

CONFIDENTIAL
Press Conference #902
Executive Office of the President
June 11, 1943 -- 11.04 A.M., E.W.T.

Q. Good morning.

THE PRESIDENT: Good morning.

Q. Good morning, sir.

THE PRESIDENT: (after a pause) Are they All In?

Q. Not yet.

MR. DONALDSON: All in.

THE PRESIDENT: There's a very good piece of news this morning. We had a flash this morning that Pantelleria has surrendered. I don't know whether that was picked up by the press. The message came in the clear a short time ago. The reason, apparently, that they have surrendered was that they haven't got enough water left; and white flags were flying.

I think it's rather -- rather worth while to point out that the fall of Pantelleria, which we have taken apparently without any great loss of life, is what the Italians called the "Gibraltar" -- their "Gibraltar," at the narrow part of the Mediterranean. They did a great deal of boasting about the strength of it -- domination of the Mediterranean from it. And apparently now it is in the hands of the British and ourselves.

(at the President's direction, an excerpt was made on the following statement regarding Italy for the use of Elmer Davis and Robert

Sherwood in broadcasting. In the case of Mr. Sherwood, the President saw this excerpt and made a few eliminations, shown here in parentheses)

(In that connection, I have written out -- I won't give it to you as a statement, but sometime ago I started to write out a thing on which I will just talk -- won't follow it literally.)

This seems to be an opportune time to say a word, through the press and over the air, to the Italian people. I think that they should be reminded that the present effect(s) of the British-American campaign against their country is a perfectly logical and inevitable result of the ruthless course that has been pursued during these last years by Mussolini who, in forming the military alliance with Germany, has betrayed his own country in a struggle for personal power and aggrandizement.

These acts were not the acts of the Italian people. The succession of these irresponsible acts were committed by his personal Fascist regime, in the name of Italy, but not actually representing the Italian people, who are on the whole, by and large, a people devoted to peace. It was well shown in the (-- finally in the) completely unprovoked declaration of war by Italy, something I referred to once as a "stab in the back."

Of course, we have no choice but to prosecute the war against the government of Mussolini and the armed

forces of Mussolini until we have complete victory.

And I think it is fair to say that all of us -- I think I can speak for all the United Nations -- are agreed that when the German domination of Italy is ended and the Fascist regime is thrown out, that we can well assure the Italian people of their freedom to choose the kind of non-Fascist, non-Nazi kind of government that they wish to establish. Obviously, they can't do anything about it until Fascism is put down, and the Germans leave their territories.

The United Nations, I think, (have no intention -- put it the other way around -- that they) certainly have the intention -- the hope -- that Italy will be restored to real nationhood, and take her place as a respected member of the European family of nations, with emphasis on the word respected.

And when the Germans are driven out of Italy, and Fascism is abolished, only then will the good judgment -- the ultimate good judgment of the Italian people themselves become evident.

(end of statement)

Outside of that, I don't think I have anything. That is pretty good news about Pantelleria.

Q. Mr. President, was the island -- did the island surrender without any landing operation, or not?

THE PRESIDENT: That I don't know. I haven't got that detail. There were white flags flying.

Q. Mr. President, was that this morning, or

could it possibly have been on the tenth day of June? (the anniversary three years ago when Italy declared war on France and England)

THE PRESIDENT: I think not. I think it was this morning. (laughter)

Q. Too bad.

THE PRESIDENT: What?

Q. That's too bad.

THE PRESIDENT: (laughing) Yes -- for somebody who said it has already occurred (on the tenth of June).

Q. From whom did you receive the news, Mr. President?

THE PRESIDENT: From Eisenhower.

Q. When did you receive it, Mr. President?

THE PRESIDENT: Well, I couldn't tell you the exact hour it got in, but I got it about ---

Q. (interjecting) Over the radio at eight o'clock.

THE PRESIDENT: (continuing) --- about half-past eight; but that was because I wasn't awakened until then. They may have had it for some time.

MR. GODWIN: Mr. President, may I speak on a domestic matter? There seems to be some confusion as to what you said or intended in your last press conference about higher taxes and compulsory savings, and I want to ask you do you intend to ask for compulsory savings, in view ---

THE PRESIDENT: (interjecting) No.

MR. GODWIN: (continuing) --- of the fact that we have ---

THE PRESIDENT: (interposing) I think you have hit it right on the head. I think there was some confusion about what I said. I have -- I went over the actual notes of the conference. We were talking about -- primarily about the theory of taxation, and I made it perfectly clear that the Congress, of course -- the House itself -- initiates all tax legislation.

And I was asked if compulsory savings may still be necessary to eliminate this inflationary gap that we were talking about; and I replied that this was possible. Of course, any kind of taxation is possible. We talked about -- even about the -- about a sales tax; and I said I was utterly opposed to it. A sales tax is possible, of course, if the Congress enacts a sales tax. They might have to pass it over my veto, but it is always possible. There are lots of forms of taxation that are possible.

Also, it is obvious -- I said that taxes, and compulsory savings -- taxes being of many forms -- could be used jointly. That is perfectly true, too. And I did not say that they would be used jointly. We were talking about the theory of taxation.

At the present time, the public has been supporting the Bond Drive with remarkable and great success. The last one was over-subscribed -- Oh, what? -- four or five billion dollars, and as long as that continues -- I -- I notice

that Chairman (Walter F.) George expressed himself as feeling, after the Second War Loan, that compulsory savings will not be necessary; which we hope they won't be. I never came out in favor of compulsory savings. I am sorry if I gave anybody the wrong idea.

MR. GODWIN: You do not intend to ask for ---

THE PRESIDENT: (interposing) No, certainly not.

Q. Mr. President, ---

Q. (interposing) Mr. President, ---

Q. (interposing) Mr. President, in connection with this ----. Are you through, sir?

THE PRESIDENT: No. I have got something else down here.

Then we were talking also -- in the notes -- about this gap, the inflationary gap. And of course, it is perfectly clear that we want, as fast as we possibly can, to close that gap.

