q (Mr. Godwin, referring to the Jackson Day Dinner) It must have been -- you must have had a nice evening. Those pictures look pretty good. Look like everybody is enjoying themselves.

THE PRESIDENT: Sure. Didn't you get to it?

Q (Mr. Godwin) No, sir; I did not have a hundred dollars.

THE PRESIDENT: I saw Ulric Bell up there in the front row of the gallery.

Q (Mr. Godwin) If I had gone there I would have been asleep (this morning) the same as you were. I have to get up pretty early to digest all that stuff (in order to care for his 8.30 broadcast).

THE PRESIDENT: Yes, sure.

Q A lot of fun, too.

THE PRESIDENT: Did they serve drinks in the gallery where you were?

Q Anything you wanted.

THE PRESIDENT: I always said the Democratic Party was the liberal party.

Q But we had to pay for that.

THE PRESIDENT: Did you have to pay for it? I thought you did not?

Q We did not have any.

MR. DONALDSON: All in.

THE PRESIDENT: This is off the record but, you know, I have always warned editors about being careful about their headlines. Here is a Minneapolis paper, on the same day two headlines which really ought to be read in conjunction with each other.

(The President exhibited the newspaper headlines which read:

"F.R., in Message, Pleads for National Unity,"
-Minneapolis Times-Tribune,
January 3, 1940, page 10 -- and

"Unity, on Stretcher, Nearing Her Home,"
-Minneapolis Times-Tribune,
January 3, 1940, page 11 (Laughter))

Isn't that a joy?

Q That is a hot one. (Continued laughter)

Q Mr. President, I cannot be heard here --

THE PRESIDENT: (interposing) The front row says, "Order, please."

(The sound of laughter subsided.)

Q Has Senator Taft qualified as yet for that very handsome prize you offered?

THE PRESIDENT: I have not had a chance to read all the details but they brought in a little breakdown.

MR. EARLY: A complete breakdown.

THE PRESIDENT: In case there were some others too. This would save \$8,000,000., as compared with the saving of over a billion, by abolishing certain things like the Central Statistical Board; the National Resources Planning Board which, of course, in the long run saves the Government a lot of money; the Maritime Labor Board which, I think, has settled I have forgotten how many disputes this past year; the National Advisory Committee for Aeronautics

the large sum of \$2,800,000., on which the safety of the public has depended very largely since it has been going, and it has been going for a good many years -- I think I inherited it, did I not? -- the Bituminous Coal Division, which certainly is functioning better now than it did the first year and is accomplishing a certain stability in the coal industry; the International Boundary Commission, which I cannot abolish because it is under a treaty with Canada, and the Division of Cultural Relations in the State Department, \$69,000., a large amount which we hope will come back many, many times in increased trade with Central and South America. Then there are other little items, like the Electric Home and Farm Authority, which has been operating at a profit since its organization -- and that was not known. Then there is the U.S. Unemployment Compensation Commission; they would save \$5,000,000. by abolishing that Commission, which is the workmen's compensation agency of the Federal Government and \$4,700,000. goes to the employees' compensation as compensation of injured Federal employees. I think it would be a pity to take that away from them. Then there is the Puerto Rico Reconstruction Administration which is, of course, merely a relief project and comes out of the relief money. Then there is the Disaster Loan Corporation, which spent most of its money in taking care of the Ohio River floods.

Outside of that I do not think further comment is necessary.

Q The abolishing of the ^[National] Railroad Mediation Board too.

THE PRESIDENT: Yes, the Railroad Mediation Board.

Q Speaking of unity, Mr. President, have you any comment to make on the speech of Secretary Louis Johnson defending --

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THE PRESIDENT: (interposing) I have not read any speech except my own last night.

Q I asked because of the rebuke to Secretary Wallace last year.

THE PRESIDENT: Oh.

Q Mrs. Roosevelt said recently that in regard to that barn -- you remember the barn you did not think would cost as much as the architect thought it would cost? She didn't see any reason why people thought it was funny when she put it in her column and she explained that the barn really did not cost as much to remodel as the architect said it would.

THE PRESIDENT: What about it?

Q Did it?

THE PRESIDENT: No, because we did not remodel the entire barn. We only did the two ends.

Q So you don't know?

THE PRESIDENT: We do not know yet but we think we are going to be inside the limit.

Q Have you made any computation of the savings you had made in administrative expenses by reason of the consolidations you put through so far?

THE PRESIDENT: I think the Budget Message said \$11,000,000. so far and more coming since last -- whenever it was -- last summer, when the second one went through. We have actually made \$11,000,000. savings.

Q As I remember it, at the time the consolidations were proposed you did not predict that there would be any very material savings in the cost of operation, that that was not your main objective.

THE PRESIDENT: Yes, it was the main objective but, as I explained, the

total amount in dollars must necessarily be a comparatively small percentage of the total, unless the Congress abolishes functions.

Q Have you projected this so you can tell what you will be able to save when your program is completely --

THE PRESIDENT: (interposing) Oh, this goes way back, about a year ago. When we get through with the interdepartmental and the intra-departmental changes - there will be some more of them coming along in the course of this year, as you know, more reorganization plans -- we think, as a result of reorganization of the mechanics, purely the mechanics of the regular agencies of the Government, that we ought to be able to save about \$25,000,000. a year. Our estimate still stands.

Q Where does the eleven million dollar figure come from?

THE PRESIDENT: Those were on the changes of last year.

Q Does the \$25,000,000. include the \$11,000,000. or is it in addition to the \$11,000,000.?

THE PRESIDENT: It includes the \$11,000,000.

Q Speaking about the \$11,000,000., is that a net saving? Does that take into consideration the increases in expenditures that have resulted from the reorganization program?

THE PRESIDENT: Yes, that is net because, you see, the total increases have been comparatively small -- three, four or five hundred thousand dollars all told. We have the Bureau of the Budget, the National Resources Committee, and then there have been one or two additional expenses. It is very difficult to tell how you can figure them out in dollars and cents. For instance, this committee that Fred Davenport was the head of, on civil service: There is

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going to be a very definite increase in the efficiency of the civil service because that Council has on it a personnel officer from each of the departments and they will, -- well, just to take an example, they will prevent one department robbing another department of a very good civil servant and upsetting the regular work of the department that has been robbed. It is awfully difficult, on a case like that, to put down the savings in terms of dollars but it is obvious that this new board of Fred Davenport's which will cost, I have forgotten what, fifty or sixty thousand dollars a year to run, and yet we know it will save in efficiency a good many of hundreds of thousands of dollars a year, but you cannot point out the individual savings.

Q Have you figured out all the savings that will be manifest in your present term of office?

THE PRESIDENT: I think so, yes.

Q Getting back to the Budget, will you comment on Mr. Harrison's proposal for a joint legislative study?

THE PRESIDENT: Oh, I think it is entirely up to the Congress. That is their own mechanics.

Q Mr. President, I understand -- it may not be true, however -- that the Budget Bureau has sent you the District of Columbia reorganization plan in order that you may look at it. Have you seen it?

