

CONFIDENTIAL

Press Conference #93,
Executive Offices of the White House,
January 31, 1934, 4.15 P. M.

Q Mr. President, did you have a good birthday?

THE PRESIDENT: Louis (Mr. Howe) isn't up yet. (Laughter)

Q (Mr. Stephenson) Steve (Mr. Early) can't say a whole lot. (Laughter)

MR. McINTYRE: I gave Steve the cigar this morning.

THE PRESIDENT: I am glad you smoked it. I thought you were a little
green around the gills.

MR. DONALDSON: All in.

THE PRESIDENT: Will you please not go out for five minutes. It will
be a very short conference because I would very much like to have
you all get this on the wires as soon as possible. The reason
for this haste is that the gold market over here stays open until
five or half-past and it will probably be advantageous for the
American gold market to be open instead of having this operate
only on the European gold market tomorrow morning. Therefore,
the quicker you get it out the better I will be pleased.

We have fixed at 3.10 this afternoon, by proclamation, the
weight of the gold dollar at 15 $\frac{5}{21}$ grains of gold, nine tenths
fine.

Q Is that 15.5/21?

THE PRESIDENT: No, it is 15 $\frac{5}{21}$. This is the equivalent of 59.06-plus.
In other words, it figures on a mathematical basis to 59.06-plus
of the former weight of 25 $\frac{8}{10}$ grains.

The new gold content of the dollar became effective the
moment I signed the proclamation at 3.10 P. M.

We will have a mimeographed statement for you later on, but this is just a flash.

Number two, the Secretary of the Treasury with the approval of the President, has issued a public announcement that beginning on February first, tomorrow, he will buy through the Federal Reserve Bank of New York, as fiscal agent for the account of the United States, any and all gold -- that is not just American-produced, that is any and all gold -- delivered to the United States mint or the Assay Offices in New York or Seattle at the rate of \$35 per fine troy ounce, less the usual mint charges and less one-quarter of one per cent for handling charges.

The purchases are to be in compliance with the regulations and are to continue until further notice.

Then there are a lot of more details in here which you can keep for your main stories. Steve (Mr. Early) will have them for you very soon. I don't think there is any other important news.

Q There is something of importance to Washington in the report that the Senate Committee is putting in the five per cent pay restoration on February first?

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

Q That would be the independent appropriation bill.

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

Q Mr. Farley said the other day that he thought you would discuss the attitude towards National Committeemen?

THE PRESIDENT: I am going to have a talk with Jim Byrnes and Norris and Vandenberg and one or two others in the next few days.

Q Can you tell us about your flood control conference you had here?

THE PRESIDENT: It was preliminary; we are going to meet again. We talked about flood control from the point of view of national planning with the general thought that we would try to work out a national plan in the larger aspect that would list the various rivers and flood control projects in the order of their necessity; that is, on the order of damage done, human beings affected, property affected, et cetera. But that is as far as we got, discussing national planning for flood control and all the things that go with it, power, reclamation, submarginal lands and everything else.

Q Can you tell us anything of the Newspaper Code? Has that been signed?

THE PRESIDENT: No.

Q Have you received protest from the Guild relative to Mr. Pulitzer, et cetera?

THE PRESIDENT: Yes; it is on my desk still.

Q In view of this gold action, do you contemplate any discussions with the British or other countries on stabilization?

THE PRESIDENT: There have been absolutely no discussions at all and Henry Morgenthau is correct in saying that any questions on this won't be answered.

Q Does that apply here also?

THE PRESIDENT: Yes.

Q Now that Secretary Hull is back, is there anything to say on the foreign trade plans?

THE PRESIDENT: No; they are all working there on the various reports that have been made -- the State Department, the Department of Commerce, George Peek, et cetera, Agriculture -- and I have not seen him yet.

Q Is there any provision in the Secretary's regulations for purchasing gold, providing that gold illegally held under these hoarding orders will not be bought, or will it be bought?

THE PRESIDENT: You will have to ask him. There are so darned many that I could not tell you intelligently.

Q It is reported that you are going to send a Message to Congress on Home Owners' Loan Corporation. Can you tell us when?

THE PRESIDENT: Soon. I do not know whether it will be Monday or not. We have not anything drafted. I talked to them yesterday.

Q Can you tell us anything about the Weirton steel situation?

THE PRESIDENT: There is going to be some kind of an Executive Order from either NRA or the Labor Board or both, which I think will clarify the situation very much.

Q Will that come out today?

THE PRESIDENT: I asked General Johnson to get it out as soon as he could. I do not know whether it will be today or tomorrow morning.

Q What is the status of the Tariff Message?

THE PRESIDENT: That also is being studied by the Secretary of State. That goes along with the other thing, the general foreign trade.

Q Will there be a Tariff Message?

THE PRESIDENT: I think so.

Q Is there anything further to be said regarding that German private debt situation?

THE PRESIDENT: I have not see a single report from the other side since their first meeting on Wednesday last, was it?

Q Thursday.

THE PRESIDENT: Yes.

Q It is reported from Berlin that they have agreed not to reduce cash payments any more without conferring with the creditors, and also says that they will put it on a contractual basis. Wasn't it our complaint that they were reducing cash payments without compensation?

THE PRESIDENT: Our chief objection was that they were discriminating against creditors of one country as against another.

Q That would not completely satisfy us?

THE PRESIDENT: I do not know. It depends on where they have the thing and whether they make the same terms with respect to all.

Q Mr. President, are there any further Executive Orders to place the stabilization fund in operation?

THE PRESIDENT: I think it is all done.

Q It is all done with the signing of the Proclamation?

Q Do you care to add anything on the discussions of the Stock Market bill?

THE PRESIDENT: Just discussing it, that is all. I think they will be down to talk from the Hill. I asked them to confer.

Q Did any statisticians happen to figure out what the Treasury profit was on the basis of this new figure?

THE PRESIDENT: They haven't got to that yet.

Q That is just a bit over 40 per cent, isn't it?

THE PRESIDENT: Yes. 40.94.

Q Mr. President, will you tell us just why that particular figure was arrived at?

THE PRESIDENT: Purely because of higher mathematics. We were faced with the question of fixing it at some particular point which would

bring it out to a round figure per ounce of gold. Thirty-five dollars an ounce works out to 59.06.

Q In other words, you started out at \$35 and worked backwards?

THE PRESIDENT: Yes.

Q Was there any relaxation on the embargo on the export of gold?

THE PRESIDENT: There again you have to read through the various orders.

Some were Treasury orders and some were mine.

Q Has the order been signed creating the stabilization fund of two billion dollars? I suppose that goes with this.

THE PRESIDENT: I don't think it has, but you had better check with Henry. Maybe it doesn't have to be.

Q Thank you, Mr. President.

(The Press Conference adjourned at 4.25 P. M.)

CONFIDENTIAL
Press Conference #94,
Executive Offices of the White House,
February 2, 1934, 10.50 A.M.

THE PRESIDENT: I think there is absolutely no news today. It is a very good Friday. We will put the lid on again until Monday. The last time I asked you to put the lid on somebody thought that we had issued a national press censorship. (Laughter)

Q I have just one question to ask: Senator Byrnes, according to this morning's Herald, said that you were in favor of the five per cent pay restoration February first and July first but would object to the restoration of ten per cent on July first.