I certainly -- I am sorry if I gave that impression. The actual notes of the thing could have been construed that way, but on the other hand they could have been construed the way I have said it.

Q. Well, Mr. President, in your Budget Message to the Congress, you said that you wanted 16 billion dollars in additional revenue legislation, through taxes, savings, or both. Now what kind of legislation could there be, sir, on savings which would not be of a compulsory character?

THE PRESIDENT: Oh, I don't know. There are

various kinds that can be -- I mean, don't ---

Q. (interposing) Would you legislate voluntarism?

THE PRESIDENT: What?

Q. You wouldn't legislate voluntarism?

THE PRESIDENT: Yes, you could. It is perfectly possible. Now that sounds crazy, but it's perfectly possible.

Q. Mr. President, in that connection, there are reports that it was suggested yesterday at this conference held by Mr. Byrnes that they withhold as high as forty percent. Can you comment on that at all?

THE PRESIDENT: No. Now we are getting into deep water. (laughter)

Q. Mr. President, can you tell us if the plan has gone far enough to tell how you are going to close that gap?

THE PRESIDENT: No. That is up to Congress. I may send a Message on -- which probably won't go into very much detail -- we don't generally do that, you know. We have always said that the Treasury is available, and they will have dozens of different ways of raising it. It is up to Congress to decide. We have -- we have got to get that into their heads. Congress has to decide. Congress has to decide. We can ask the Treasury to do this, that and the other thing, and they do it; and it works out pretty well.

MR. GODWIN: With a continuation of the voluntary subscription -- voluntary bond buying -- millions of people buying more, won't the amount of money that is raised by the bonds have some effect on your request to Congress ---

THE PRESIDENT: (interjecting) Yes.

MR. GODWIN: (continuing) --- as to plans? That is so, isn't it?

THE PRESIDENT: Yes.

Q. Mr. President, can you say whether the estimates of the inflationary gap, which was fixed at 16 billion last January, have gone up in view of mounting national income?

THE PRESIDENT: I think slightly, so far, but they are threatening ---

Q. (interposing) The gap is widening?

THE PRESIDENT: The gap is widening a little bit, because of course the cost of living has gone up -- pay has gone up; but some of these -- some of these proposals that have been made for further inflation, both in wages and farm prices, would of course increase that gap.

Q. Well, what I had in mind, sir, was that you have stated it is your intention to close the gap. Could we assume from that that the 16 billion dollar hope might go up a little in your Message?

THE PRESIDENT: That I don't know. I wouldn't say that yet. And, of course, a small portion of it was closed by that bill the other day.

Q. Mr. President, is it correct to interpret your statement that -- as meaning that the main emphasis of your Message will be the closing of the inflationary gap, that is, the necessity for dealing with that question?

THE PRESIDENT: In the first place, don't --

don't put it as if I was sure of sending the Message. I don't know yet.

Q. (interjecting) Yes.

THE PRESIDENT: (continuing) But if I do, such a Message will be not on closing the inflationary gap but the whole proposition of inflation, not merely the Treasury end -- the effect of inflation on the Treasury -- but also the effects of inflation on everybody in this country -- purchasing power.

MR. GODWIN: Mr. President, you have a drive in Congress which seems to be aimed at stopping subsidies and the borrowing of money from the R.F.C., a situation which seems to be counter to the plans of the Administration -- it seems to be getting in their way. Have you anything to say about that?

THE PRESIDENT: Well, didn't they have an expression in England in the last War called "The Better 'Ole"?

MR. GODWIN: Yes.

THE PRESIDENT: I would very much like to have somebody say to me, ---

MR. GODWIN: (interjecting) Find a better 'ole?

THE PRESIDENT: (continuing) --- "I have found a better 'ole." And it's all -- all very well in life to adopt the attitude that you don't like this, you don't like that, or you don't like the other thing. Of course, the real answer is, what in blazes do you like?

VOICES: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #903
Executive Office of the President
June 11, 1943 -- 11.30 A.M., E.W.T.

(this Press Conference was held for the
National Conference of Business Paper
Editors)

MR. PAUL WOOTON: We have got a little larger group
this time, Mr. President.

THE PRESIDENT: Good. Good.

(hardly a sound as they all file in)

MR. WOOTON: They are more quiet than the daily
press.

THE PRESIDENT: Yes, yes.

Somebody say All In?

MR. WOOTON: I don't know. They are still coming in.

VOICE: All in.

THE PRESIDENT: There you are.

VOICE: All in.

MR. WOOTON: Mr. President, this group has come to
Washington again. You have been kind enough to talk to them
before, and give them texts for their editorials, and ideas for
them to expand into their articles. The group really has done
a perfectly magnificent job ever since this armament program
started ---

THE PRESIDENT: (interposing) Well now, wait a
minute, Paul. (laughter) I don't know why you should try

to sell this group to me. (more laughter) I know them just as well as you do.

MR. WOOTON: I think that's right.

THE PRESIDENT: I feel -- I feel just as much in favor of them as you do, but your timing is bad -- (laughter) -- your timing is thoroughly bad.

MR. WOOTON: I know that.

THE PRESIDENT: You know, sometimes it's an awfully nice thing for me to act as an agent instead of a principal, and I have been delegated by the Associated Business Papers today to put the shoe on the other foot and tell you what they think about you. (laughter)

MR. WOOTON: May I please retire? (more laughter)

THE PRESIDENT: I know it's frightfully embarrassing, but you have got to go through with it. Now it isn't only that you think that they are all right, but they think you are all right.

MR. WOOTON: (interjecting) (softly) I can't imagine that.

THE PRESIDENT: (continuing) So I have been given -- delegated the privilege, at this time, of speaking for them to you.

The business press feels a great debt of gratitude to Paul Wooton, who has done so much to promote good coordination and better understanding between the officials of the Federal Government and the editors of publications serving industry and business; and as an indication of the esteem in

which he is held by his professional colleagues -- I never knew you were professional before, but it's all right -- (laughter) -- I am, in their behalf, tendering to you this memento of their appreciation.