THE PRESIDENT: I have not.

Q Would it come to you in the course -- I mean, do you expect to see it?

THE PRESIDENT: I understood the Bureau of the Budget at the present time is sending it around to departments that are concerned with

it. I suppose it will come to me eventually.

Q There are several proposals before Congress for various forms of assistance to Finland. One proposes a loan of some \$60,000,000. Others would loan the new Garand rifle or make it available on an experimental basis. Is there anything you can tell us on such a proposal?

THE PRESIDENT: I cannot, yet. I will probably have something by next week. I am talking it over with the State, War and Treasury Departments and so on.

Q The spokesman for the church people who called on you today linked your appointment of Taylor to the Vatican, or, rather, the letter, with an assertion on your part that you hoped for peace this spring. Will you amplify on that idea?

THE PRESIDENT: I don't think I put it that way. You see, I had in certain denominations this morning: the United Lutheran Church of America and the secretary of the Lutheran World Convention; the president and secretary of the General Conference of Seventh Day Adventists; the chairman of the Committee on Public Relations of the Southern Baptists, and Dr. Abernethy, representing the Northern Baptists.

This conference was merely to explain to them that we are honestly trying to mobilize all the churches of all the world, the Christian churches and the Jewish churches -- we have not got as far as the Mohammedans and the Buddhists and Confucianists, et cetera -- but all the nearby churches in, not a formal conference but an informal association with the hope that when and if the time comes for discussions of peace, that the religious and the

moral influences of churches can be brought to bear in an effective and useful way in the making of that peace.

I had them in here today to do with them exactly what I did in sending Mr. Taylor over to Florence, so that I will know them and have a method of approach if and when the time comes. Their visit to me is just exactly the same, no more and no less than Myron Taylor going over to Florence. I expect and hope to keep in touch with these very large protestant churches over here just the same way I am doing with the Jewish Church through Dr. Adler and Dr. Buttrick of the Presbyterian and with the Catholic Church through Myron Taylor.

That is all there was to it. I did outline to them -- and told them not to say anything about it to anybody, including you -- certain objectives with respect to peace, and the reason for that was that I did not want those objectives, in general terms, to be regarded by the Press or anybody else as fourteen points or any other number of points. They are merely certain ideals which, at the present time, should not be reduced to factual language. I think that covers it.

Q Does the description of Mr. Taylor's station as Florence --

THE PRESIDENT: (interposing) He is going to live in Florence and then, if anything turns up where there should be some communication with the Pope, he will go down to Rome and convey the message.

Q Have you discovered, sir, whether the churchmen had any misapprehensions as to the purpose of this mission?

THE PRESIDENT: I do not think they did. I think some of their constituents did.

Q Did they have any idea as to how frequently Mr. Taylor might find it necessary to go to Rome?

THE PRESIDENT: I have not the faintest idea. How can anybody?

Q Has he gone yet?

THE PRESIDENT: No. He is coming down, I think the end of this week, on his way to Florida. He has just had an operation and I think, in Florida, he will lie in the sun for a week or two before going abroad.

Q Will his appointment, sir, entail a nomination?

THE PRESIDENT: No, I do not think so.

Q Did you discuss the Dies Committee situation with Mr. Sabath (Representative Sabath of Illinois) today?

THE PRESIDENT: Only in this way: I took no part in any action by any committee of the House -- obviously. I expressed the hope that the Rules Committee would be in a position to give immediate clearance to the trade agreement bill the minute it comes out of the Ways and Means Committee so that there would not be any delay on it, and that is all.

Q What is your personal view on whether the Dies Committee should be --

THE PRESIDENT: (interposing) I have not got any.

Q To what extent did you discuss Pennsylvania politics with John Kelly (Mayor of Philadelphia) today?

THE PRESIDENT: From A to Z.

Q Did you reach any conclusions, sir?

THE PRESIDENT: No. (Laughter)

Q Did you endorse Senator Guffey for renomination?

THE PRESIDENT: The last question answered it.

Q Did the churchmen make any protest or did they discuss any protest to you about the sending of Mr. Taylor?

THE PRESIDENT: About what?

Q Protest?

THE PRESIDENT: They said there had been some protest come to them which had been, obviously, based on a misunderstanding. I think they understand the situation perfectly and I think everybody else does.

Q Reports from Ottawa today say that preliminary negotiations on the Great Lakes-St. Lawrence situation have now been completed and the American delegation is about to come back and there will be new conferences here late this month, around the twenty-second. Have you any report from the delegation up there?

THE PRESIDENT: No, not yet.

Q Do you know of any Federal Judgeships which are about ready?

THE PRESIDENT: I know several that are very nearly ready -- not the District of Columbia.

Q That is the one I am after.

Q How about the First Circuit? Is that nearly ready?

THE PRESIDENT: Well, that, I would say, is coming along very nicely.

Q Anything for the Third Circuit?

THE PRESIDENT: That is coming along very nicely too.

Q Could you tell us whether or not J. Warren Madden is being considered for the vacancy on the Third Circuit?

THE PRESIDENT: I cannot talk about any individual names.

Q (Mr. Godwin) You know, Mr. President, we have to follow that very closely because Mr. Young (Mr. Russell Young) and I have to go to Casey's (a restaurant on Seventeenth Street) quite frequently and

when you have a judgeship in the air we don't go.

THE PRESIDENT: Maybe I will give you and Russell a little tip-off so that you can congratulate the fellow first.

Q (Mr. Godwin) Yes, sir; we will take him over with us.

Q Are you going to enact an increased sugar quota for Puerto Rico?

THE PRESIDENT: I haven't the faintest idea.

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #614,
Executive Offices of the White House,
January 12, 1940, 10.50 A.M.

Q (Mr. Godwin, indicating newspaper clipping) That is something you will never learn from anybody but the United Press.

(The clipping referred to was from the United Press ticker, emanating from a mid-West town, to the effect that an individual who termed himself the "President of the Hoboes Union" had stated that the President would be nominated for a third term and reelected. He had also stated that this was "back door information," meaning thereby that he had received at the back doors of many homes in America.)

THE PRESIDENT: I love it.

Q (Mr. Godwin) Isn't it wonderful -- "back door"?

THE PRESIDENT: Well, that sounds like the United Press.

Q (Mr. Godwin) Yes, give it to Steve. (Laughter)

THE PRESIDENT: The A. P. is much too respectable to write news about hoboes. (Laughter) Isn't that right, Russ (Mr. Young)?

Q (Mr. Young) Yes, sir.

THE PRESIDENT: Some day I will have to tell you a story about a tramp, an old-fashioned tramp up at Hyde Park, who claimed to be a nephew of James Madison. He had one of the most fascinating stories you ever heard. It was when I was a boy. Madison's nephew, and probably he was.

Q At Hyde Park?

THE PRESIDENT: Yes. He was a great friend of Chauncey Depew. He had free railroad passage, et cetera. He went to Florida every winter.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think I have got anything. You might as well put the lid on this afternoon over the week end.