THE PRESIDENT: I have not said one thing about it one way or the other. It is still a pending matter up there (on the Hill). I have not said a thing.

Q Can you tell us something about the conversation late yesterday with Mr. Jones (Jesse H. Jones, Chairman of the R.F.C.) and Mr. Bullitt (William C. Bullitt of the State Department)?

THE PRESIDENT: I do not think I can. I think you are a little ahead of time. The machinery -- we have not decided on what kind of machinery we are going to use for a certain purpose yet.

Wait a minute, I think I can -- I don't know, you had better see Jones about it but I can tell you what it is about. There is no reason why I should not tell you, off the record, what it is about. Don't print the thing until you have seen Jones. We are probably going to organize some kind of corporation, which may be a District banking corporation, in order to establish certain -- I cannot think of what the word is -- endorsements of loans to Russia.

It is not straight credit.

Q Confined entirely to Russia?

THE PRESIDENT: That is the primary purpose. But you had better get that from Jesse because there was not a final decision on the form of the corporation yesterday afternoon.

Q Do you mean by that endorsement of loans a Government guarantee of the loans to the American exporters?

THE PRESIDENT: Portions, yes. It means, of course, the American exporter would take some of the risk himself. That is the general theory.

Q Would that entail an amendment to the R.F.C. Act with respect to export credits?

THE PRESIDENT: I do not think so.

Q Mr. President, how much credit is contemplated, exactly?

THE PRESIDENT: That has not been discussed.

Q Would it come under the Federal Reserve System? There is a provision in there?

THE PRESIDENT: I should think so. I think it is the kind of bank that the R.F.C., if I remember it, can take stock in. But, as I say, you must check with Jesse Jones on that first because I do not know enough about the actual details.

Q In view of the fact that they are trying to get unanimous consent to vote on the St. Lawrence, is there anything you can say with reference to it?

THE PRESIDENT: Only that Senator Robinson told me yesterday that they are trying to get a unanimous consent vote in about a week. That is all right, so far as I am concerned.

Q Norman H. Davis is in town studying disarmament over at the State

Department. In view of the fact that the British and Italians have made proposals, have you anything to say?

THE PRESIDENT: So far as I know, there has been no date set for the reconvening of the conference. There is a committee meeting which will decide on a date. I think that committee meeting is to be held on the fourth of February, day after tomorrow.

Q The thirteenth.

THE PRESIDENT: It has been put off? Ask Davis.

Q In connection with that, both the British and the Italian proposals provide that -- our position as outlined by Secretary Hull is that we are opposed to any rearmament by any nation at the present time but in view of these other proposals, is it a safe proposition that if Europe agrees to let Germany rearm, we won't object?

THE PRESIDENT: I cannot say anything about it for the reason that since Geneva adjourned there have been at least six different proposals and you can never tell whether they are coming through as definite and final proposals, and also the fact that they seem still to be in the realm of European politics rather than world disarmament. We made our position pretty clear on that. We draw the line and distinction between European political adjustments and world disarmament.

Q Now that you have recognized Cuba, is there anything you can tell us on sugar?

THE PRESIDENT: I am talking with several people about that this afternoon. Of course the Philippine situation is also somewhat involved. We have not made any decision or found any plan different from the one we had a month ago or a week ago.

Q Are you still working on the idea of quotas?

THE PRESIDENT: Yes, in general.

Q Can you tell us with whom you are going to talk?

THE PRESIDENT: I think I am talking with -- I am having two talks, one with the Secretary of War around noon and with Senor Quezon around fifteen minutes later and, this afternoon, I think I am talking with Secretary Hull and Sumner Welles. This is just developing, that is all.

Q To return to Russia, will this banking corporation handle any arrangement for mutual exchange of goods as well as credit?

THE PRESIDENT: That I do not know; I have not got as far as that at all.

Q To clarify that a little bit more, is this along the lines of the plan suggested by Peek to you in his report?

THE PRESIDENT: It all ties in together.

Q We still do not know what the Peek report is. That is the reason for the question.

THE PRESIDENT: That was only a very preliminary report, that is all.

It ties in with so many departments, Agriculture, Commerce, State, et cetera. Probably over the week end or early in the week we will get to it.

Q Have you had any conversations about Stock Exchange regulations?

THE PRESIDENT: No.

Q Have you had any protests from the Japanese or others on the naval situation?

THE PRESIDENT: No, I have not heard a word.

Q In that connection, Pan Pacific asks that you come to Tokio when and if you go to Hawaii?

THE PRESIDENT: That is still perfectly vague. It depends on Congress and a lot of other things.

Q I think he was saying that you have an invitation to go to Japan when you go to Hawaii.

THE PRESIDENT: No. It is a very grave question as to whether I can take enough time to go to Hawaii. You have to go straight up from the Canal to San Diego.

Q This morning I noticed that in London the gold price has gone to \$34.85. In view of that and the fact that they have substituted the American dollar in place of the French franc --

THE PRESIDENT: (interposing) Now you are getting on the subject we called "verboden," Fred (Mr. Storm).

Q Do you care to say whether we are having any negotiations with Great Britain -- (Laughter)

THE PRESIDENT: Stevie (Mr. Stephenson), we will consider that question as duly asked and a "No" answer made from now on.

Q (Mr. Stephenson) The sky is the limit.

Q Mr. President, just before Congress was adjourned last summer, you appointed Huston Thompson on the question brought up by Senator Norris on the power at Muscle Shoals. Has any report been made or is there anything available to the Press? We have heard nothing of it since.

THE PRESIDENT: Gosh, it was so long ago that I have forgotten. Huston Thompson made a report and, as I remember it, there was switching of power.

Q Did that involve culpability on the part of the Army Engineers?

THE PRESIDENT: I do not think so but I think the methods have been

completely changed down there. Now that is just recollection on my part.

Q Is there any way in which that might be made available to us, or is it such a thing that we cannot get?

THE PRESIDENT: I do not know whether we are going into it further or not.

Q The Army was much involved and one paper --

THE PRESIDENT: (interposing) So far as I know, there is no culpability fixed on anyone. The best thing would be to ask the Attorney General or Huston Thompson about it.

Q So many of us have asked Huston and he refuses to say anything.

THE PRESIDENT: Ask Homer Cummings. I have not heard of it for three months.

Q The term of the Quartermaster General expires tomorrow. Have you named anyone to succeed him?

THE PRESIDENT: Have I, Steve? Steve (Mr. Early) says no.

Q Have you determined whether or not you are going to give P.W.A. any more than the \$500,000,000.?

THE PRESIDENT: No. The allocation of those two sums, \$1,166,000,000. and \$2,000,000,000., I am asking that they be left elastic as to the specific allocation to items, depending on how the conditions develop next fall. We cannot tell.

Q Mr. President, when the Retail Food and Drug Act was introduced, it was understood to be an Administration measure. After hearings, it was introduced in revised form. Now I understand it is to be revised again.

THE PRESIDENT: I think the only source of information should be the two

gentlemen, Dr. Copeland and Dr. Sirovich. Between the two of them I think they have three or four bills and what will come out from them I do not know.

Q What do you want? (Laughter)

Q Is there any time when you will send up the tariff Message?

