

CONFIDENTIAL
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THE PRESIDENT: Sit down, big boy.

Q (Mr. Godwin) Thank you.

THE PRESIDENT: I miss J. Russell Young's palm beach suits.

Q I got some.

THE PRESIDENT: Yours are flossier than his. I wear his kind.

Q What are they, seersuckers?

THE PRESIDENT: Seersuckers, yes -- just another kind of a sucker.

Q In the Indies they have sheer sucre or something like that -- impossible. I think they are suckers around here.

THE PRESIDENT: No, I am the only sucker around here. (Laughter)

(There was some conversation off the record.)

MR. DONALDSON: All in.

THE PRESIDENT: I have only got two things I can think of, that is the letter of resignation from the Secretary of the Navy of June fourth.

MR. EARLY: Twenty-fourth, sir.

THE PRESIDENT: May twenty-fourth, and my reply accepting it -- Steve (Mr. Early) will give it to you on the way out -- to take place on June twenty-fourth.

And the other thing I have is one of those stupid matters of figures -- just so you won't go any further astray (laughter) than you are accustomed to going on figures. Newspapermen and the clergy don't know the difference between a dollar and a dime anyway -- it is an old aphorism of mine -- you are very much like the clergy -- this is about the savings we have to make next year

out of the appropriated funds -- I almost say this in my sleep. Out of total appropriations by the Congress there are certain items, of course, that you can't make savings in and therefore, if you figure the totals of all around -- what? -- take an even figure, \$10,000,000,000., you can't save \$1,000,000,000. by 10 per cent saving. Why? Because you can't save on the interest on the public debt, which is \$1,100,000,000.; you can't save on veterans' pensions funds, that is an Act of Congress, that is \$460,000,000.; you can't save on retirement funds, payments to civil service people, which is \$225,000,000.; you can't save on social security, more than \$410,000,000., unless you change the law completely and abandon what we are doing on social gains; you can't save on, oh, lots of other things -- public roads, because that is a contract with state governments. P.W.A., \$125,000,000., cleaning up old contracts; tax refunds, \$71,000,000.; miscellaneous grants, \$72,000,000., and so forth.

Well, the total of that, of things you can't save on, is a little over \$3,000,000,000. Then the national defense -- I am not counting the new money -- this is the way it was beforehand -- national defense, including the Coast Guard and the increase in the F.B.I., \$2,600,000,000., or a total so far of \$5,743,000,000. that you can't save on.

Then, in addition to that, I do not think we can save on parity payments, I do not think we can save on C.C.C., and I do not think we can save on N.Y.A.

Well, that takes off another -- call it three or four hundred million dollars, and then you have got the item of work relief

which is about -- call it roughly a billion. That is problematical because it depends on how much the relief rolls are diminished because of additional employment. That is a thing you cannot do by Executive Order, impounding money at this time, because the human need is there. Maybe later on we will be able to save something on it. Just to give you an over-all figure, which I worked out roughly, there is somewhere around between $2\frac{1}{2}$ and 3 billion dollars for running most of the departments and commissions of the Government, where national defense is not concerned, where I believe we can make a definite and practical saving and we are going to try to make a saving of 10 per cent on the average out of that total of departmental and commission costs. In other words, I hope that we will be able to impound and return to the Treasury between 250 and 300 million dollars. This year, this fiscal year, we expect to return to the Treasury a little more than 184 millions -- I think Steve (Mr. Early) gave you that figure the other day -- 184 million dollars plus. And that is, roughly, a 10 per cent saving on everything that you can make a saving in.

Q Mr. President, you did not mention soil conservation. Did you include that in the deduction or not?

THE PRESIDENT: Yes, they are included in the deduction.

Q They will be reduced 10 per cent?

THE PRESIDENT: No, no. They are included in the reduction from the total appropriations. I don't think we ought to save on those because we have to think of the future of our country -- soil.

Q Will you give -- you have given some good illustrations of where

you cannot save --

THE PRESIDENT: (interposing) That is one where we cannot save.

Q Have you gone into the places where you can save, that is specifically in all the departments?

THE PRESIDENT: Everything else, every other department.

Q Not a flat 10 per cent?

THE PRESIDENT: No; it all depends. Some departments will be very low; some a good deal higher. For instance, take the State Department, we won't be able to save a thing on the State Department, obviously. They are looking after the Americans.

Q What will you save on the Post Office, for instance?

THE PRESIDENT: That is one of the things we are going to try to save money on.

Q The Republicans met yesterday in the House and decided that Congress should stay in session indefinitely to take care of immediate problems growing out of the European war. Do you think the situation is such, now, that would require such action?

THE PRESIDENT: Not now, certainly, except to make speeches. Of course, that is a very laudable ambition -- not necessarily essential to national defense. (Laughter)

Q I wondered if you could lecture us a little bit on the background of this recommendation on the National Guard, specifically as to what is contemplated, in case you do call it out, et cetera?