Q Going to stay here?

THE PRESIDENT: Yes.

Q When are you going to Hyde Park, sir?

THE PRESIDENT: Around the end of the month, either the last week end in January or the first week in February because the roof of the Library is on and the floor is sufficiently finished for me to roll over it.

Q Spend your birthday up there, sir?

THE PRESIDENT: No; I will be here.

Q Did Mr. O'Neal (Mr. Edward A. O'Neal of the Farm Bureau Federation) convince you yesterday that farm parity payments were needed?

THE PRESIDENT: Oh, he gave me a copy of the various resolutions passed. That is all that happened. It was one of many resolutions.

Q Have you any comment on the breakdown of the Argentinian-Uruguayan negotiations?

THE PRESIDENT: I do not think there is anything except what has been given out by the State Department.

Q Has any decision been reached on material aid to Finland?

THE PRESIDENT: Not yet. I think I can give you a background story on it:

The general thought in my mind is that this is a thing that ought not to become a question of partisan politics -- party politics. In other words, the attack on Finland and the desti-

tution of a large number of the people and their needs for maintaining their independence, it hardly should be a partisan matter over here. What I understand is being done on the Hill is that they are trying to get the leaders of both parties together and agree on what we should do. I have not heard any results -- I do not know.

Q Any figure in mind, like fifty or sixty million?

THE PRESIDENT: I do not know. I have not the faintest idea. I do not know the details of their discussions.

Q What about these suspended payments?

THE PRESIDENT: That comes into the same subject.

Q You introduced that by saying you would give that as a background story?

THE PRESIDENT: That is merely to explain to you what I think is going on and what I hope is going on on the Hill.

Q As to the use of your narrative?

THE PRESIDENT: Yes. You can say that is the suggestion I made to them.

Q You do not know in what form it would be handled, whether by loan?

THE PRESIDENT: I have not the faintest idea.

Q Included in this proposal is a suggestion to sell 60,000 Garand rifles at \$1. apiece for experimental purposes. Anything from the War Department on that?

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

Q The Interstate Commerce Commission made its report to you on the waterways and the lake hearings. Will you make that public?

THE PRESIDENT: I do not know. I would have to check it and see what

the status is. I have not seen anything on it for a couple of months.

Q Have you received any reply from the Pope to your letter of December, twenty-third?

THE PRESIDENT: No.

Q Do you contemplate giving any specific instructions to Mr. Taylor (Mr. Myron Taylor) in the conference which you said would be the last conference held before he goes to Florida?

THE PRESIDENT: He is coming in to lunch. When it comes down to specific instructions, the answer is "No."

Q Have you anything to say on your conference with Admiral Leahy yesterday?

THE PRESIDENT: Oh, we talked about the continuing problem of Puerto Rico, that is all.

Q Did you give him any suggestions? to Taylor, I mean? You said no specific instructions.

THE PRESIDENT: No. We will talk over the whole situation.

Q Is he acquainted with the objectives of your peace proposals that you talked of here the other day?

THE PRESIDENT: Those were not objectives. I warned you against being too objective. After all, if, for example, I talked with any one of you about some of the ideals of peace, that is not a very out of the way thing to do. I have talked with a number of you as to the ideals of peace. That is all there is to it. I have been talking to people all the time about that. I do not think there is much of a story on that and you cannot put it down, point by point, and mention any specific ideals. It is too didactic and

I know that the newspaper stories have to be specific and objective. That is why I do not see what you have to write about. Don't be specific and objective because I am being didactic in my own mind. It spoils the story.

Q Since the return of the American delegates on the St. Lawrence Treaty from Canada, is there anything you can tell us?

THE PRESIDENT: No. I am talking to them on Monday or Tuesday. They wanted to come in this week end but I haven't the time.

Q Will you appoint a Minister to Ireland in the near future, now that there is a vacancy?

THE PRESIDENT: Yes, but I do not know when or who.

Q Will your talk with the St. Lawrence people include the Canadians, who are coming down here on the twenty-sixth?

THE PRESIDENT: I did not even know that they were coming down. Next Monday or Tuesday I will talk to the Americans and I do not know whether I will see the Canadians. I did not know they were coming.

Q Will you talk to Schlacht (Editor of the East Side News in New York City) about that (Congressional) vacancy up there? (The reporter was referring to the Congressional vacancy by reason of the death of Representative Sirovich.)

THE PRESIDENT: I was not thinking about it.

Q Have you written him at all, sir?

THE PRESIDENT: I have not written him any letter except a personal and confidential letter, which is nobody's business. (Laughter)

Q Mr. President, did you give former Assistant Secretary Charles West some information as to not being made a candidate in the Ohio Primary?

THE PRESIDENT: No.

Q Have you done anything?

THE PRESIDENT: I have not done a thing, one way or the other.

Q Some time ago I think you spoke about a trip to the Pacific Coast in April. Do you still have that in mind?

THE PRESIDENT: I do not believe it is possible. I doubt it very much. That was a long while ago and the nearer it gets, the more difficult it is.

Q Since last Tuesday when you looked into the Pennsylvania political situation from A to Z, as you said, when Mr. Kelly was here, have you looked further into it?

THE PRESIDENT: Oh, yes.

Q Who did you talk to? (Laughter) Who did you talk with since Tuesday?

THE PRESIDENT: Oh, I have had a lot of spiritual communings.

Q Has Mr. David L. Lawrence been here since Tuesday?

THE PRESIDENT: I believe he was here the other day. (Laughter)

Q When and how? Did you talk to him?

THE PRESIDENT: No. I will tell you what -- that may have been one of the spiritual communings. (Laughter)

Q If he was here, he came in the back door. (Laughter)

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL

Conference with Members of the National
Conference of Business Paper Editors, #614-A,
Executive Offices of the White House,
January 12, 1940, 11.05 A.M.

THE PRESIDENT: Well, this is grand, our annual meeting.

Q The annual meeting. Steve (Mr. Early) lets me have two, annually.

THE PRESIDENT: I haven't prepared anything to say to you. What have you prepared for me?

Q As you know, we represent the business and industrial press. We are not here as reporters, we do not quote you and we are not columnists. (Laughter)

THE PRESIDENT: You know, I have talked with you frankly in the past and there has never been a leak, which is going some.

Q You certainly have. We are here to get editorial background in order that we may wisely comment on things that have happened down here. We cannot ask questions and we wondered whether there was something on the top of your mind that you might discuss with us.

THE PRESIDENT: The only thing that occurs to me is the economic situation at the present time. I think the most significant thing that has happened since the middle of October has been the complete divergence of opinion on the part of the experts. It is a very interesting thing. As you know, we have a good many different groups in the Government that are in the prognosticating business as to what this particular thing is going to do -- is it going to rise or stay steady or go down? They study different forms of business. These different agencies, of course, are in touch with all of the industries all the time and they

get a lot of their information from the industries themselves -- the Department of Commerce, the Federal Reserve Board, even the S. E. C., they have their economists and then Dr. Lubin's outfit and, well, even agencies like the F. D. I. C. which gets its slant from the banks.