THE PRESIDENT: No.

Q That has not been drawn completely?

THE PRESIDENT: Not a bit.

Q Anything to say on the political aspects of the Philippine independence question?

THE PRESIDENT: No. I had a long memo -- I suppose that is the correct word for it -- from Senor Quezon. Of course it is not a public memo, it just represented his own views. I talked to the Secretary of War and the Bureau of Insular Affairs about it today and then we are talking, all of us, with Senor Quezon about it. I have not had a chance to talk to either of them yet.

Q On tariff, do you intend to send a Message?

THE PRESIDENT: On tariff?

Q Yes.

THE PRESIDENT: I think there will be a Message.

Q You spoke about the allocations of these funds: you are staying within the limits, that is \$1,166,000,000. --

THE PRESIDENT: (interposing) Yes.

Q You won't go beyond that?

THE PRESIDENT: Not if we can possibly help it.

MR. YOUNG: Thank you, Mr. President.

(The Press Conference adjourned at 11.05 A.M.)

CONFIDENTIAL
Press Conference #95,
Executive Offices of the White House,
February 7, 1934, 10.40 A.M.

Q How is Louis (Mr. Howe), Mr. President?

THE PRESIDENT: Louis is better. He was up yesterday, wandering around.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news. I have been having a spring house cleaning with my basket at the White House for two days.

Q I would like to ask a question, Mr. President.

THE PRESIDENT: Yes, Count (Rudolph De Zapp).

Q The West Virginia delegation, according to newspaper accounts, seems to feel satisfied that their candidate has the inside track for appointment as a member of the Public Utilities Commission.

THE PRESIDENT: Ask Mac (Mr. McIntyre, Secretary to the President). I have not heard a word about it, not a word. The last I did was about ten days ago when I said to Mac, "I think we ought to do something about it," and that is as far as we got. We have not done a thing and have not discussed it since then.

Q If you want to know a good man, I have --

THE PRESIDENT: (interposing) That is all right.

Q -- a very good man.

THE PRESIDENT: Write it down on a slip of paper and fold it over twice and put it in a hat. (Laughter)

Q Mr. President, do you care to say anything about the announcement in the Post (The Washington Post) this morning that your Emergency Council has approved a larger appropriation for C.W.A. and direct

relief?

THE PRESIDENT: Elliott Thurston gives me real information. I had not heard a word about it and have not yet.

Q Any publicity on income tax returns?

THE PRESIDENT: That is unfinished business; I have not heard a word about it.

Q Any more agitation about the Securities Act?

THE PRESIDENT: Has anything happened on it? I have not heard a word. I have been practically out of the news the last two days and I have not seen anybody about particular information.

Q That is it and we are trying to get back in.

THE PRESIDENT: I have not heard a word about the Securities Act.

Q How about the Dickinson report?

THE PRESIDENT: The one I sent up? No, I have not seen the other one.

Q Are you going to issue a statement on sugar?

THE PRESIDENT: I think maybe; I cannot tell you when. It might even come this afternoon. In other words, that is the top of the pile. I want to do something about it.

Q Will there be a Message to the Congress or a statement?

THE PRESIDENT: No, just a statement.

Q What will that statement say? (Laughter)

THE PRESIDENT: I have to take it off the top of the pile first.

Q Will that be accompanied by a bill?

THE PRESIDENT: I do not think so. Of course there is the bill to make sugar one of the basic commodities.

Q That is Costigan's (Senator Costigan) amendment?

THE PRESIDENT: Yes.

Q I understood it might be necessary to introduce it in the House as the point of origin?

THE PRESIDENT: I do not know yet. I do not think anybody has decided on that yet.

Q That seems to be Joseph Robinson's (Senator Robinson) opinion on it the other day. They think it should start there.

THE PRESIDENT: You see, if it is made a basic commodity, we could put on a processing tax without any further legislation.

Q Can you make it a basic commodity under the terms of the Agricultural Adjustment Act?

THE PRESIDENT: No, we have to have legislation in order to make it a basic commodity.

Q Can you make it a basic commodity on the same terms as other crops of which we produce an exportable surplus?

THE PRESIDENT: I think so.

Q Have you had any conferences with the leaders on the Hill on Stock Exchange regulation?

THE PRESIDENT: No, have not talked at all.

Q They seem to be very much perturbed as to whether it will be in this session.

THE PRESIDENT: I have been for legislation in this session right along. It is in the platform. That Stock Exchange legislation has all been held up until the Senate Committee is ready to talk with me about it and we have not discussed it at all.

Q I heard you might send in a bill Thursday or Friday?

THE PRESIDENT: Probably somewhere around the end of this week and the beginning of next week we will have a talk.

Q Do you expect them to talk to you before they put the bill in?

THE PRESIDENT: That I do not know.

Q Have you had any talk with Jesse Jones about the District banking corporation?

THE PRESIDENT: The Export-Import Corporation?

Q Yes.

THE PRESIDENT: Well, it is in process.

Q Is 2,000,000 tons a good guess for this Cuban sugar quota?

THE PRESIDENT: I won't start guessing. Just wait until this afternoon. I think I can get it out this afternoon.

Q Mr. President, certain radical elements have adopted a recent article by Mr. Woodring as substantiation of their claim that the C.C.C. is what they call a "pacifist" army. In view of that, do you care to restate or say anything about the Administration's attitude toward the C.C.C., or comment on the Woodring article?

THE PRESIDENT: I have not. I have been very careful not to read it.

Q It puts the C.C.C. as a great military achievement.

THE PRESIDENT: I heard about it and Steve (Mr. Early) got a large stack of petitions and things as a result of it. I think Steve and Harry Woodring are having a little conversation but I have not read the article. Of course it is perfectly obvious that the C.C.C. is not in the slightest degree militaristic. Anybody who sees them knows they are not.

Q Can you give us any background on the events leading up to the Woodring and Silverman thing?

THE PRESIDENT: The only background I can give you -- I cannot give you anything definite because I do not know anything about it -- but

complaints came in from at least three or four different sources and they seemed worthwhile investigating, so the whole thing was turned over to the Department of Justice and the Department of Justice and, I think, the Senate Committee -- who was it had them yesterday?

MR. EARLY: The Department of Justice only -- the Grand Jury.

THE PRESIDENT: They have had various people up there to ask questions and I imagine, from what I hear from subterranean sources, that there is going to be action pretty soon.

Q The investigation was ordered from the White House?

THE PRESIDENT: It was not ordered from the White House. I think some had already gone to the Department of Justice. I told the Attorney General to go ahead, naturally.

Q What was the character of the complaints?

THE PRESIDENT: All sorts of allegations about the improper letting of contracts.

Q Mr. President, can you tell us anything about silver now that Morgenthau is taking an account of stock?

THE PRESIDENT: No, he is just checking up.

Q You don't care to say whether that presages anything?

THE PRESIDENT: No.

Q As a result of your conversations with Bullitt, have you anything further to say on Russian relations?

THE PRESIDENT: There isn't any news on that except this new Import-Export Bank which is in process of organization. We have not even discussed the people to run it yet.

Q Have you anything to say about the Home Owners' Loan Corporation?