(here the President handed Mr. Wooton a gold watch)

MR. WOOTON: For pity's sake, Mr. President! That's what you call a kind of a ----. Isn't that wonderful!

THE PRESIDENT: Then, for those in the back of the room who haven't seen it yet, it's a very beautiful little gold watch, and on it is this inscription, "Presented to Paul Wooton by President Franklin D. Roosevelt, on behalf of the Association of Business Papers, in appreciation of his outstanding service to the business press in time of war. June 11, 1943."

(applause for Mr. Wooton)

THE PRESIDENT: Now you can make another speech.
(laughter)

MR. WOOTON: Mr. President, it seems to me like we are kind of reversing the process. Last Friday I stood here in this room and on behalf of The White House Correspondents' Association I gave you a check, and now here you are passing something on to me. (more laughter)

Well, Mr. President, I can't -- I don't know how to tell you, but ---

THE PRESIDENT: (interposing) Don't tell me, tell

them. (more laughter)

MR. WOOTON: I want to tell you -- I want to tell you this first, that it enhances the value of this very much, the fact that you presented it.

THE PRESIDENT: (interjecting) Grand.

MR. WOOTON: (continuing) And to the Editors, I want to say that they have been wonderful to me. I have tried to help a little bit by bringing them in closer contact with Washington officials. I know that when they come face to face with these men, and see that they are sincere and honest and try to do their job, they don't write so many nasty editorials.

(laughter) And to the Editors, I certainly want to thank you from the bottom of my heart. It's just a wonderful -- wonderful tribute, and I appreciate it very much.

THE PRESIDENT: Fine.

MR. WOOTON: Thank you all.

(applause)

Mr. President, we came here, and we didn't shake hands this morning because we wanted the group a little larger, and we wanted to take the time so that we could hear from you. Now, if you will just give us a few texts that I mentioned, it will be very useful.

THE PRESIDENT: I think the best text I can tell you is what I started my Press Conference with. Pantelleria has fallen, apparently a surrender this morning on the basis of lack of water; but anyway they have surrendered.

Q. (aside) Good.

THE PRESIDENT: (continuing) And it is a fine thing that we have been able to get this very important "Gibraltar" of Italy apparently without the loss of life or any fighting. It is just another -- another step in the progress of the war. And certainly I think all of us feel a lot better about the progress of the war than we did the last time we were together in this -- in this room. On the whole, things are going pretty well.

I am always appalled, of course, by the -- I am just as impatient as you are -- the difficulties of staging another operation in the war, either in the Pacific or in the Atlantic, without spending the tremendous amount of time that is necessary in preparation -- even a minor operation -- that takes weeks and months to get it so organized that there is a reasonable chance for its success on the "M" Day or "D" Day, or whatever you call it. That is why we -- we all have to remember that things can't end in a military way in any short period of time. The only -- the only quick ending to a war of this kind, of course, will be the collapse of the enemy; and as Mr. Churchill has said so often, that is something we can't put our faith in, or base our plans on. In all probability it is going to take a long time before the Axis powers collapse -- Pacific and Atlantic.

In the meantime we have, of course, an awful lot of problems at home. But every time I go through the country, or go to North Africa -- (laughter) -- and come back here, I have a perfectly natural feeling about the futility of so many of

the things that one has to spend an awful lot of time on in Washington, D. C. The people of the country are all right. Well, we have been going through the most awful growing pains in Washington, as you know. And we are going to keep on, because we are growing all the time -- certainly haven't reached maturity in waging war -- new problems that keep coming up.

The problem of the last year that seemed of importance in Washington, today is of relative minor importance. Oh, we have all talked -- I have too; and printed -- I have too -- (laughter) -- columns and columns, for example, about the question of manpower. Well, a lot of people got completely panicky about -- about manpower. And both last September's trip, and last month's -- April -- trip, where I went out through the country, I came back to Washington, and said -- and I said to a lot of friends, "Don't talk to me about manpower any more, because the manpower question has been solved by womanpower." Now that is a simple fact. You go into plant after plant -- aviation plants and tank plants -- and you will find women who are in those plants up to a very high percentage, in some cases over fifty percent. It is working out extraordinarily well.

And some of the -- some of the impressions of a neophyte like I was, going around, are interesting.

I said to one of the old West Pointers in one of the places where they had a lot of WAACs, "How are you getting on with all these "gals" around here?"

And he said, "We have put in 750 more. We not only need them, we can use them very usefully to release manpower

as opposed to womanpower for the various fronts."

And he said, "Incidentally, we old West Pointers, they have taught us something. We were sloppy. They salute better than we do. (laughter) They are snappier in every way. They have improved the morale of this Post fifty percent."

And then I went into one of the plane factories, I think it was in Omaha, and I said to one of the old -- the old-type foremen -- machinist foremen, and I said, "How do you like -- you have been in this business for a long time -- how do you like having all these "gals" around here, in places fifty percent of them?"

"Well," he said, "it has done something to us." "I don't know what it is," he says, patting his chin. "Look at my face."

"I said, "What's the matter?"

He said, "I used to shave twice or three times a week, but I have to shave every day now." (laughter) He says, "My wife is kicking about it."

I said, "Why? Because there are so many girls around?"

He said, "No, not that, but I wear a clean shirt every day, and it means more wash back home." (more laughter)

Well, all sorts of little human touches and things like that, and a great many other things, to show that we are solving things in ways that we hadn't planned for.

I suppose -- two years ago, actually it happened, a few people down here worked on the manpower problem; and with an Army of -- Army and Navy proposed of five million men,

they all shook their heads and said, "It can't be done. You can't run the factories. Everything will go out of kilter." Well, people have come forward, and we find that with an Army and Navy of nine or ten million men we are not having half the problems we thought we would have with only five million. And in the same way on -- Oh, a great many other things.

I take it that you are all more or less interested in -- in finance. Well, the money is coming in pretty well. We have got to keep it going at the same speed of that last War Loan, over-subscribed about -- about five billion dollars -- a little thing like that. (laughter) It was a tremendous success, and of course, obviously, the more money we can raise in the process of war, keeping values down as far as we can, the less we will -- we will have to pay after the war is over, not just our children and grandchildren, but ourselves.