Beginning about the fifteenth of October, you could get any opinion you wanted, depending on whom you asked, as to what is going to happen. It makes it terribly difficult in this particular job, just the way it would for you who edit trade papers or anything else to do any forecasting.

Well, this being just a family party, we discussed the thing at one of the Cabinet meetings and I pointed out that, on the whole, the expert economists were a good deal worried -- this was about the tenth of November, along there -- because they said most lines were getting overstocked and they looked for a pretty serious setback in January. We talked about it for half an hour and the general conclusion of the Cabinet was the exact opposite of what the economists and the experts said. For instance, Ed Noble of Commerce and Morgenthau of the Treasury Department and I did not feel at that time that there was going to be a serious setback in January. And it so happens that we three laymen, who are moving largely by hunches instead of figures, we were right and the other fellows were wrong. Now, that shows some of the difficulties of forecasting.

Of course, as you know, when it came to Budget matters and things like that we took a pretty hopeful view of the situation during this year 1940. All of our figures were based on the

guess that it is going to be a darned good year and, of course, if it is not a good year, it presents a good many problems. You take the problem of unemployment: We can cut down an average of about 400,000 people on the relief rolls with the year beginning the first of July. Well, heavens, we hope that there will be 400,000 of them employed in industry. If we are wrong on the guess, on the hope, we will have to ask for more money to take care of that because, obviously, we cannot let them starve.

The same thing on the agricultural end of the thing: We did not put in for the parity payment amount, the three-quarters of 75 per cent of parity -- we practically guarantee that on the major crops -- in the hope that the farm prices will be up, during that year, to three-quarters of parity. Cattle is well above it already, wheat is almost there, cotton is almost there, and of course there is no question that Congress will pass an appropriation to make up the difference.

On the whole, personally I am still hopeful, very hopeful.

Q Mr. President, would you care to say anything about the likelihood of a tax bill this year?

THE PRESIDENT: Well, you know the way I put it up to them. Every major estimate is down, very distinctly down, from last year except national defense, the extra cost of which will be between four and five hundred million dollars. And the question, I should say, from the point of view of businessmen is, Should we run into debt for that particular item or raise the taxes? If we raise the taxes, we would have every department of the Government on a lower scale of deficit than ever before. That is what we are working for.

Of course, when it comes down to the individual tax, that has always been entirely up to the Congress to say what it shall be. The only thing -- as an old businessman myself I have adopted and accepted for a great many years the general theory of taxes in accordance with the ability to pay and if you put the consumer tax up too high as a general proposition you are going to cut down the sales to the consuming public. That is perfectly obvious.

Q Of course business is seriously disturbed about that. If we have to take on a heavy tax, particularly if it is concentrated on business, it means raising prices.

THE PRESIDENT: Well, yes and no.

Q They say it may.

THE PRESIDENT: That question of raising prices, I was connected with a business once and our principle was, in our pricing, to price it on a basis of what the traffic will bear, and it was all wrong. We got away from that idea because we, on several occasions, pushed our prices too high and people quit buying. When we put up the prices to what the traffic would bear, very, very soon our sales would slide down. That is why, except in certain lines, we have had a perfectly grand response from business in keeping prices down.

Q You are always very much interested in this problem of home building. Have you had any recent studies on that or any thoughts about the possibilities this year?

THE PRESIDENT: Some building materials are awfully high.

Q Very high, yes.

THE PRESIDENT: If we could keep them at the present level or possibly

advance them a bit, I think we would have more building. Just speaking from my own personal experience at home and in Georgia, people come to me and say, "I was all set to build a house and I got some estimates and now I have to put it off." It is just the human thing. I think we are making progress in types of houses.

Q The last time we were here, Mr. President, you talked to us about the foreign developments.

THE PRESIDENT: Foreign? Yes?

Q Would you care to say anything today?

THE PRESIDENT: Well, nothing except that --

Q (interposing) Your prognostications were very good, however.

THE PRESIDENT: Yes, I was quite serious.

Q Any background material you could give us?

THE PRESIDENT: A lot of people thought I was too serious last year.

Q You gave us a good steer and that was in the spring..

THE PRESIDENT: This war involves almost every line of industry, one way or the other. There is no question about that. We are picking up in a good many places in our foreign trade where, a year ago, we had no expectations of doing it and, in other places and other lines of material, we lost more than we expected to lose. I do not think that is a thing, when it comes down to the practical question of foreign trade, on which you can make any guess. It is a difficult question. South America is coming along in good shape.

We Americans, in time we are going to learn more about South America. We have altogether too much of the attitude that,

"Oh, well, they are spigotees." We are frightfully dumb. Well, I will tell you a story that illustrates why we have got to remember that they are human beings and consider themselves just as good as we are. I told this story to a certain very large power executive who was talking of having his company -- he already has quite a lot of South American electrical utilities -- he was going down and he asked me if it would be a good idea to expand their electric properties in South America. I said, "Perfectly grand but I want to tell you a story. When I was driving through the streets of Rio de Janeiro in 1936, at the end of November, with President Vargas, with this great parade of troops, et cetera and so on, and they had cleared off the streets, over in the corner were a whole lot of very fine new busses, in this little park that had been shunted off the main street. They were fine looking transportation busses. I said to Vargas, 'Those are very good-looking busses.' He said, 'Oh, yes; we have a very excellent traction company here, as far as the service goes.' I said, 'Why do you say, as far as the service goes?' 'Well,' he said, 'there is a great deal of feeling in Rio and the whole of Brazil that we would like to own our own traction company.' I said, 'Who owns this?' He said, 'This is owned in Toronto and Montreal.' I said, 'In other words, you do not like foreign ownership of your main utilities?'

"He looked at me and said, 'What would the people of New York City do if the subways were all owned in Canada?' 'Oh,' I said, 'why, there would be a revolution.' He said, 'Well, perhaps you can understand our feelings a little bit.' Then

he pointed out to one of the big, high mountains and said, 'Do you see that electric light line, that big transmission line?' I said, 'Yes.' He said, 'Well, we have excellent electrical service. It comes from some waterfalls about forty miles back in the country. We have no complaint at all. But,' he said, 'we don't like it because that is owned in London. How would you like it if the Consolidated Gas Company of New York and the New York Edison Company were owned in London?' I said, 'There would be a revolution.'

Well, this particular power man said, "Well, that is the first time I have ever thought of that fact. Let me think. That means that when we go down, my company, to extend our services into other cities of South America and make extensions of transmission lines, or something like that, what Vargas means is this -- now those Brazilians cannot furnish the secured money because they have not got enough -- what your idea is, what Vargas' idea is, is this: that New York will finance the secured money. New York will finance, perhaps, the preferred stock and on the equity, the Brazilians will have enough money to buy what might be called an option on the equity." That is a pretty fair proposition. It means the original equity, which is practically always water, as you know -- we do not say so out loud, it is not considered polite, and when I speak of it some of your trade journals say that I am attacking business, but we all know that equity, in nine cases out of ten, in a new concern is water. Why not say so? It is perfectly true. What this plan means is that that water should be shared over a period of time and, after the

bonds have been amortized and paid off, that the Brazilians themselves should get ultimate control of that company. It is a perfectly fair proposition and if we were the power people and they had the money and we could not put up the secured money and asked them to and they came in here, we, as Americans, would demand, eventually, after twenty-five or thirty years, that the ownership should be in this country and not somewhere else.