THE PRESIDENT: That is now in the Treasury Department and we expect a report tomorrow afternoon on it.

Q Mr. President, Mr. Woodring, in his article, advocated turning the C.C.C., the complete control, over to the Army. Can we say there is no intention of doing that?

THE PRESIDENT: I think so.

Q Mr. President, you are going to read that article yet. (Laughter)

Q (Mr. Storm) Anything further on the proposed tariff Message, Mr. President?

THE PRESIDENT: No. That is Stevie's (Mr. Stephenson) question, is it not?

Q (Mr. Stephenson) Yes, what is the idea? (Laughter)

Q Have you had an opportunity to prepare your letters to the Congressional Committees on the Taylor Bill regarding control of grazing lands?

THE PRESIDENT: No, I have not. I will probably take action on that in the next two days.

Q Any further discussion of the possibility of an Executive Order withdrawing those lands pending such an investigation?

THE PRESIDENT: I signed an Executive Order yesterday withdrawing a very large area and I couldn't tell you where that is, whether that is it or not, or whether it is part or the whole of it. I signed an Executive Order yesterday withdrawing 1,200,000 acres and you will have to check up and find where it was.

Q Have any other complaints come in to you about contracts in any other branch of the Government?

THE PRESIDENT: Not that I know of. There might be complaints in the

Department of Justice. Of course we are going to follow them up, every one.

Q In connection with the alleged improper letting of War Department contracts, does that go back to past administrations?

THE PRESIDENT: I think so; it goes all the way back -- how far, I do not know. But I think it comes right up to date. I do not think it is only in the previous administration.

Q Senator Wagner suggests you tack \$600,000,000. in gold revaluation onto C.W.A. in addition to the items given out on the Hill. Have you given any consideration to that?

THE PRESIDENT: No.

Q Mr. President, would you be willing for Congress to increase the amount of C.W.A.? The proposal now is to increase it to two and a half billion.

THE PRESIDENT: I believe in resting on the Message which went up.

Q Mr. President, I am writing something, generally, about the New Deal and there are four questions to which nobody has been able to give me answers. (Laughter) Will you kindly give me something? Namely, was America, after all, discovered, manufactured, deducted or invented? (Laughter)

THE PRESIDENT: I should say that America is in process of being perfected.

Q Thank you very much.

Q Mr. President, do you think it would aid the credit situation -- in other words, do you subscribe to this discussion in favor of capital instead of having an interest rate of six per cent, to reduce it to five per cent?

THE PRESIDENT: What kind of capital?

Q The theory of reducing the general rate -- instead of having a basic six per cent rate, reduce it to five?

THE PRESIDENT: There isn't any six per cent rate.

Q The accepted rate of six per cent.

THE PRESIDENT: Of course that is such a broad question, when you come to rates of interest on money.

Q That is the topic.

THE PRESIDENT: Perhaps I had better give you this as background, if you want. The theory in the past has been that the rate varied with the security, but, of course, that has not by any means been carried out in practice. For example, in certain portions of the country -- the rural districts -- you cannot get a small mortgage loan on a farm for less than nine or ten per cent, even if it is perfectly good security. That means, immediately, that your rule has gone overboard. That is true, too, to a large extent on real estate loans. On perfectly good first mortgage loans, in some sections and especially in rural districts, the interest rate will be infinitely higher than that on a city mortgage on a new building where the security is not nearly as good.

On a great many of these new buildings that have gone up over the country in the last ten years, the first mortgage was written at five, five and a half per cent, and the security is not anywhere near as good as the small town or farm mortgage where the interest charge is eight or ten per cent.

Of course, where you come down to other forms of lending money, you run into the field of short-term and long-term. Yesterday the Treasury borrowed money, I think it was at sixty-six hundredths of

one per cent, that is .66. They borrowed that money yesterday at less than one per cent for six months.

I think we are gradually getting a better understanding of interest and it will come out through this whole reorganization procedure. Excess of interest ought to be eliminated as far as we possibly can eliminate it. At the same time, we have the problem of reducing the debt structure and the reduction of interest will automatically reduce the debt structure because there will be more money in the hands of the mortgagor which can then be applied to amortization.

Of course, I am talking theory now.

You take, for instance, the railroad financing. Speaking generally -- and this does not apply to every road but to the majority of roads -- the interest structure, the fixed charges, bear too large a proportion to the capital of the road, and if, in our re-funding operations, we can set up the principal of lower interest and a larger amortization fund, we will reduce the fixed charges and in times of depression will make it less likely that the railroad will have to go through the process of receivership.

Of course, on other debts, I think everybody is working towards the same end. You take, for instance, foreign debts. Let us take foreign debts of foreign governments that are owed to American citizens. Let us take them from the practical point of view. Suppose, for the sake of argument, I had bought ten bonds of some other government a few years ago. They are eight per cent bonds. I know of quite a lot of eight per cent bonds. It is an unconscionable rate. Now, what I do want is to get my \$10,000. back and, in order to get

it back, I ought to be entirely willing to reduce that eight per cent to four or five per cent if, in so doing, it will enable the foreign government to pay me back my \$10,000. What I want is my principal back and certainly it would be very foolish on my part to insist on eight per cent if that jeopardizes the \$10,000. I think that is the easiest way of putting it.

Now, that applies all the way through. If we can reorganize the debt structure -- foreign, private, agricultural, real estate, industrial, everything else -- by reducing interest, we automatically make the payment of the principle more probable and we reduce the fixed charges of the country at the same time, thus increasing the probable value of the equities.

Of course, that is all theory and you will find a great many exceptions to it in individual cases.

Q Is there any way you have in mind of going about that, or would it be a voluntary proposition rather than a government proposition?

THE PRESIDENT: Of course, it can be worked out in various ways, either by consent, which is the voluntary method, or else by the new form of receivership, the short receivership, which enables a substantial proportion of the security owners, by agreeing to a reduction, to compel the non-assenting security holders to do the same thing that they have agreed to. That was the bill that went through last year.

Q Can you apply that to municipalities as well?

THE PRESIDENT: I think, frankly, it should be. There are a great many municipalities -- for example, when I was in Albany there were a great many municipalities whose credit was absolutely sound but, because of market conditions, they had to borrow money at six per cent

and, from my point of view, that is unconscionable. They ought to have been able to borrow money around four per cent.

Q Do you think there ought to be some procedure for reaching an agreement on debts, such as the Wilcox bill?

THE PRESIDENT: I don't know that bill.

Q That permits them to come into courts in order to get a debt reduction agreement.

THE PRESIDENT: I don't know; I could not answer it.

Q The Wilcox bill provides that seventy-five per cent of the creditors must agree before they can do anything.

THE PRESIDENT: What is the ratio in the bill passed last year?

Q I think it is $66\frac{2}{3}$ per cent. That is on the corporations. It is two-thirds.

THE PRESIDENT: Yes. I think, as a matter of principle, somewhere between sixty-six and seventy-five per cent would be a perfectly proper figure.

Q Have any of the foreign nations indicated their willingness to pay up if you reduce the interest payments?

THE PRESIDENT: No.

Q Could you reduce those interest charges much further? (Laughter)

Q Thank you, Mr. President.

(The Press Conference adjourned at 11.02 A.M.)