And it is terribly important of course, in my judgment, to prevent inflation. We know what has happened to those countries which have gone into inflation. Their future is not very -- very bright. In some other countries, however, they have had a pretty firm grip on inflation. There have been all kinds of -- of protests by people who really don't think it through, on the Hill and in some of the papers, which in effect are policies in favor of inflation.

We have this -- this unexpended gap at the top of -- of income -- national income. Well, if people want something they will pay any old price for it, and therefore the more that that gap can be absorbed in various ways the less danger of

inflation there is. However, some people are pursuing the policy on the Hill that why shouldn't we go ahead and increase the price to the farmers and then increase the price of -- of wages, the old vicious spiral.

Then one thing that I don't think we ought to talk about. We are trying to get as much in the way of voluntary bond subscriptions as we possibly can; but there is one thing that I do want to say to you people confidentially, and warn you against using it, and that is this:

If we get inflation, and the dollar buys only a third or a half of what it did before, that means that we people who put money into Government bonds, when they are paid off, we will get a third or a half less than we put in. Now we don't want to get that idea abroad in the country, because we should neither of us buy a savings bond, or any other kind of bond, and get back the kind of dollar, in ten years, that will buy only a third or a half of what the dollar would when we put it in. That would destroy confidence. Of course, inflation as a whole will destroy confidence on the part of people in this country. What they want is a stable dollar.

I think some of you -- some of you will -- will remember that back in 1932 and 1933 the purchasing power of the dollar was in a very serious situation, and we wanted to turn it in the opposite direction; and with the -- with the help, the enthusiastic help of business in 1933 and 1934, we did raise the index figure from about -- I think it was 68 to about 84 or 5 in those two years.

Well, immediately that restored confidence. We weren't -- we weren't afraid of what would happen to the buying power of our dollar if we put it into business or anything else.

And what I hope is that we can get through this war without materially changing the buying power of the dollar that we get in our -- in our pay checks. That is why on -- on taxes, for example, I hope that we will be able to continue just the way we have been going, with some increases in taxes, but -- but also in the continuation of what has been so far a great success, in -- in the sale of War Bonds. And we have had perfectly wonderful cooperation from business as a whole, every kind of association and individual business, in carrying that out.

And I don't have to tell you that I am awfully happy the way things -- the relationship between business as a whole and the Government has been going on. We have had -- we have had complete cooperation.

I don't know whether there is anything else. If some of you want to ask me about something, it's all right.

MR. WOOTON: Thank you so much.

THE PRESIDENT: I can't think of anything else at this moment.

MR. WOOTON: Thank you very much.

THE PRESIDENT: It's good to see you again.

MR. WOOTON: I am afraid we have imposed on you just as long as we should.

THE PRESIDENT: Keep right on imposing, and

cooperating! (laughter)

MR. WOOTON: Thank you so much.

(applause for the President)

MR. WOOTON: Thanks again, Mr. President.

THE PRESIDENT: Show it (the watch) to them!

MR. WOOTON: You bet!

(laughter)

CONFIDENTIAL
Press Conference #904
Executive Office of the President
June 15, 1943 -- 4.05 P.M., E.W.T.

Q. Mr. President! (he waved in reply)

Q. (aside) Nice and sticky. (the weather)

Q. Are those new pictures? (a dark-red leather frame on the President's desk, containing individual color photographs of his four sons in uniform)

THE PRESIDENT: Where's the big boy (Earl Godwin)?
Isn't he coming?

Q. I haven't seen him today.

THE PRESIDENT: May (Craig)! No one is occupying the chair. Don't you want to? The "Duenna," isn't that what they call it?

MAY CRAIG: (sitting down) That's an awfully ancient word.

THE PRESIDENT: I was going to say, "Grandma, you ought to be seated." (laughter)

MAY CRAIG: I like the "Grandma." He's a wonderful boy. (her grandson)

THE PRESIDENT: Grand.

Q. Steve, what's that stuff there? Is that work or Press Conference? (a pile of papers in front of the President)

MR. DONALDSON: All in.

THE PRESIDENT: Steve (Early) and I are agreed we haven't either of us got a thing -- not a thing.

Q. Mr. President, are you going to sign the

no-strike bill?

THE PRESIDENT: I am not sure whether it has actually got in here. (looking in Mr. Early's direction) If it has, it has gone for recommendation to the usual departments.

Q. Mr. President, have you had the report from the Justice Department yet on that Navy California Elk Hills contract?

THE PRESIDENT: No, not yet.

Q. Still waiting for it.

Q. Mr. President, can you break your rule for a moment, and forecast as to what is going to happen to O.P.A.?

THE PRESIDENT: So far as I know, it's going on.

Q. It isn't going to be split up, ---

THE PRESIDENT: (interjecting) No.

Q. (continuing) --- so far as you are concerned?

THE PRESIDENT: No, no. Oh, perhaps I could put it this way: There's a lot of loose thinking abroad in Washington. Perhaps "abroad in Washington" doesn't fit together. Perhaps it's an anachronism, or something like that. I will say "in Washington." Leave out "abroad." You know -- you know some of the things I have said about Washington. (laughter) The people are very apt to fail to -- get confused by the trees, don't see the forest as a whole. The thing -- the thing -- the largest thing that we are after in all this discussion is a very old thing which hasn't yet been solved, and that is keeping the cost of living down. Can't eat your cake and have it too, when people are shying off from keeping the cost of living down.

You all know what would happen if we started the spiral of inflation in this country. If the cost goes up on the things that the consumer buys, then, of course, the next step would be to give higher wages. And then the cost of food would go up again, and you would have to increase the cost of food. Then you would go around the circle again -- you would have to equalize it by increasing the cost of wages again.

We all know, too, what would happen to our savings if the cost of living went up. I don't want to put a dollar in the bank and pull it out again in two or three years with a buying power of only fifty cents. I think that is sort of silly.

So in some way, in trying to keep the cost of living down, we ought to analyze what we have done.