THE PRESIDENT: I can only talk to you off the record on it because the thing was brought in to me literally -- this has to be off the record -- at the eleventh hour, just as I finished the Message. In fact, I think they started to put the Message into typewriting

when they rushed in -- this is in the family but there is no reason you should not have the information -- and they said, "Please, for God's sake, stick this in your Message." "Well," I said, "what is the matter with the National Guard?" "Well," they said, "two things: In case of an emergency, we would have to operate under one of two laws. One is the old law of 1906." I think it is called the Dick Act. I don't think any of us were here in 1906 to remember that, even Fred (Mr. Essary) and I.

Q (Mr. Godwin) Fred was here.

THE PRESIDENT: Was Fred here? Was he really?

Q Well, I was. (Laughter)

THE PRESIDENT: Well, he is older than he looks. (Laughter)

Q (Mr. Godwin) Yes.

THE PRESIDENT: And that Act allows -- this is what they told me at eleven hours and fifty-five minutes -- that allows me to call the National Guard -- not to order them -- and under the Dick Act the National Guard, so-called, remains under all of its own officers, its own command, which does not effectively put it under a unity of command. And there are all kinds, according to the Judge Advocate General of the Army, all kinds of restrictions under the Dick Act which, under that procedure, sort of leaves the National Guard, if it is called into service, as a separate unit; in fact, each state regiment under its own command.

Well, they think that is a great mistake.

Then there is the other Act, the National Defense Act of -- I think it was about 1921, that allows me to order the National Guard -- order, mind you -- into active service if and when Con-

gress has declared a national emergency. That is a Congressional Act. Well, it is conceivable -- I have to think of improbable things but possible things -- some time, summer or autumn, there might be a sudden need for calling, for ordering the National Guard into service, and we all know that I can and always would call Congress back, but it would take probably a minimum of about four days, four or five days, to get Congress back here. In 1933 I issued a call -- I think it was Sunday afternoon, and Congress met on Thursday. That is about as fast as you can do it.

And then it is always a question of how long it would take to get a national emergency declaration out of both Houses of Congress. As you know, under the Senate rules, there are no rules, and any two or three dissenters could talk for some time on a resolution of that kind -- not necessarily that they would. Therefore we might lose seven or eight or ten -- maybe even two weeks, of very essential time.

Now, that was the primary reason advanced by the Army, and then they said one further thing, which is perfectly possible. This does not involve -- it might involve sending the National Guard, not out of the possessions of the United States but the possibility of having to do some replacement. Suppose, for the sake of argument, that we wanted to use regulars in Puerto Rico or regulars in the Canal Zone. We might want to replace them quickly with the National Guard in Puerto Rico or the Canal Zone. That does not mean sending them to any foreign territory but it means the ability to shift them around, to take the place of regulars in case of need.

Now all I do is emphasize that this is not a probability in any shape, manner or form -- I do not think anything like that would ever come up. But you can never tell these days and it is only a precaution. There is no intention of doing anything under it but the Army wants it done.

Q Isn't there also another reason for it and that is you could send the National Guard out of the United States if Congress put through this authorization, whereas otherwise you could not do it?

THE PRESIDENT: Yes, but, as a matter of fact, we would not send them out of the United States but might replace our regular regiments in some of our island possessions.

Q Any objection to using that, just as background?

THE PRESIDENT: Background is all right. I do not think it is a very exciting thing, one way or the other, but I think, like the Army, it would be a good thing to do it.

Q It was suggested by Chairman May that this authority to call out the National Guard be limited to the period between the adjournment and reconvening. Is that satisfactory to you?

THE PRESIDENT: Make it two weeks after coming back because I might get caught short, you see, by the third of January, without any authority to do anything for two weeks.

Q There was something rather exciting happened -- at least it seems so today -- that Mr. Churchill made his statement as to the possibility of Canada being the center of the empire and operating the fleet from there. Mr. Pittman had considerable to say about that.

THE PRESIDENT: All I have seen was what was carried on the ticker and

I would like to comment on it but I can't.

Q Do you wish to comment on the bombing of Paris?

THE PRESIDENT: What?

Q Do you care to make any comment on the bombing of Paris and several centers?

THE PRESIDENT: Except that I am very glad the Lord had his arms around Bill Bullitt.

Q Mr. President, on your possible reduction, does that mean a reduction in personnel or a reduction in the present payments?

THE PRESIDENT: A reduction in appropriation. I mean, I would try to spend only 90 per cent of the appropriation, on the average. How that works out, I do not know.

Q It is up to the department heads to make that and it would not be any flat 10 per cent reduction of salary or anything like that?

THE PRESIDENT: Oh, no.

Q Congress apparently has determined to raise the new tax bill to a billion dollars. Could you give us your views on that in the light of the savings you were planning to make? They are now talking about \$300,000,000. in excess -- 250 to 300 million dollars in excess of the 650 (million) recommended. Would you care to say whether --

THE PRESIDENT: (interposing) Only the general proposition that I said all along, the more we can raise to pay as we go, the better it is. Of course the situation, as you know, up there -- I cannot comment on it very well because it changes all the time, from morning to eve and eve to morning -- I think the best thing to do would be to get a bill out as quickly as possible in the House and

get it through.