CONFIDENTIAL
Press Conference #96,
Executive Offices of the White House,
February 9, 1934, 4.20 P.M.

(The Postmaster General was present at this Conference.)

THE PRESIDENT: Well, I suppose somebody is going to ask me about air-mail contracts.

Q You took the words right out of our mouths.

THE PRESIDENT: The Postmaster General is about to issue an order cancelling all mail contracts -- air-mail contracts. Further details are not yet ready. The ground of cancellation is what is believed to be sufficient evidence of collusion or fraud.

I expect to issue, almost immediately, I have not got it in final form yet, an Executive Order directing the Postmaster General, the Secretary of War, the Secretary of Commerce, with the officers and the officials of their respective departments to cooperate to the end that necessary air-mail service be afforded. Furthermore, that the Secretary of War is to place at the disposal of the Postmaster General such airplanes, landing fields, pilots and other employees and equipment of the Army of the United States as are necessary for the transportation of mail during this emergency by such air routes and on such schedules as the Postmaster General may prescribe.

So much for that.

Q Does the word "emergency" there indicate that later on you may award the contract to private lines again?

THE PRESIDENT: I don't know.

Q Will that be effective immediately?

THE PRESIDENT: We have not worked out the details but very, very soon.

Q Will that bar these people from bidding again?

THE PRESIDENT: I think it does under the law.

Q Five years?

THE PRESIDENT: Five years.

Q Domestic and foreign both?

THE PRESIDENT: Only domestic.

Q It means, in effect, that the Army is taking over the air-mail service temporarily?

THE PRESIDENT: Only where it is necessary. In other words, we haven't the details on all of them yet.

Q Did I understand that applies to all air-mail contracts?

THE PRESIDENT: All domestic.

Q That does not apply to Pan American?

THE PRESIDENT: No.

POSTMASTER GENERAL FARLEY: Not in this instance, it does not.

Q May some of the lines be discontinued?

THE PRESIDENT: I think so.

Q May not this result in permanent return to direct carrying of the mails by the Post Office Department?

THE PRESIDENT: I said we have not got to that yet.

Q Mr. President, reports are circulating this morning that you also intended to cancel all bids received so far on the \$10,000,000. motorization project for the Army. Is that correct?

THE PRESIDENT: I do not know; I have not heard anything about it.

Q Do you intend to ask Congress for C.C.C. funds to carry through the C.C.C. beyond June thirtieth next?

THE PRESIDENT: C.C.C.?

Q Yes.

THE PRESIDENT: Yes. I have forgotten whether it is \$275,000,000. or \$300,000,000, that is going to go in. It is one of those -- somewhere between those two figures.

Q For the fiscal year 1935?

THE PRESIDENT: You had better check on whether it is to the end of the fiscal year or to the first of May. In other words, the next two periods. I could not tell you.

Q Mr. President, have you a successor for Russell Hawkins of the Home Loan Bank Board?

THE PRESIDENT: Not yet; I do not think I have.

MR. EARLY: No, sir.

THE PRESIDENT: How about it?

MR. EARLY: You haven't the Home Loan.

THE PRESIDENT: Are you sure it did not go up?

MR. EARLY: No, sir.

THE PRESIDENT: It is all made out but it has not gone up.

Q Would you care to state your attitude toward the Wagner Unemployment Insurance Bill?

THE PRESIDENT: No, only that we have discussed it a good deal. I think I can put it this way on the Wagner Unemployment Insurance Bill, that both Mrs. Perkins and I are very sympathetic with the general theory of the bill but it is not a bill that I have to send a Message on. There is that distinction.

Q Mr. President, can you tell us what progress is being made on the guarantee of the principal of the Home Owners' Loan Corporation

bonds?

THE PRESIDENT: Still talking with the Treasury about it. It has not come to me yet.

Q And no progress, no reports come to you on the procedure for setting up a modernization fund to be used for direct loans? There was an announcement made that they intended to ask for authorization to make loans for new building?

THE PRESIDENT: That is part of the plan. It is a comparatively small amount and would not require any additional budget financing.

Q Authorization?

THE PRESIDENT: Yes.

Q To go back to this Wagner Bill for a minute, does your statement mean that you are very sympathetic towards the objectives?

THE PRESIDENT: Yes, I could not tell you the details of the bill myself.

Q Is your waterways Message going up in the next few days?

THE PRESIDENT: Oh, that will be as soon as the Home Owners' -- you mean in response to that resolution?

Q Yes.

THE PRESIDENT: Oh, it will be six weeks. We have an interdepartmental committee working on it. It will take a long time.

Q Has any consideration been given to the contributions to be made to state highway construction during the next year? This allocation of Public Works funds is about used up, I understand.

THE PRESIDENT: No. Of course you have to remember one thing and that is that the peak of last year's appropriation won't be reached probably until next summer.

Q The actual work, you mean?

THE PRESIDENT: Yes.

Q Senator Dill said today that he is going to introduce a Communications Commission bill. Do you care to outline your views on that?

THE PRESIDENT: No, except that he came down this morning and we talked it over, and the next step is for him to show me his proposed bill.

Q Mr. President, is there anything to be added to what Colonel Roosevelt (Colonel Theodore Roosevelt, who had been Governor of the Philippines under the previous administration) told us today with respect to your discussion of the Philippine independence question?

THE PRESIDENT: No, I was just getting background.

Q Mr. President, is there going to be any further conference at the White House with Congressional leaders on stock market regulations?

THE PRESIDENT: I don't think so. On that stock market, as a general thing, I think for background it would be useful for you to read the Democratic platform in regard to this whole subject because it is very, very clear and something that should not be entirely forgotten.

We are really trying to carry out the purpose of the platform and we have already carried out a good portion of that purpose. The platform says, "We advocate protection of the investing public by requiring to be filed with the Government and carried in advertisements of all offerings of foreign and domestic stocks and bonds true information as to bonuses, commissions, principal invested, and interests of the sellers."

Of course, the Securities Act is intended to cover that.

Then the next is, "Regulation to the full extent of Federal power of (a) Holding companies which sell securities in interstate

commerce." That has not yet been completely taken care of.

"(b) Rates of utility companies operating across State lines."
That has not yet been taken care of.

"(c) Exchanges in securities and commodities." My Message yesterday covered that phase.

And then, the rest relates to the banking end of things that has been pretty well carried out all right through last spring's Banking Act.

Q Are the details of the Bill which went in today satisfactory to you?

THE PRESIDENT: I have not read them. I don't know them.

Q In the light of the Securities Bill, do you contemplate one of a similar nature for the commodity exchanges?

THE PRESIDENT: Yes. I recommended that yesterday and it is up to them on the Hill as to whether they want it in one bill or in two separate bills.

Q Thank you, Mr. President.

(The Press Conference adjourned at 4.30 P.M.)

CONFIDENTIAL
Press Conference #97,
Executive Offices of the White House,
February 14, 1934, 10.40 A.M.

THE PRESIDENT: Good morning, Fred (Mr. Storm). Was he (meaning Mr. Stephenson) up late last night?

Q (Mr. Storm) Yes, sir.

THE PRESIDENT: You ought to take better care of him. I will lend you the Marines, if you want.

Q We need somebody to take care of us.

THE PRESIDENT: Grand. I have not made that appointment for you yet.