Well, we have stabilized somewhere between -- depending on the kind of community -- the cost of rents, which represent from 22 to 33 percent of the average family's expenditures -- income. Well, that is pretty well taken care of all over the country.

And then there is another, around 33 percent, the cost of clothing and furniture and things like that. Well, that has been pretty well stabilized.

And then you have got another, the third third -- which is a rough figure -- the cost of food. That has not been stabilized. But of course, -- well, when May Craig or I go to the A. and P., ---

MAY CRAIG: (interjecting) Sanitary.

THE PRESIDENT: Oh, excuse me. I don't go to that

chain, but it's all right. (laughter)

When we go there, of course, it looms pretty big, because we are paying out cash, and we think that that third that goes into food is the largest item, and almost the only item -- it's a psychological thing -- that is in the cost of living.

Now, of course, there are one or two things that are bound to happen, if the cost -- cost goes up on the necessities of life. I am not talking about strawberries in February -- January -- I am talking about the things that keep body and soul together. If those go up -- the prices to the consumer -- really, the people who pay are the consumers; and if those prices are allowed to go up without any effective regulation, you have got your spiral started.

Now on the other hand, if we set a ceiling on the prices of necessities in the food line, it is perfectly possible that because of short crops or because the actual cost of production -- that is to say, the farmer's cost -- has gone up a lot, and the processing cost has gone up a bit, and the distribution cost has gone up a bit, you have a perfectly legitimate figure that you have got to sell to the public at, which is much higher, unless somebody pays the difference between that higher price and the ceiling price. Well, that's what we would like to do.

It's only fair to the farmer, and to the processor, and the distributor, that they get their money back, and that the farmer's prices should not go down, and the processor and the distributor should at least come out even -- with even a

small profit. But that may bring the price beyond the ceiling, and somebody has to pay that differential.

Well, I wish somebody could give me some method of doing that. I have asked that question of a lot of people, "Can you find a method of doing it?" And they all come back to the same old thing. They call it a subsidy, or -- or you can call it a differential, where the Government will pay it.

Well, it might cost us -- Oh, what? -- a billion dollars and a half -- I am just taking figures I have read in the papers -- additional in the war effort, in order to keep the cost to the consumer of the food articles -- the essential food articles -- down below that ceiling. Well, that -- on a hundred billion dollar budget of running this war, a billion and a half or two billion is one and a half or two percent of the total cost of running the war. It has been done successfully in other places, with perhaps a little simpler problem.

But if anybody can -- can devise a -- a method that is better than that, we are only too willing to look into it. But nobody has ever done it yet. That is a method; and nobody has given any other method. Now when you come down to where I am talking about Washington not thinking things through, I have had, of course, a great many with "happy thoughts" in them.

We know perfectly well that what we need is a properly organized administration, and I think probably without any question there have been a great many delays that have been caused by two or three agencies having to look into the situation, and sometimes you find a month or six weeks or two months of

delays before you get a decision. That is absolutely true, as we have groped our way into this thing, during the past year. I think it is only about two weeks ago when we set up the new organization of the Office of War Mobilization. That is one of their particular functions, to coordinate the two or three different groups -- three or four different groups that have to do with portions of this problem.

But on the other hand, it has been suggested of course, by people who don't always think things through, that the mere fact of having some sort of glorified czar would cure the whole thing.

And one of the best illustrations of that is that when this suggestion was made to me, I said to the gentleman who suggested it, "Well now, what sort of things would the czar do?"

"Well," he said, "a friend of mine in a certain State had a carload of food that he wanted to send to the processor, or the distributor, and he knew that the carload of stuff would be -- middle of the week -- would be about ripe for shipping the following Monday. So he put in his order for a freight car."

"Now," he said, "the railroad people said he couldn't have a freight car, and what I want is a czar who will be able to say to Mr. Eastman (Director of the Office of Defense Transportation), 'I have got to have that freight car there next Monday.'"

Well, you see how perfectly absurd the whole thing is. Mr. Eastman would come back and say, "I am awfully sorry but I have got -- just to take any old figure -- I have got a

million freight cars and I have got demands for a million and a half. So I have got to parcel them out in the most fair way that I possibly can. I have got to try to make a million and a half cars do the duty of one million. That means that quite a lot of people are not going to be served when they want to be served. It's a -- it's a -- it's a condition and not -- and not a theory. I have only got a million cars."

So I said to this gentleman, I said, "In other words, you would have a food czar with authority to say to Mr. Eastman, 'Whether you like it or not, Mr. Eastman, you have got to -- you have got to transport food ahead of anything else. I am the food czar.'"

Well, pretty soon I guess, Donald Nelson would say to Mr. Eastman, "I am moving some very much needed spare parts for airplanes from the Middle West to the Seaboard, in order to ship them over to Africa, and I want a hurry-up order."

Mr. Eastman would say, "I am awfully sorry but I have had to give those cars to the food fellow."

And somebody else would say -- the Army or the Navy -- in time of war -- they have got to have a car to take this, that and the other thing that is needed by the Army and Navy in Europe or the Southwest Pacific.

Mr. Eastman would have to say, "I am terribly sorry but the food czar won't let me."

You see what a perfectly impossible situation it is.

Now as a matter of fact, this new organization of the O.W.M. -- I say it's only -- as I said, it's only about two

weeks old, and one of their principal duties is to coordinate the O.P.A. and the Food Administrator and the Department of Agriculture, and see that they speak to each other before any of these important decisions are reached, and do it right away and get out a decision much more quickly than we have been doing it in the past. In other words, use a -- a rule of judgment, instead of the rule of "happy thought."

Q. Mr. President, in that connection, there has been a good deal of discussion about these subsidies, or what have you, up on the Hill, and with some of the Administrators who have been carrying the ball in that regard. If Congress doesn't suggest anything more constructive, do you intend to ask them for subsidies to handle that?

THE PRESIDENT: I think -- I think I would put it this way. As I have said before, I think that those on the Hill -- that there is a way of holding the cost of essential foods down to a ceiling. Now if they have a better way -- a "better 'ole" -- I would be tickled to death. But nobody has suggested the "better 'ole" yet.