That is a new approach that I am talking about to these South American things. Give them a share. They think they are just as good as we are and many of them are.

I think it is rather an interesting thought on our foreign trade. Just to illustrate, here is another case in point. As you know, the British need money in this war. They own lots of things all over the world of that kind, such as tramways and electric light companies. Well, in carrying on this war, the British may have to part with that control and we, perhaps, can step in or arrange -- make the financial arrangements for eventual local ownership. It is a terribly interesting thing and one of the most important things for our future trade is to study it in that light.

Q I think that is an excellent suggestion.

Q We appreciate very greatly your graciousness, Mr. President.

CONFIDENTIAL
Press Conference #615,
Executive Offices of the White House,
January 16, 1940, 4.05 P. M.

THE PRESIDENT: How is everybody?

Q (Miss Fleeson) They are trying to razz me.

THE PRESIDENT: Another Red? (Referring to bright red ribbon on the hat worn
by Miss Fleeson)

Q (Mr. Young) Cutting down on Uncle Fred's department?

THE PRESIDENT: That was on account of the point of order on this bill.

Q (Mr. Young) Going to take it away?

THE PRESIDENT: It is a parliamentary situation. Anybody could raise the point
of order and the Republicans announced that they would raise a point of
order.

MR. DONALDSON: All in.

THE PRESIDENT: Well, let us see. Let's get the District of Columbia out of
the way first. You look awfully receptive.

Q Mr. President, you read my mind. You have shown a great interest in the
reorganization of the District of Columbia and we would like to know,
sir, what your opinion is on this proposed doing away with the Health
Officer and picking a man from the Public Health Service?

THE PRESIDENT: I do not know anything about it because I have not read the
report. My opinion was asked several months ago and I cited a very simple
example in order to explain my feeling that the District of Columbia
should be able to pick a Health Officer from any place they wanted to and
should not be limited. When I was Governor of the State of New York and
wanted a Health Officer for the State, I looked around the whole of the
country and I felt that the Public Health Service had the best man avail-

able at that time, so I borrowed Dr. Parran from Oggie Mills (Ogden Mills, then Secretary of the Treasury). I think the District Commissioners should be able to go anywhere they want, to private practice, to any city Health Officer, to any state Health Officer, to any of the Federal Health Services. At no time have I recommended that the Health Officer of the District of Columbia should come from the Public Health Service.

Q You say you did not?

THE PRESIDENT: No, of course not.

Q But, from what you say, you sound like you approved --

THE PRESIDENT (interposing): No, certainly not. The place should be open to anybody, the best man they can get anywhere, the United States Government Public Health Officer, the Health Officers of states or cities, private physicians, just like the Governor of New York could go anywhere. It is a very different thing.

Q If it does not sound impertinent, I should like to say that it has been intimated that you suggested that --

THE PRESIDENT (interposing): I did not. If this bill limits it to the Public Health Service, certainly not.

Q It limits it to the Public Health Officer or the Army or the Navy.

THE PRESIDENT: I never made such a suggestion and never had it in my mind.

Q And, again, if it is not impertinent, the District Building is blaming it on the White House.

THE PRESIDENT: They cannot do that. I said the law should be so that it would make it possible for them to get any Health Officer in the United States.

Q It looks like they are easing him (Dr. Ruhland) out.

THE PRESIDENT: You had better check on it because what was said here was perfectly clear and definite.

Q So, you see, you read my mind. (Laughter)

Q Will you tell us about your talk today with Mr. William Green?

THE PRESIDENT: Who? Oh, we talked about the meeting they are going to have down in Miami and we talked on the Birthday Balls. That was what he told you, wasn't it? (Laughter)

That is what we agreed on, that he would tell you, and I am telling you the same thing. (Laughter)

Q Did you talk about the building trades' inquiry by the Department of Justice?

THE PRESIDENT: No, that did not come up at all.

Q It did not?

THE PRESIDENT: No.

Q Mr. President, it has been printed that, in connection with the appointing of a successor to Mr. Fechner, the question of the militarization of the CCC is to come up?

THE PRESIDENT: My God, who printed that?

Q The News, of Washington.

THE PRESIDENT: Oh, I never heard of that paper. (Laughter) Oh, the Capital thing. Oh, that is it. Well, I guess they made a mistake.

Q (Miss Fleeson) Well, the News of New York will be sorry to hear that. (Laughter)

Q Dave Lawrence's paper has said -- he has gone right out on the end of the limb and said that on January twentieth or March fourth you would make your announcement as to running again or not. (Laughter)

THE PRESIDENT: That is a very interesting thing. Was that a copyrighted article by Dave? Did the other papers that printed it pay him for reprinting it?

Q You are asking me? I am not --

THE PRESIDENT (interposing) It is a very nice technique. I would like to know.

Q What do you think of it?

THE PRESIDENT: I think it is slick technique on Dave Lawrence's part. It is a new way of making money. (Laughter)

Q Well, that is what I think. (Laughter)

Q Mr. President, would you care to say anything about why the Neutrality Act should not be invoked in the case of Russian-Finnish hostilities?

THE PRESIDENT: Well, it is an undeclared war at the present time. That is about the easiest answer.

Q Mr. President, do you feel that the question of credits to Finland is a matter purely of credits or of foreign policy?

THE PRESIDENT: Read my letter. There is a copy. There is your answer.

Q Mr. President, do you still think you will be able to go to Hyde Park on the twenty-fourth?

THE PRESIDENT: Well, I do not know. It will be around the first of February, either the Sunday before or the Sunday after.

Q Will you spend your birthday up there?

THE PRESIDENT: Down here.

Q Have you any comments to make on the action of the House Appropriations Committee in not appropriating money for the National Resources Board and Government Reports?

THE PRESIDENT: I was told by them that the reason it was left out was because it was subject to a point of order and the Republican leadership had already served notice that any appropriation that was in an appropriation that was subject to a point of order, that the point of order would be made and therefore they left it out because it would have been knocked out on a point of order. It will come in some other authorization, followed by an appropriation.

Q Mr. Woodrum (Representative Woodrum) raised the question that these agencies were not legally set up.

THE PRESIDENT: It means they have not been authorized by Act of Congress, although we have been paying money to them year after year.

Q You did that inadvertently yourself instead of putting them in the Executive establishment under the reorganization plan?

THE PRESIDENT: They came here originally, as you will remember, as a part of all the general relief projects.

Q That is right.

THE PRESIDENT: As a part of the planning of expenditure of relief money.

Q The next move would be to get legislation?

THE PRESIDENT: Yes.