Q Are you going to?

THE PRESIDENT: I have not done anything about it.

Q (Mr. Stephenson) Better ask Miss LeHand to watch out. We may ask her a question or two today.

Q (Mr. Storm) They are complaining about my size. They can't see. I told them I'd fill them in.

THE PRESIDENT: I do not think there is anything in particular this morning.

Q Anything new on the air-mail situation, Mr. President?

THE PRESIDENT: Not that I know of. There is a letter going up from the Postmaster General and I think one from the Secretary of Agriculture to the Agricultural Committee. I do not think it is done yet.

Q Mr. President, are you planning on a Cabinet Commission to handle inland waterway problems or inland waterway commissions?

THE PRESIDENT: Both Houses passed resolutions about two weeks ago asking for some kind of a comprehensive plan. It originated from the fact that we, frankly, had no real plan that would take care of

rivers and harbors and reclamation and forestry and so forth. There is a Cabinet committee at work on that at the present time. They probably won't get a report out for another three weeks because it is so big.

Q Who heads that up?

THE PRESIDENT: Let me see, there is Agriculture, Interior, Commerce, War -- I don't know whether Labor is on it or not but I think so.

Q Would this have anything to do with the St. Lawrence Waterway Development, for example?

THE PRESIDENT: No, merely as one of the watersheds. The general idea is this: That we have been going ahead year after year -- you can use this as background -- going ahead with rivers and harbors bills and various other pieces of legislation which were more or less dependent, as we all know, on who could talk the loudest. There has never been any definite planning and the general thought is that we will try, out of this report, to get a permanent planning commission.

This commission will be non-political, non-partisan and this commission will study the whole area of the United States, and the easiest way to do that is by watersheds.

For example, they will study the needs of all of the territory affected by the water that flows into the Atlantic Ocean and then they will list the projects within that watershed in the order of their importance from two points of view: First, the point of view of danger and damage to life and property which includes soil erosion and things like that. Secondly, from the point of view of economics as to whether a new canal is needed or something of similar character. Then there is a third point of view which might be called the social

point of view as to whether a territory should have land eliminated from cultivation or whether it could support a greater population.

Then, another survey would cover the watersheds of the rivers that flow into the Gulf, directly into the Gulf, excluding the waters from the Mississippi River which really form a problem all themselves. Then there would be a further study of the waters flowing into the Pacific Ocean.

On each of these watersheds, the idea is that this commission, which probably eventually will become permanent, will list the projects in the order of their importance and, having so listed them, recommendations would be made to the Congress with, of course, full authority in the Congress to change the recommendations. They could change them any way they wanted because that is, essentially, a legislative prerogative.

This permanent long-range planning commission could plan ahead for twenty-five or fifty years, subject of course to changing conditions as time went on. Then, every year -- and this carries out what I was talking about a couple of weeks ago -- the National Government would plan to spend some more or less regular sum which, in a sense, would take the place of the public works money and would be used primarily to relieve unemployment which we will always have with us in one form or another.

This plan would put the physical development of the country on a planned basis for the first time. Of course it would include a great many factors. It would include flood-control, soil erosion, the question of submarginal land, reforestation, agriculture and the use of the crops, decentralization of industry and, finally, trans-

portation.

Q And water power?

THE PRESIDENT: And water power.

Q This can be called your land plan?

THE PRESIDENT: Yes. Land and water. Of course it is based, in a sense, on water -- on watersheds -- because this whole thing ties around the problem of the watersheds rather than other types of geographical lines.

Q Do you still have an idea of taxing the use of the water highways?

THE PRESIDENT: That is being studied at the same time. In other words, so far as possible, with all these developments, they ought to be put on a self-sustaining basis, if it is a possible thing to do it. The Government spends at the present time on mere maintenance of existing rivers and harbors and channels, etc., somewhere between 60 and 70 million dollars a year which is an out-of-pocket expense for which the Government is practically not compensated at all. We are studying the possibility of getting back at least the cost of upkeep.

Q Is there any reason why the St. Lawrence Waterways action should be withheld pending the development of this general plan?

THE PRESIDENT: No.

Q Will you go further on the decentralization of industry, what is meant by that?

THE PRESIDENT: Well, the general thought is that there are large areas of the country where farming, by itself, will only provide perhaps a bare subsistence so far as food goes. In other words, the farmer won't bring in a cash crop, and people have to have a certain amount

of cash to live on.

Therefore, the idea is to try experiments on the decentralization of industry so that the people living in those parts of the country where they cannot make a profit on farming will be able to do some farming and get a cash crop in the way of wages for part-time work during the year. One thing they are studying, which is not quite parallel, is in connection with the forestry organization. In some of our forest areas which are primarily used for timber, I think we can well adopt what they have done in certain places in Europe where the population of that area lives on small farms, getting their food off the farms. However, it is such mountainous country that they cannot make a profit, they cannot get cash in addition to food, and therefore, during the wintertime, that population as, for instance, in the Hartz Mountains and Black Forest has an average of one person out of each family working in the forests during the winter for cash wages. In that case your forestation or timber cutting is an industry.

Q Then you don't mean taking out factories where they are pretty close together?

THE PRESIDENT: Oh, no. Of course there is probably too much centralization in some areas, but the law of economics will take care of that. This is no wild-eyed idea of moving millions of people overnight.

Q A project by the Rivers and Harbors Board, will it first go to the Cabinet Board before Congress?

THE PRESIDENT: Now you are talking about mechanics. I don't know how it would work out. Essentially the Committee is getting all the

information from the Board of Engineers of the Army.

Q Does this mean there would be any more allocations from Public Works at all for river projects?

THE PRESIDENT: Oh, heavens, no. This is a gradual conversion of the theory of public works into an orderly annual process.

Q Would it be --

THE PRESIDENT: (interposing) And the elimination of the old methods of river and harbors bills.

Q Do you think that the allotments made by the Public Works would be revised to fit this plan after the report is in?

THE PRESIDENT: Yes, I think that is true. I will give you an example on that. As you know, there are a great many projects that come in. Take this Trans-Florida Canal. There is no reason why it should not be known. I personally have been very keen about the Trans-Florida Canal and I believed that it was possible to build one for a price that would return at least the cost of upkeep and perhaps a small margin toward the retirement of the cost.

The Army Engineers made preliminary surveys last spring of two or three routes and figured out \$110,000,000. to \$125,000,000. as the cost.

We had no board, no central committee, to which we could refer it, to which we could refer the general necessity for a Trans-Florida Canal, so I had to more or less handle it myself. I had a very careful recheck made by the Army Engineers on the cost of it and the probable use of it, if built. Well, the recheck was very discouraging. They figured out that it would cost \$175,000,000. to \$200,000,000. and that the use of it would not be as great as we

had expected.

So, until something else turns up or we get new figures or increased traffic, the Trans-Florida Canal is unfortunately overboard, much to my disappointment.

Q Was an allotment made for it?

THE PRESIDENT: No.

Q The House today takes up the tax bill and, among other things, there will be a controversy over there about depreciation charges. There has been something said about depreciation charges on the barns on your farm. Have you thought about that problem of depreciation?

THE PRESIDENT: Yes, a great deal.

Q What can you tell us about it?

