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Pre-press Conference

Pacific tests. Invitation to the UN has not yet been extended, but will be very soon. One of reasons for delay is waiting for return of the Secretary General.

Question was asked if the observers would be able to send up rockets to conduct simple tests. The answer is no. Cameras will be permitted, and all the observers will be taken to Berkeley afterwards where the data will be evaluated; they will be permitted to share in the evaluation. But all such technical questions should be referred to the AEC.

Cuba. There is legal question in shipment of arms, Batista ordered considerable arms -- shipments are being delayed.

Canadian Elections. Canada is our best customer and the President thinks will be so in future. President has met Diefenbacker and looks forward to continued friendly relations. He campaigned on an issue of mild anti-U.S. -ism.

Economy. The President read answers prepared by Dr. Hauge to hypothetical questions.

Farm Veto Message. Difficult decision, but it is the President's conviction that farm agriculture economy is much better under the more flexible programs than it was before.



Baruch. Old friend of President.

Consumer credit. The President said that he was convinced that the extension of consumer credit from 24 to 36 months was big factor in present recession

Highway Bill. About ready to be brought down.

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Pre-press Conference

The economy will probably again be the biggest single item, and the President referred to Ward Canaday's proposition that excise tax on automobiles be eliminated until Jan. 1, 1959. He said it wasn't that simple, other excise taxes such as refrigerators would have to be eliminated. Furthermore he doubts that the elimination of such a tax -- a saving of \$200 to \$300 per individual who buys a car -- will spur the market as much as some people believe.

Defense Department supplemental. No announcement will be made. The President pleased that he got them to reduce it by 2 million.

Defense Department Reorganization. The President said there is no such thing any more as a separate Navy, Army or Air Force because strategic planning must consider all factors of defense -- that means unified operation and planning, under the responsibility of the Defense Secretary. On top of this the Defense Department has to have proper weapons, which goes back to research and development, which must always be related to unified military measures.

Governor Adams suggested that the President explain all this in "ordinary terminology."



Space Organization. Message being sent to the Congress today. Basic research is to be under civilian authority outside of the Department of Defense.

Testing of Weapons. Referred to the Secretary's statement at his press conference yesterday. The United States position is that we could not consider suspension of testing as a purely propaganda measure at the risk of the security of the nation. We have already announced tests to be conducted this summer -- months in advance.

Proposals made to the Soviets -- list of 17 prepared -- is there any way to get them into the newspapers? On all of these we have taken the initiative, but somehow when the Soviets make any proposals this is big news.

Testing is tied in with production and inspection; our position is that we will stop testing when production is stopped and inspection initiated.