Q Does that explanation include Lowell Mellett's office?

THE PRESIDENT: Yes.

Q Three years ago you wrote a letter to Mr. Doughton of North Carolina, asking him to continue his services in Congress. This afternoon he announced his intention to retire at the end of the year. Have you any statement?

THE PRESIDENT: Only that I would be awfully sorry if he goes through with it because I do hate to lose him out of the House. He is of great value to the Congress.

Q What about this visit of Averill Harriman's yesterday?

THE PRESIDENT: That was to bring me an interesting document that was passed by the Business Advisory ^[Council] Committee. I do not know whether the whole report has been released or not. It was a report by the Business Advisory Council on the reciprocal trade agreements program. The Council (reading from document) reaffirms the support it gave me in 1938 in the efforts of the Government to promote trade through the instrumentality of the trade agreements program. It favors the scientific methods of tariff making as indispensable to safeguarding national welfare and American standards of living. It gives a page on what it calls "alternatives" and

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points out how horrible the alternatives are.

For instance, in respect to procedure, it says, "No one, we believe, would wish to return tariff making to a system unduly influenced by sectionalism, group and class influences."

There is no reason you should not have this report. It is not very long. There are only seven pages to it.

Q Is that the report that Noble (Under Secretary of Commerce Edward J. Noble) presented yesterday?

THE PRESIDENT: I do not know whether it was given in detail.

Q Yes, sir.

THE PRESIDENT: It is worth looking over and giving a little space to.

Q Is there a basis for the report that you have finally found a West Coast man for the Maritime Commission to succeed Woodward?

THE PRESIDENT: I have not taken it up.

Q You have not decided?

(The President shook his head to indicate a negative answer.)

Q Anything you can tell us about the action of the Committee in cutting \$75,000,000 from the appropriation of the Maritime Commission?

THE PRESIDENT: I do not know -- I know nothing about it except what I read in the afternoon paper.

Q Are you anywhere nearer the appointment of a District Court judge?

THE PRESIDENT: No.

Q There have been reports that Secretary Edison has been mentioned for Governor of New Jersey. Have you any comment on that?

THE PRESIDENT: I know nothing about it whatsoever.

MR. GODWIN: Thank you, Mr. President.

Q Now that you have seen Mr. Berle (Assistant Secretary of State A. A. Berle) can you tell us whether you expect the St. Lawrence Treaty to be signed

in a month?

THE PRESIDENT: What will happen in a month?

Q Signing the St. Lawrence Treaty?

THE PRESIDENT: We have had very little chance to talk it over, only about five minutes yesterday, and he is coming in again before the Canadians come down. I cannot tell you anything more than that.

Q Has the British commentary on the Pan American safety zone been brought to your attention, or do you wish to comment on the press reports?

THE PRESIDENT: It has not been brought to my attention yet and I have not read the press reports.

Q Could you tell us the purpose of your discussion with Governor Maybank?

THE PRESIDENT: Just to say, "Howdy."

Q The subject of creating a home port for the Atlantic Fleet at Charleston, when created, was not discussed?

THE PRESIDENT: No. As a matter of fact, it was not discussed at all but, naturally, there will be no home port for the Atlantic Fleet, if and when created. The Atlantic Squadron, as it is now, will use all of the Navy Yards on the Coast (the Atlantic Coast). You take, out on the West Coast, you know there is no home port. There is San Diego, San Pedro, San Francisco Bay and a couple of places there, and Puget Sound. There is no fixed place.

Q Wouldn't that include the development of some of the more promising ports on the East Coast?

THE PRESIDENT: Oh, I suppose they will develop in an ordinary, normal way, depending on the Navy needs, that is all.

Q Have you heard of any differences between the Governor of Alaska and the Navy Department concerning labor on Kodiak Bay?

THE PRESIDENT: I never heard of it. All I know is Kodiak bears. (Laughter)

Q Aside from the bears, there is supposed to be quite a discussion up there about Governor Gruening's ruling that one hundred per cent of all the labor employed at the base be drawn from the Territory.

THE PRESIDENT: The Aleutian Indians, is that it?

Q I understand that is it and the Navy Department does not want it. (Laughter)

THE PRESIDENT: Well, the answer is, "Go and catch a salmon. You will feel better." (Laughter)

CONFIDENTIAL

Press Conference #616,
Executive Offices of the White House,
January 19, 1940, 10.50 A.M.

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

THE PRESIDENT: Earl (Mr. Godwin), as far as I am concerned you might just as well put the lid on before the Conference. I know nothing.

Q (Mr. Godwin) We have Kenneth Crawford, head of the Newspaper Guild, here. I want to make a statement. You know him, of course?

THE PRESIDENT: Yes, sure.

MR. DONALDSON: All in.

THE PRESIDENT: Next?

Q Mr. President, are you planning the appointment of an ambassador to Germany soon?

THE PRESIDENT: Not that I know of. I read about it in the newspapers; that is the first I heard.

Q I think for the sake of the record you might like to know that we have another president with us today, a member of our Association, Kenneth Crawford, of the New York Evening Post, who has been elected the president of the American Newspaper Guild. And, in connection with that, there is an interesting bit of politics which may be prophetic: Mr. Crawford was elected by a terrific majority; he carried Vermont, New Hampshire and Maine and all like that --

THE PRESIDENT: (interposing) Gosh, he is the fellow I have been looking for. (Laughter)

Q (Mr. Godwin) He is the fellow. (Laughter)

Mrs. Roosevelt, the First Lady of the land, was put forward

as a possibility and she withdrew and Mr. Crawford is of the opinion that when a Roosevelt leaves the field, the opposition cleans up.

THE PRESIDENT: Well, did my wife pick him? (Prolonged laughter)

Q (Mr. Godwin) Well, that is the day's story.

THE PRESIDENT: I think that will hold you.

Q (Mr. Godwin) That will hold me.

THE PRESIDENT: All I can say is that I wish Brother Crawford a very happy tenure of office, following this magnificent unanimous vote, and I hope he will do something to shorten the hours of all of you good people and perhaps get you a little more pay.

Q (Mr. Godwin) May we amend that to have the Press Conferences on time? (Laughter)

THE PRESIDENT: Yes. I only go on the theory that a little silent meditation for fifteen minutes is good for everybody.

Q We don't get it.

Q Sir, have you reached any conclusion on the Federal Judge for this district that we have been talking about?

THE PRESIDENT: No. I hope to get two or three more judicial names up next week. I do not know whether the District of Columbia will be among them or not.

Q Have you had time to take up the Director of the Division of Territories?

THE PRESIDENT: Not yet, no.

Q Is the next reorganization plan nearly ready?

THE PRESIDENT: Not yet, because it was a fiscal question and we all worked terribly hard over the Budget, as you know. When we got

through with the Budget I told the various people in the Budget offices I thought they were due for a little holiday so we have not got to it yet.

Q Did you discuss it with Woodrum (Representative Clifton A. Woodrum) and Cochran (Representative John J. Cochran) yesterday?