THE PRESIDENT: The story of my barn is a very simple one. I bought the back farm at Hyde Park about 1910 or 1912, as I remember it, and I sent for an insurance appraiser to tell me how much I could insure the house and the chicken coop and the barn for. He said, "I can insure the house for \$4,000. and I think the barn for \$4,000." In making up the income tax every year, I took what everybody else took -- I have forgotten whether it was 2½ or 3 per cent depreciation on these old wooden buildings. Actually the barn was built in 1790, so I started 110 or 112 years later to take depreciation on that barn and I took it at the rate of 2½ or 3 per cent a year on a building 120 years old. The barn burned down in 1928, I got my \$4,000. and the farm was worth exactly as much without the barn as with the barn.

Q That so clearly demonstrates this depreciation. May we use it?

THE PRESIDENT: I think so. I don't know enough about the technicalities

of law to tell you what ought to take its place, but I do know the law is wrong in some way.

Q Do you know whether it ought to be changed by administrative changes or in the law itself? The House Committee at one time wanted depreciation charges reduced by twenty-five per cent and now they hope to do something about the situation through administrative channels.

THE PRESIDENT: I don't care which way, as long as it is done.

Q One of the papers this morning said that the Federal Reserve Board is about to set up twelve regional banks to make loans to industry?

THE PRESIDENT: I know that Governor Black is coming in to lunch with me tomorrow and says he has three or four things to talk over with me.

Q We have a report that Peek is leaving the Government service this week?

THE PRESIDENT: Not that I know of. There has been no conference.

Q What is the status of his plan and that of the others?

THE PRESIDENT: I don't know. They have had the Committee working on it and I am going to see them tomorrow or the day after, the Secretary of State, George Peek, the Secretary of Commerce, et cetera.

Q There is a report this morning that the American Minister to Austria, up in Philadelphia, is coming down to see you today?

THE PRESIDENT: Is he coming?

MR. McINTYRE: (Mr. McIntyre at first indicated affirmation.) No, I am confused; I was thinking of George (Governor Earle of Pennsylvania).

Q Can you comment on the C.W.A. tapering off starting tomorrow, the fifteenth?

THE PRESIDENT: I do not know; you will have to ask Harry Hopkins. I imagine that in certain of the agricultural sections down south, where they started plowing, it will start to taper off.

Q There is a report around Wall Street that the Administration is not going to press for legislative action at this session on Stock Exchange regulation. Has there been any change of policy?

THE PRESIDENT: It sounds like a Wall Street report. I believe that we should take action, not only on Stock Exchange regulation but also on commodity markets regulation, for the very simple fact that it is in the platform, both of them.

Q Do you favor the bill in its present form?

THE PRESIDENT: I still am able to say truthfully that I have not read it.

Q Secretary Morgenthau intimated that you are about to do something on silver?

THE PRESIDENT: Not that I know of.

Q The morning papers have stories to the effect that you plan to restore some of the contracts (air-mail contracts) before the end of this week. Have you any plans with regard to air mail that you might throw light on for us?

THE PRESIDENT: I don't suppose I ought to talk about it at all because it is primarily a matter for the Postmaster General and the Attorney General. I think, however, off the record, so you don't get any bum steers, the general situation is that all of the lines, with one exception, are in trouble because of the conference which the former officials of the Post Office Department took part in in 1930. That one exception is the National Parks Airways and it does not seem wholly clear, although their man was present in this famous meeting, it does not appear clear that they obtained any wrongful advantage out of the subsequent lettings. I think that is, as far

as I know, the whole story when you come down to the details of what happened in the meeting.

Q Are there any grounds for action against individuals?

THE PRESIDENT: I haven't any idea; I do not know.

Q In view of the fact that these contracts have been cancelled, do you care to outline what you have in mind for the future of air mail?

THE PRESIDENT: I am not ready on that either. The Executive Order was, of course, based merely on the emergency, the necessity of carrying the mails, caused by the termination of the contracts and that is, literally, as far as we have gone. What will be the permanent method of carrying the mails, I do not know. We have not come to it yet.

Q Can you give us any indication of what will happen in the case of the ocean mails? Black's Committee is talking about very questionable practices there although precisely not of the same nature.

THE PRESIDENT: That is being studied and Black isn't through with his work up there. I think he is doing very good work.

This is perfectly true, too, under the ocean-mail contracts: In the first place, they have been called "mail contracts" in a great many instances where they ought to be called straight subsidies. We ought to call them by their right name. Let us take a line, for example, from Texas to London, that carries perhaps ten pounds of mail in the course of a year. If we are giving them subsidies for the obvious purpose of keeping that line of American flag ships going it should be called a subsidy rather than a mail contract. It was silly to pay them \$75,000. to \$100,000. for carrying ten pounds of mail.

In the same way probably, through this subterfuge, we have been giving mail contracts to a whole lot of lines that ought not to have carried mail. Take a very simple example. It would be silly for a line of freight ships from Norfolk, taking three or four weeks to perform a voyage, to carry the mail. It would be much easier and quicker and, in the long run, cheaper to send the mail to New York and cross the ocean on a fast ship.

So there undoubtedly will be a complete reorganization of the ship-mail subsidies. I want to call it by its right name, a "subsidy" and I do believe, in the case of ship subsidies, that we should give ship subsidies in this country because of the higher wages and better conditions that we are giving to American sailors. Without some form of Government help, a subsidy, those conditions would in large part drive the American flag off the ocean.

Q To go back to the air mail for a moment, the National Parks Airline is, unfortunately, one of the lines not operating now.

THE PRESIDENT: Is it? (Laughter)

Q I mean it is one not restored and yet you made an exception by saying it is one to be restored. Which is it?

THE PRESIDENT: It is just out temporarily or for the winter. Doesn't it run during the summer and then is cut down in the winter?

Q The correspondence showed that it operates in June, July and August. This last year they finally barred that out.

THE PRESIDENT: I think it is a season line.

Q Yes, sir; largely through the summer and fall.

Q Thank you, Mr. President.

(The Press Conference adjourned at 11.10 A.M.)

CONFIDENTIAL
Press Conference #98,
Executive Offices of the White House,
February 16, 1934, 4.10 P.M.

THE PRESIDENT: What is the news?

Q (Mr. Stephenson) I don't know.

THE PRESIDENT: Being Friday, we might just as well put the lid on tomorrow and the next day. Everything is quiet.

Q Can you tell us anything about this heavy industries bank?

THE PRESIDENT: Export-Import Bank?

Q No, the A.P. story yesterday about the creation of a new intermediate bank to loan money to heavy industries, as I understood it.

THE PRESIDENT: My, my! I did not read the story, but there isn't anything like that in contemplation. The nearest thing is that Governor Black has been checking with Secretary Morgenthau and with me about the possibility of setting up some method of facilitating loans to industries as a whole. That does not mean heavy industries. One of the several suggested ways of setting it up might be called intermediate credit banks, one in each Federal Reserve District. You know, at the present time, under the law, if a concern wants to borrow money on commercial paper, for instance, and it cannot get accommodations at its local bank, it has the right to borrow from the Federal Reserve Bank of its District. But, actually, there is no practical machinery set up for carrying that through, and it is only in a very few Federal Reserve Districts -- Atlanta is one of them -- where any loans have been made by the Federal Reserve Banks. The theory is merely to

facilitate the extension of credit of that kind, and it is in a very, very tentative stage.