Q. Mr. President, it has occurred to some of us that a rather large group on the Hill would like to have all prices go right straight up to a demand level.

THE PRESIDENT: (interjecting) Yes, yes.

Q. (continuing) That seems to be their "better 'ole."

THE PRESIDENT: Yes, it's the spiral.

Well, of course, who does -- who does that affect?

It affects primarily two groups. The first group it doesn't bother them much, because they work for a fluctuating pay, which of course would almost of necessity go up if the spiral went up -- the cost of living; and I suppose in that group belong those occupations -- industrial occupations chiefly, and probably they represent about half the population of the country.

Well, in the other half of the population -- well, you are in it, and I am in it. If the cost of food goes up a hundred percent, do you think that your salaries are going up one hundred percent? Do you think they would give me a -- double my salary? The white-collar group -- there are over six million white-collar workers alone in this country. Now, their salaries don't go up with the cost of living. They never have, and I don't believe they ever will. You have got the -- the clerks, the stenographers, in the small towns and the big towns. They don't go up in accordance with the cost of living. So you are bearing down, as the thing goes on -- the cost of living goes up -- you are bearing down very unjustly on at least half the population of this nation.

Q. Do the people on the Hill seem convinced by that?

THE PRESIDENT: I think they are beginning to think about it more.

Q. Mr. President, does Mr. (Chester) Davis think he has all the power he needs to do his food job?

THE PRESIDENT: What?

Q. Does Chester Davis think that he has all the power

he needs to do his food job?

THE PRESIDENT: I don't know. I have heard nothing to the contrary. I don't think -- the only thing I have heard from him lately was, "For God's Sake don't give me the O.P.A. job!"
(laughter)

Q. Thank you, Mr. President.

CONFIDENTIAL
Press Conference #905
Executive Office of the President
June 25, 1943 -- 10.39 A.M., E.W.T.

THE PRESIDENT: Earl! You haven't been here for a long time. Had a good holiday?

MR. GODWIN: Yes, sir. I was in Nashville.

THE PRESIDENT: Really.

MR. GODWIN: And then the last time I couldn't get here. The O.P.A. wouldn't give me any gas.

THE PRESIDENT: (laughing) I will put you in a coal mine.

MR. GODWIN: If you will.

Q. Portal-to-portal pay?

THE PRESIDENT: I will give you portal-to-portal, depending on where you work. If you work above ground, you don't get any portal-to-portal.

MR. GODWIN: That's a good idea. Is that a promise?

THE PRESIDENT: That's a promise.

MR. GODWIN: You put me in a coal mine next winter.

THE PRESIDENT: Yes. That's a good idea, too. You will be warm. (laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I have only got a hot weather story for you, showing my tender solicitude for the White House press. Years ago -- about twenty years ago, there was a President of the United States who really did think about dollars and cents. This end of the White House Executive Offices is heated by

a steam line from the State Department. So President Coolidge went over to Camp Meade and dug up some old pipe and brought it over here, and ran a steam line in the -- in the nice old pipe from Fort Meade. And, By Gosh, it has lasted twenty years. It was all right, and it was a good economy, and ----. However, it has got to a very old age now -- it is just about gone.

And they tell me that the Executive Offices in the White House are going to freeze next winter unless we get a new steam pipe, it is losing about a thousand pounds of steam a week. So, carrying out President Coolidge's thought of economy, I felt that that loss of steam was a pretty serious thing; so don't be surprised and write some pertinent pieces about spending Government money when you see the street all dug up, because we have got to lay a new steam line if you fellows are going to have any comfort next winter at all. (laughter) So you can put it entirely on yourselves and the solicitude of the President to see that you don't freeze to death. And it is going to cost about 25 thousand dollars, but I don't see any way out. Incidentally, it doesn't mean buying any new pipe because we have got it in the stockpile of the -- what is it? -- Park Service, or one of those things, ---

MR. EARLY: (interjecting) Public Buildings and Grounds.

THE PRESIDENT: (continuing) --- so it's a very important item to all of you.

MR. GODWIN: You say that's the only story you

have, sir?

THE PRESIDENT: Yes! (loud laughter)

MR. GODWIN: When are you going to take us into your confidence on the anti-strike bill?

THE PRESIDENT: I am going to -- er -- sometime before Midnight.

Q. Before you said that, Mr. President, you said, "I am going to."

THE PRESIDENT: Yes, I am going to take you into my confidence sometime before Midnight. (laughter)

Q. Are you going to take Congress into your confidence before Midnight?

THE PRESIDENT: That might give you an intimation. It might be called almost a leading question. (laughter)

MR. GODWIN: Yes.

MR. W. L. LAWRENCE: Mr. President, in this coal mine dispute, do you recognize and accept any October 31 deadline of the employees working for the Government?

THE PRESIDENT: Do I what?

MR. W. L. LAWRENCE: Recognize any, and accept the October 31 deadline in operation of those mines by the Government?

THE PRESIDENT: No. I am trying to mine coal -- keep it mined -- keep on mining it. We have got to do it some way. It will be cold if we don't, in spite of the steam line -- may not have any coal to run the steam line. In other words, perhaps a great many of us -- I sometimes do -- get away from

the fact that we are -- we are at war, that the -- that the existence, the life of the nation is very much at stake.

Just the same way, Bill -- this is off the record, but you can tell -- tell the office, I was a little -- little interested, for instance, in the editorial -- this is all off the record -- in the (New York) Times this morning. And -- well, it's one of those editorials that started off with the thought that was uppermost in the mind of the writer, and it talked about the loss of property by the coal mining companies. In other words, that was the first thing that occurred to the writer -- the loss of property.

Now there isn't going to be any loss of property to the coal mine owners under Government operation. They are going to come out at least even, and probably with a -- with a profit. And they are going to get their mines back. But I am just using it as a psychological illustration that hits us all. This is war. Well, I am all for saving property, naturally, but the question at issue is not -- not the property end of things. They are going to get their property back. They are not going to be out of pocket with Government operation. The question doesn't arise. There may be some technical things, as to how they are going to be compensated -- I would say details and the means, and so forth, but the big thing is that this is war. We have to -- if necessary we have to give our property, and if necessary we have to give our lives. And I am just using it as an illustration of a frame of mind that proves that some people in this country don't know that the United

States is at war.