THE PRESIDENT: No.

Q What do you think of the economies of the House with respect to the first big supply bill?

THE PRESIDENT: Well, it depends on which headline and which lead you read.

Q They cut about ninety-five million.

THE PRESIDENT: Of course the principal cut there was on the Maritime Commission and I have not talked to the Maritime Commission about that since then. It is a question of policy, of how fast we will go on building up the Merchant Marine, and that is largely a question of replacement of ships overage, how fast they want to do it. You see, practically speaking, there was almost a complete cessation in commercial shipbuilding in this country from after the World War down to two or three years ago when the Maritime program started, so nearly all the ships that some of us people remember were built during the World War period and they are all twenty years old.

Q Is there any doubt in your mind that those three bodies, the National Resources Board and the Office of Information and the Council of Personnel Administration, which were put out of the bill for various reasons, are you sure they will go back under the proper --

THE PRESIDENT: (interposing) I hope so, because, in the first place,

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the total of appropriations for those three agencies is so very small compared with anything else. All three of them together cost, oh, about half of what one commercial ship would cost, which is an interesting parallel. They are, all three of them -- two of them, rather, are money saving agencies. Well, I will give you a very simple example on the National Resources Committee:

I am studying now -- I won't give you a story on it at the present time because it is a darned good story by itself -- but in the course of the next couple of years we are going to be able to throw open to settlement this very great region called the Columbia Basin, which is the old bed of the Columbia River. When Grand Coulee starts the pumps going, pumping the water up on the Columbia Basin -- some of you have been there with me -- it means irrigated land for, oh, as I remember the figure, about eighty thousand families and probably another twenty thousand families to run the services for those eighty thousand.

That is a population, eventually, of half a million people.

Now, what are we going to do? Let them come in like Topsy, first come, first served? Shall we take people who need to go there or people who do not need to go there? Are we going to let that half a million people go in for one special crop, like the Yakima Valley did, and produce more apples than we can possibly use? Are we going to turn the area over to sugar beets and add to our complicated sugar problem? Or, are we going to plan for this? Are we going to make it purely agricultural or will we plan to put local industries in there?

Those are things we do not know. How does the Government

study a recommendation to the Congress? No one department of the Government has qualifications to make a complete study. It is economic, social, agricultural, et cetera and so on. There has to be some small Government agency to make studies of that kind, calling on other Government departments, calling on private industry, private agriculture, to help work out a plan. That is the National Resources Board and, actually, by this type of planning ahead for new things, we save the expenditure in the future of millions and millions of dollars that could be saved by preventing overlapping and by preventing the kind of economy in this region which would lose a hundred times the cost of running this small National Resources Committee.

The other one, of course, is this Council of Personnel. I think that the cost of running that is somewhere -- I do not know what -- a hundred and twenty-five thousand or a hundred and seventy-five thousand a year?

Q Twenty-six thousand dollars on this item.

THE PRESIDENT: Yes. I think the estimate was fifty thousand dollars?

Q The amount was very small.

THE PRESIDENT: Anyway, it is a very small amount. Well, what has that done? It has brought in together personnel officers from every department of the Government -- I think there are twenty-four -- and they are headed by a former Congressman, Mr. Davenport, a former republican from up-State New York, and Freddie Davenport, meeting with these people, is accomplishing a uniform policy of employment in the Government. He is preventing the stealing of one man in one department by another department. They are working out

systems of promotion according to merit. What was it, two years ago, when they had an investigation in some of the departments which looked as if they were boosting pulchritude? You remember that?

Q Yes.

THE PRESIDENT: Now, this Council of Personnel Administration is giving everybody a square deal based on merit. It will improve the Government service.

Then, the third agency is Government reports. Well, somebody has to coordinate these things and the principal users of the Government reports are the members of the Senate and House. Anybody who wants a report, wants to get information about any subject, get hold of that office and you will get it inside of twenty-four hours. They may send a truckload of information. They have the whole thing there.

So, I hope very much it will go back in the bill.

Q Mr. President, have you made any study to find out how many other agencies are subject to a point of order?

THE PRESIDENT: I do not think there are any more. There may be. But it is perfectly all right. If they are subject to a point of order and the House wants to raise a point of order, it is perfectly all right. In other words, that is the way they conduct their business and therefore they cannot be criticized by any other branch of the Government.

Q If there are such agencies, you will ask for legislation authorizing them?

THE PRESIDENT: Yes, or else put them where they have been before, which

is on the relief bill.

Q One of the things they said was that the National Youth Administration had been created by an Executive Order?

THE PRESIDENT: I guess that is right. I am not sure; you had better check. If it was, then it is subject to the same point of order.

Q Then you will ask for legislation?

THE PRESIDENT: Yes.

Q Mr. President, just to make it accurate for this local situation:

Those leaders that left here the other day gave me the impression that these two, the Lowell Mellett (Office of Government Reports) and the other one would go on the relief bill. I think they gave me that impression, whether they said that or not.

THE PRESIDENT: I think they were just talking about it. You see, there are two ways: one, that these can be added in the Senate to any bill, or the other way is to put them on the general relief bill where it is not subject to a point of order.

Q Could what you have said about the Columbia Basin be applied to the dislocation of the population in the cutover areas in the South and in the Northeast?

THE PRESIDENT: Yes, that is true. There are quite a number of southern governors and others who are very anxious to have a population survey made in connection with agriculture and industry. Nothing definite is being done on that at the present time but it is one of the things that can be.

Q What do you think of the procedure of the Smith Committee investigating the Labor Board?

THE PRESIDENT: I do not know. I do not know a thing about it.

Q Mr. President, are you planning to see Senator Brown on the Finnish aid bill?

THE PRESIDENT: I do not know.

GENERAL WATSON: No, sir; he is not on the list.

MR. GODWIN: Thank you, Mr. President.

THE PRESIDENT: Everything is all quiet. Put the lid on.

CONFIDENTIAL
Press Conference #617,
Executive Offices of the White House,
January 23, 1940, 4.05 P. M.

Q You saw the Lincoln film, did you not, Mr. President?

THE PRESIDENT: Yes.

Q How did you like the way they scrambled up the Lincoln-Douglas debate?

The way they jammed it all together?

THE PRESIDENT: I will tell you afterwards the way Pennsylvania tried to cut it down through censorship.

MR. DONALDSON: All in.

THE PRESIDENT: I don't believe I have anything. I believe Mr. Young may have another question to ask.

Q (Mr. Young) No, sir; I think you finished it the other day.

(Mr. Young was referring to the exchange between the President and himself at the Alfalfa Dinner the previous Saturday evening.)

THE PRESIDENT: All right. From now on you can rely on me.

Q (Mr. Young) You don't even know me. (Laughter)

Q When Senator Wagner left you this afternoon he said that he had been discussing with you the Finnish relief situation. He did not give me any information but did say that there was something in the wind at the White House.

THE PRESIDENT: You will have to go to the Hill.

Q He referred us to the White House and, since he is a spokesman from the Hill, we thought you might know something.