Q Mr. President, there is a rumor, I don't know how well founded, that the U.S.S. QUINCY, en route to South America, has more than the normal complement of Marines aboard?

THE PRESIDENT: No, that is not so. As a matter of fact, we caught her on her way back from the lower West Indies and turned her around.

Q Senator Walsh said today on the floor of the Senate that he thought the Government was negotiating or would negotiate for the establishment of an air base in South America?

THE PRESIDENT: What?

Q Walsh said that the Government is --

THE PRESIDENT: (interposing) That is a new one on me.

Q No such discussions under consideration?

THE PRESIDENT: No, none at all.

Q Indicating he might have let something slip?

THE PRESIDENT: No.

Q Can you tell us about the call of Mr. William Green today?

THE PRESIDENT: No, but that he was coming back and he telephoned about another matter yesterday and I said, "Why don't you come in to see me?" and he said he would come in tomorrow. That is all.

Q Is Mr. John Lewis on your calling list?

THE PRESIDENT: Absolutely. Any time he would like to see me, I would love to see him.

Q Will you comment on Senator Pepper's resolution authorizing you to sell surplus or spare Army and Navy military equipment?

THE PRESIDENT: No, I don't think so.

Q Did he talk to you about it Saturday?

THE PRESIDENT: No, he only talked to me about it in this way, that he was going to keep on pressing it. That is all that happened.

Q Can you tell us about the Red Cross delegation today, with Harry Hopkins and (Secretary) Wallace?

THE PRESIDENT: We talked about the general subject of getting food-stuffs over there to places where we can distribute them. Apparently the money to the Red Cross is coming in pretty well. Davis said he hoped to be up to \$7,000,000. tomorrow.

You can stress again my hope that every day counts and the quicker it comes in the quicker we can send food to the refugees.

Q Does that involve any surplus commodity purchases?

THE PRESIDENT: Oh, yes; oh, yes.

Q Mr. President, why do you not want a general tax structure revision now?

THE PRESIDENT: Well, May (Miss Craig), I will depute you to be my agent to try to get one through. If you think it can be done in the next two or three weeks it would be fine, but nobody else thinks it can be done.

Q There was a suggestion to come back after the convention to stay through the summer and fall?

THE PRESIDENT: Yes. That is always a possibility but then they might come back the week after they adjourn. We cannot think -- we cannot make any plans or prognostications on what is going to happen from one week to the other all this summer. I don't know, and neither do the commentators. (Laughter)

MR. GODWIN: Thank you, Mr. President.

THE PRESIDENT: Oh, look: one thing I want to get on the record. You need not bother much listening to it but I want Kannee to put this into the records of the Press Conferences. It has to be said and it does not affect the newsmen here at all.

Oh, about three weeks ago, about a week before I went up to the Hill with a Message on national defense, we started in to do some very quick surveying of certain subjects. One of them, for example, was the question of personnel. I asked Harry Hopkins to handle that, temporarily. Well, we got everything tied together so that we were able to get a general program.

Another thing I turned over to him, temporarily, was this question of getting these materials together that we were short of in the country. Well, he worked on that for about a week and that was all solved and settled, practically.

At the same time I asked the Secretary of the Treasury to do a quick survey job for me on airplane engines, temporarily, and also on machine tools, temporarily. This was merely a survey so that we could put together, with some intelligence, our requests for appropriations for national defense.

Now, the newsmen were not responsible in any way but there were certain commentators and certain editorial writers who proceeded to write absolutely false statements of fact against Hopkins and Morgenthau, that they were going to run national defense. Of course they knew that that was not so -- every one of them who wrote these stories. They were told, incidentally, that it was not so, that these various things would be turned over to the machinery which was being prepared at that time.

When the Commission of the Council was set up last week, of course the original intention of the previous three weeks before was put into effect. On airplane engine business, there had been a lot of work, very excellent clearing work, had been done by Morgenthau and that was turned over to Mr. Knudsen and the machine tool work was turned over to Mr. Knudsen. Mr. Hopkins is turning over the personnel to Sidney Hillman and the materials -- what do they call the materials?

Q Strategic materials.

THE PRESIDENT: Strategic materials to Mr. Stettinius.

The only thing now that remains outside the Commission of Council is the coordination of foreign government purchases in this country, which has, primarily, a financial aspect, and that will remain in the general coordinating field of the Treasury Department, of course letting both Mr. Knudsen and Mr. Stettinius know at all times what is proposed in the way of additional orders and also how the actual production and deliveries are going on in accordance with schedule. The reason for keeping that in the Treasury is because it is primarily financial and, secondly, because -- what do they call it? -- the Allied Purchasing Commission has been working with the Treasury since the beginning of their purchasing program.

So, we are proceeding in accordance with the plan outlined a month ago and I don't believe on the part of these commentators or editorial writers that there will be any apology or any retraction of the false news that they have been disseminating for three weeks.

Thank you very much. (Laughter)

MR. GODWIN: Thank you, Mr. President.