MR. W. L. LAWRENCE: Well, Mr. President, I think one of the things that may have motivated that editorial writer is that nobody in the Government has said that the operators are going to get their mines back, and that they are going to get their profits?

THE PRESIDENT: Well, put it the other way around. Who in the Hell thought they weren't going to get their mines back? Have we ever said that?

Q. One of the conditions of Mr. (John L.) Lewis's return to work was that the Government operate the mines.

THE PRESIDENT: Well, obviously somebody has got to operate the mines. We have got to get the coal out. I don't care who operates the mines as long as we try to get the coal out to try to win the war. It's a serious thing. We are going to be cold next winter if we don't get the mines in operation. It may take two months or three months to get them into full operation. That is why (Secretary of the Interior) Ickes said yesterday we might have to ration coal to make good the loss caused by strikes.

Q. (interposing) Is this all off the record?

THE PRESIDENT: (continuing) We cannot afford to close up factories longer than we have to -- it may take two or three months.

MR. GODWIN: Is this all off the record?

THE PRESIDENT: Yes, this is all off the record -- just for background.

MR. GODWIN: For background?

MR. EARLY: Not background -- not if it's off the record.

THE PRESIDENT: Steve says not background, just off the record.

MR. GODWIN: Well, there's no objection to that fact being promulgated by anybody else, is there?

THE PRESIDENT: No, that's perfectly all right, ---

MR. GODWIN: (interjecting) Yes.

THE PRESIDENT: (continuing) --- as long as it isn't attributed.

MR. EARLY: (aside, to Mr. Godwin) You asked for it.

MR. P. BRANDT: Mr. President, there is still talk on the Hill about a food czar.

THE PRESIDENT: Well, Pete, you know I hate to say that anything is a red herring. Supposing we had the angel Gabriel as food czar, with full powers. Is he going to get more food to the people at present cost? It's the real -- the real thing is -- if you talk about anything else it comes pretty close to being a red herring -- the real question is: Are you for inflation, or aren't you? Now that, in the last analysis, is the thing.

Put in a food czar! Sure! He is faced with two situations, the 1943 situation and 1944. Now we are all in favor of plans for growing a great deal more in 1944. That is grand. But that doesn't take care of things in 1943, or the beginning

of 1944 until the new crops come on. A food czar won't do it, or a joint committee of Congress can't do it.

The question is: Are we going to try to keep prices down, or are we going into an inflationary spiral?

And there are a lot of people on the Hill that say the easiest way to use up the surpluses of earning -- in earning power -- in income -- is to let the whole of prices shoot sky-high.

Well, there was a fellow on the radio the other day -- maybe he's here -- he said -- he said, let -- let the prices go on up. It will use this surplus of 20 billion dollars, or something like that, in purchasing power, and -----.

Sure, he said, it means the richer people will be able to pay the higher prices for food. Well, automatically rents would go up and clothing would go up too. And in effect said, of course the poorer people will suffer, but what difference does that make? It will get rid of the surplus purchasing power.

Now that was handed out to the American people. Let the poorer people suffer. And the poorer people would suffer, and will suffer -- people on reasonably small salaries, the white-collar crowd -- their pay won't go up with the increase in prices.

So it comes right down to that one thing: the issue before the Congress and the people is whether we are going to go into the inflationary spiral or not.

Now if Congress wants to do it, one hundred percent

of the responsibility is going to be on the Congress -- and I might just as well be honest. They have a perfect right to adopt an inflationary out-of-hand rise in the cost of living policy, and if they do the country ought to know who does it. That's the real answer.

MR. GODWIN: Mr. President, a large section of the American people wouldn't -- wouldn't know what you meant by "inflationary spiral," but they would know what you meant if you talked about the cost of food.

THE PRESIDENT: The cost of food, right.

MR. GODWIN: Now do you care to ---

THE PRESIDENT: (interjecting) Yes.

MR. GODWIN: (continuing) --- give us a line on that?

THE PRESIDENT: Well, we all know that the cost of food in this country runs between -- it's the average, of course, it doesn't apply to everybody -- between -- Oh -- around 33 percent of the family income, and with much larger and higher wages is -- is eating more. Everybody -- everybody is eating more in this country, at greatly increased prices. Then the people who have got the largest gains in their income still have a surplus left over, even after they have bought their quota of War Bonds.

Now if food keeps on going up, an awful lot of people -- what might be called the relatively small wage earners, who in order to eat have got to spend a great deal more money -- and if they do, we all know what will happen to the wage earners of this country. They are going to demand more pay, that is obvious. And when they demand more pay, and get it -- as

they probably would -- it means that the cost of living for the farmers goes up, the cost of production goes up, and therefore food prices have to go still higher. And when that happens you get the -- the third, more wages for the wage earners, and the fourth, higher cost of production for the farmer, and therefore more cost of food. And the thing goes on, and the spiral results. And we know what has happened to countries that have run into an inflationary spiral.

That makes it clear, Earl?

MR. GODWIN: Yes, sir.

Q. Mr. President, there have been reports that Chester Davis is submitting his resignation as War Food Administrator because he has inadequate power. Would you comment on that, sir?

THE PRESIDENT: No. I think it was last week I said that he had -- he had said, when I asked him, "Would you like to be -- run the O.P.A.?" -- he said, "God forbid." That was the last I have heard of it.

Q. It has been said he wants ---

THE PRESIDENT: (interposing) What?

Q. It has been said that he wants control over farm prices, and that is one of the -- in the O.P.A. now. Is there any decision on that?

THE PRESIDENT: Well, suppose he were in control of farm prices. Suppose a czar were in control of farm prices too, what is going to happen to the cost of food to the consumer? Now that is the first question that we all ought to ask.