THE PRESIDENT: The developments will come from the Hill.

Q The term of Mr. Eccles, the Chairman of the Federal Reserve Board, expires the end of this month. Can you tell us what will happen then?

THE PRESIDENT: You are a little previous; I do not know yet.

Q Mr. President, do you agree with Secretary Morgenthau that \$50,000,000 debt limit would be an advisable thing?

THE PRESIDENT: I have not heard anything about it except what I read in the afternoon paper. I will have to check first.

Q He testified that.

Q Mr. President, our cable dispatches from the Virgin Islands and various other places indicate that there is a flotilla of about twenty-two naval vessels maneuvering down about the Leeward or Windward Islands. It appears that they are in training maneuvers with the battleship TEXAS participating. Can you tell us the nature of those maneuvers?

THE PRESIDENT: Just the normal exercises. They will go down from Guantanamo, a portion of them, I suppose about half of them will go down to Curacao and Aruba and Bonaire, which are three Dutch islands down there, and the other half will probably go to various ports in Venezuela and then join up and have exercises on the way back and, on the way back, go back by way of the Windward and Leeward Islands and probably stop in, by detachments, at the Dutch island in the -- I don't know whether it is the Windward or the Leeward group --

CAPTAIN CALLAGHAN: I think it is the Windward group.

THE PRESIDENT: -- Windward group -- Saint Eustatius (Note: It is in the Leeward group), and then come back to Puerto Rico, on the south coast, and end up at Guantanamo at the end of the practice cruise.

Q Are they attempting to establish any definite theory in the maneuvers?

THE PRESIDENT: No, just fleet maneuvers.

Q Are you going to recommend any special measures for Puerto Rico at this conference that you talked over with Governor Leahy?

THE PRESIDENT: That I do not know. It is in the process of study yet as to whether any additional legislation is necessary or not.

Q Can you tell us whether recommendations have been made by you for the veto of the so-called Jenkins Bill?

THE PRESIDENT: That is on my desk at the present time and has not been acted on. In fact, it is right in front of me.

Q The term of notice to Japan on abrogation of the trade treaty expires February twenty-sixth. Is there anything to be said about negotiations on a new treaty?

THE PRESIDENT: I do not think so. I do not think there is any news on it at all.

Q Have you any ideas to express on it, sir?

THE PRESIDENT: No.

Q This question about fleet maneuvers suggests another question: Have you any plans for traveling any time soon?

THE PRESIDENT: I would like to get a trip some time in the winter but I am vague on it still. I did not get much holiday last summer. You know, I got called back early.

Q How about Hyde Park?

THE PRESIDENT: The end of next week.

Q Anything on the St. Lawrence Waterway discussions?

THE PRESIDENT: Have they arrived yet?

Q Yes.

Q (Mr. Merwin Browne) Mr. President, in the room is Mr. Lebherz (Mr. Edward J Lebherz) of the Buffalo Courier Press and myself. Together we represent about 400,000 readers in Buffalo and I was wondering if there isn't something you could tell us about the St. Lawrence Waterway. I understand that there are a lot of things you cannot talk about in view of the negotiations, but a little background on our hopes and where we are heading would help us.

Q I would like to add the plea of Wisconsin to that request for something on the St. Lawrence Waterway.

THE PRESIDENT: I think -- I believe the word "background" applies to this exceedingly well because I have been talking about it since I was a comparatively young man. Background is a good word.

I have felt and I think the good people of Buffalo, your 400,000 readers, when the thing is done -- not if -- we will realize that Buffalo will be helped and not hurt by the building of a dam in the St. Lawrence and the development of navigation and power simultaneously. I have not changed my mind very much ever since I was a young man as to the good it will do the United States, including Buffalo and Wisconsin.

Q And the North Atlantic ports?

THE PRESIDENT: And the North Atlantic ports won't be hurt one bit either. Portland, Maine, I think will in the long run be benefited.

You know, it is an interesting thing, whenever we have improved the transportation facilities in one section, existing transportation facilities have not suffered, in spite of the almost constant opposition to any new facility by the old facility. It is just one of those things -- history proves that point.

Q Two Illinois Senators called here some time ago to deliver a letter from Governor Horner protesting against the phase of the St. Lawrence Treaty which, under the old agreement, would have kept regulation of water diversion from the Lakes into the Sanitary Canal at Chicago under control of an international commission. Has that phase of the thing been removed?

THE PRESIDENT: Yes, and that is one of the things that, when Mayor Kelly came in the other day, I forgot to talk to him about. The situation in regard to Chicago is this: The Federal Government has always advocated the diversion of enough water out of Lake Michigan to provide for barge

transportation from Chicago to the Mississippi, the same depth of the water that they have in the Upper Mississippi. What is that, nine feet?

Q Nine feet, yes.

THE PRESIDENT: Right. That I have always said Chicago ought to have, just as St. Paul and Minneapolis have got it. I believe we will be able, in conjunction with Canada which, after all, has equal rights with us to the water of the Great Lakes, to provide enough water for that navigation.

But, when it comes to a question of providing additional water to carry Chicago's sewage down into the Mississippi and into the Gulf, I am against it.

Q That is being taken care of, partially, through the Supreme Court order on treatment plants.

THE PRESIDENT: Chicago sewage, every bit of it, every cubic foot, ought to go through a sewage disposal plant and that requires comparatively little water. When Chicago is taking care of its sewage, one hundred per cent, they will be able to take care of their needs for navigational purposes.

Q You are not referring to political sewage? (Laughter)

Q It will be necessary for Congress to pass additional legislation in order to provide additional water for Chicago?

THE PRESIDENT: No, Congress cannot get around a Supreme Court decision or a treaty.

Q There isn't anything that Congress can do in that regard?

THE PRESIDENT: No, except by agreement with Canada. The Supreme Court is tops on that.

Q Is there anything in the cards that looks like a change in connection with the negotiations?

THE PRESIDENT: I think they are discussing that point. I am not familiar with the details. Certainly I am not going to insist on an extra amount

of water to carry raw sewage down the Chicago or Illinois Rivers.

Q Do you expect any difficulties in connection with the financial end of the demands for airplanes and other munitions and implements of war by France and England?

THE PRESIDENT: Not that I know of.

Q One clarifying question on this Chicago thing: There has been some discussion on the Hill, largely stimulated by an Illinois member, on legislation to place control of water diversion for navigation purposes within a domestic bureau or board of some sort in the United States rather than having it connected in any way with international control.

THE PRESIDENT: Well, it is international water.

Q It must remain there by treaty?

THE PRESIDENT: As far as I know, it must.

Q The question of diversion, that must remain?

THE PRESIDENT: As to what we do with the amount of water allocated to us, that is entirely our business. A domestic authority or the Congress or any other body can dispose of our own amount of water.

Q After an international agreement on it?

THE PRESIDENT: Yes.

Q Mr. President, will Senate ratification of this treaty be required?

THE PRESIDENT: Oh yes.

MR. GODWIN: Thank you, Mr. President.