What will happen to the cost of food to the consumer? Is the czar going to keep the cost of food down at the present level, or is he going to let it go higher as a result of a rise in farm prices? Now somebody has got to answer that question.

Q. Mr. President, did you hear what Mrs. Luce said about you in the House yesterday?

THE PRESIDENT: No. No. Did she take my name in vain? (laughter)

Q. Well, she said a lot about you.

Q. Mr. President, the Russian government, through an announcement in Moscow, has again re-stated its very strong desire for a second front.

THE PRESIDENT: Well, I think you could say that our desire is just as strong as theirs; so everybody agrees.

Q. Thank you, Mr. President.

MR. GODWIN: Thank you, sir.

THE PRESIDENT: (to Mr. Godwin) Well, I am glad it's going to be warm here next week. You won't have to go into the coal mines.

CONFIDENTIAL
Press Conference #906
Executive Office of the President
June 29, 1943 -- 4.07 P.M., E.W.T.

MR. DONALDSON: All in.

THE PRESIDENT: I don't believe I have got a thing. There is one -- I heard there was a discussion out in the press room as to whether the last time we met I said I had had any letter of resignation from Mr. (Chester C.) Davis, so I thought I would check up, and here is the original sheet of the minutes of the press conference.

I guess you always take it down correctly? (this to your reporter, who was too surprised to answer)

The question was, "Mr. President, there have been reports that Chester Davis is submitting his resignation as War Food Administrator because he has inadequate power. Would you comment on that, sir? The President: No."

Well, there's the original, so I guess that stands.

(continuing reading): "I think it was last week I said that he had -- he had said, when I asked him, 'Would you like to be -- to run the O.P.A.?' -- he said, 'God forbid.'"

But the answer to the question was No.

Q. Mr. President, on another subject, could you tell us whether Vice President Wallace's statement today about Secretary (of Commerce Jesse) Jones and the R.F.C. was submitted either to you or Justice Byrnes before ---

THE PRESIDENT: (interposing) I couldn't tell you anything about it, because I read the headlines just five

minutes ago and I haven't even read the story.

Q. Well, Mr. President, one of the jobs assigned to Justice Byrnes was to eliminate interdepartmental friction; and last August 21st you sent a letter to the heads of all departments saying that if they had any squabbles that they should not be aired publicly but should be brought to you.

THE PRESIDENT: (interjecting) Yes, ---

Q. (continuing) Now doesn't that run counter to ---

THE PRESIDENT: (continuing) --- I wish they would. I don't know -- I don't know what this particular thing is, but the polite suggestion of last August I still think is a very good one.

Q. Mr. President, could you give us any light, either in a philosophical discussion or for background, ---

THE PRESIDENT: (interposing) On what?

Q. Could you give us any light, either in a philosophical discussion or as background, on the suggestion made in some quarters that while we are doing very well on the war fronts we are not doing too well on the administration front?

THE PRESIDENT: I would say get out around the country -- get your illustrations around the country, as to the last suggestion. In other words, don't you think the war is running pretty well at home?

Q. (interjecting) Well, I was thinking ---

THE PRESIDENT: (continuing) Aren't we getting the stuff out?

Q. I was thinking, Mr. President, about these different things that are happening here in Washington, which seem to ---

THE PRESIDENT: (interposing) Well, I wonder who is encouraging that?

Q. Everybody.

THE PRESIDENT: Everybody, almost, in this room, except a very few of us. Now there's good philosophy you have got there.

Q. But this statement of the Vice President's today was a complete surprise, that just hit the desk about nine-thirty in the morning. There it was. I don't think anybody asked for it.

THE PRESIDENT: No, not that case. Evidently -- it took me by surprise too, as I just said.

Q. Well, Mr. President, can you name for us -- if I understand you correctly -- some of these little internecine affairs that have been started by newspapermen?

THE PRESIDENT: International?

Q. Internecine.

THE PRESIDENT: Oh Yes, flocks of them.

Q. I would like to know, sir?

THE PRESIDENT: What? Well, read almost any columnist -- pretty nearly. Go back through the files. It's an awfully good habit.

Q. Would you include radio in that list too?

THE PRESIDENT: Some radio. Not as high a

percentage as in the case of the columnists.

Q. Would you differentiate, Mr. President, between reporters and columnists?

THE PRESIDENT: I think they do in their daily writing. Reporters are supposed to give news. They are not commentators, except in some cases. And, generally, it -- it's the fault of the owners of the paper; otherwise the poor devil would lose his job. The thing we used to call in the old days colored news. I know that most of you like to get away from colored news, because it's a part of the old news profession. I also know a great many individual cases right here in the room, where you have to write in accordance with orders. It's -- it's a tough job. It's a tough -- it's a tough situation that the purveyor of news -- the reporter -- is compelled to follow, and gets him into a situation that should be intolerable, and is intolerable to a great many people, and yet livelihood depends on taking orders. You all know what I mean. You know the examples.

Q. May I ask you, Mr. President, if you think that public effect of such a discussion would -- (here the President cupped his hand to his ear) -- may I ask whether you think that the effect of such a discussion in the public press would lead to any opinion that the arguments that go on between Government agencies and Government officials, through petty jealousies or what not, are the fault of the press -- that that would be lame?

THE PRESIDENT: Well, I wouldn't try to assign

fault. I think, though, that the war effort has been impeded. I think a great many people, including mothers -- fathers -- are very much upset at some of the things that have happened here at Washington, back in the homes of the country.

Well, if you want an example of that -- you all know it -- an effort by several newspaper owners to spread the word -- controversy as to the morals of the WAACs. Now that was -- that was definitely a deliberate newspaper job; we all know that. It's a shameful thing. Well, that hurt the war effort. It gave a great many heart-burnings -- raised questions on the part of families. Now that was not necessarily reporters, it was orders from on top; we all know that. It didn't make it any less shameful.

Q. Is there any comment, Mr. President, on the Austin-Wadsworth bill, as a result of your talk with Mr. Wadsworth this morning?

THE PRESIDENT: Don't think I have any news on it.

Q. Thank you, Mr. President.

Q. Thank you, sir.

Q. Thank you, sir.