I don't think there is any particular story because that is only one of a number of particular ways that is being talked over. There is no agreement on whether that would be the way or not.

Q The reason I said heavy industries was because the loan would be perhaps of five years' period, which would suggest buildings or something of that kind?

THE PRESIDENT: Yes, it would be a little bit more than a current order.

Q Mr. President, can you tell us who you have in mind for the presidency of the Import-Export Bank?

THE PRESIDENT: I do not know. There is some legal question in that whole thing.

Q There are reports published this morning that you had abandoned sending your Message up on debts. Is that correct?

THE PRESIDENT: It is not ready yet.

Q On the Export-Import Bank what are the legal difficulties? Can you go into that?

THE PRESIDENT: No. It is some question that has arisen. It is too technical to explain.

Q Is the tariff Message going up?

THE PRESIDENT: Nothing yet.

Q Have you heard anything from the railroad people about the wage dispute?

THE PRESIDENT: No, nothing on that.

Q Do you feel there is a very serious friction?

THE PRESIDENT: What was the hypothetical question?

Q I want to know if you felt the friction.

THE PRESIDENT: It is in many lines, yes.

Q Do you feel there is still a great need for the Government to extend credit?

THE PRESIDENT: I would say there is a great need in many lines for a greater extension of credit.

Q Will you tell us what will be the next steps in the Philippine independence question?

THE PRESIDENT: I think you will have to get that up on the Hill. In other words, I think that up there they are working out something and I am not yet in a position to say anything myself until I find out a little bit more about it. But it does look as if they are getting somewhere.

Q Are you working on either the debt or tariff Message now?

THE PRESIDENT: No.

Q Mr. President, have you heard from Whitney, the railway man?

THE PRESIDENT: No, not for three days or four days. He was in either on Monday -- I told him that I had not had a chance to talk with any of the railroad executives but, after talking with them, I probably would send that letter and I did talk with Gray (Mr. Carl Gray) and did send a letter to both of them.

Q Did they say anything about a strike?

THE PRESIDENT: No.

Q Do you hope to see a Senate vote on the St. Lawrence Treaty this session?

THE PRESIDENT: I hope so.

Q What is the indication?

THE PRESIDENT: I don't know. I hope it will come up and get voted on.

Q They seem to be waiting on you?

THE PRESIDENT: No, I do not think so.

Q At Mr. Hopkins' Press Conference this morning, he suggested certain other devices for meeting the C.W.A. needs after May first through other Government agencies. I wondered if you --

THE PRESIDENT: (interposing) Unless he was talking about the taking on (of men) by P.W.A. around that time.

Q This Cabinet meeting on planning, was it that?

THE PRESIDENT: No, that has nothing to do with it. That is long-range planning.

Q He was talking about long-range planning, where the future of these people would be laid down.

THE PRESIDENT: After this year. This long-range plan would not affect this year.

Q He referred to a gradual absorption of it.

THE PRESIDENT: In future years. That is an entirely different subject itself. It had nothing to do with what will happen this spring.

Q The question was, What would happen after May first? and he mentioned this long-range plan in connection with that?

THE PRESIDENT: Had nothing to do with this year, obviously.

Q Putting the question another way, what will be done with the C.W.A. workers in the cities that will be let off May first?

THE PRESIDENT: I think that we took it up, it must have been about a month ago, and we talked about the general results with respect to the C.W.A., as you know. I think you had better use this just

as pure background and nothing else.

Obviously, when C.W.A. was put in, the whole country had underestimated the actual unemployment. You will remember that we all went on figures of around twelve million people. This is all old stuff, I have talked about it before. We figured that through the general pickup in business, N.R.A., et cetera, somewhere around four million of them had gone back in industry and probably a good many more had gone back who had been actually earning something on the farms. That would have cut down the total of those figures to under eight million and then, if we put four million to work under C.W.A. during the winter months, it would reduce it to below four million. But actually, when we came to the checkups, there were a good many more than three or three and a half million unemployed, so we went back to the original figures, the estimates of twelve or thirteen million, and we had to revise them. It was apparent that there were a good many more people out of work than shown by the very best figures obtainable through 1933.

To come down to the question of what happens this spring. Of course this is still a hope and nobody can do more than make an intelligent guess. We hope that a good many of these people laid off will go back into industry, that a good many will go back into agriculture, and that a good many will go into public works which will be fairly well in its stride by that time. Now, that does not mean that all four million people will be actually in a position to get employment during the summer. Some will go into industry, some into agriculture and some into public works, and

probably there will be some left over during the summer months. But we do hope that with the general pickup that condition will get better as the summer goes on, and even more so in the fall.

But we are not going to bind ourselves as to what will happen next winter. We are not going to tell people stories. We hope we won't have to reconstitute C.W.A. on a scale like this year, but we are not going to let people starve. However, that is a problem for the future, and one which we cannot determine in February or March.

Q Are you planning a conference on air-mail legislation?

THE PRESIDENT: I do not think so. I do not think there is anything coming up.

Q There is a report up on the Hill that Secretary Hull had suggested that the United States Government take some -- make some representations to the Dollfuss Government about conditions over in Vienna. Is there anything you can tell us about that?

THE PRESIDENT: Not that I know of. That is the first I had heard of it. I guess there is nothing in that.

Q There are two vacancies on the Mediation Board. Are they going to be filled?

THE PRESIDENT: No.

Q Does that mean you are contemplating some reorganization of that Board and the Act under which it functions?

THE PRESIDENT: Yes. As far as we got on that is this: Eastman is checking up on proposed legislation and it is possible that the Board of Mediation will be, in some way, reconstituted. You are probably familiar with the legislation. I do not know the details

of the legislation except in general terms it would provide for simplifying the mediation machinery and, pending the outcome of that, I am not filling those places.

Q Mr. President, does this all link in with Eastman's recommendations for changing the labor provisions under the Emergency Act?

THE PRESIDENT: Yes, it is all tied in together and all one bill, probably.

Q Do you expect that to go up soon?

THE PRESIDENT: I think Eastman ought to be ready on it in a week.

Q I do not think you mentioned it in your letter to the railway presidents. Is that another reason why they should hold off?

THE PRESIDENT: No, I did not use that as a reason.

Q What is the status of the Newspaper Code and particularly the Graphic Arts Code?

THE PRESIDENT: The status is myself. It is actually -- I have got it off my desk and got it into the basket so it will be acted on, I hope, over the week end.

Q How far does your endorsement of the revised Bankhead Bill go -- on compulsory cotton control?

THE PRESIDENT: I wish you would let me not answer that question now. I think something is going to happen and I would rather it break the other way. You can make a pretty good guess on it.

Q Have you read the Stock Exchange regulation bill yet?

THE PRESIDENT: It is not even on the desk yet.

Q There is a report on the Hill that either in the war debt Message or in a separate Message you are expected to ask legislation in order to make a concession to Finland because it has kept up its.

payments. Anything to that?

THE PRESIDENT: You are two months ahead of time.

Q Does that mean a debt Message is not going up in two months?

THE PRESIDENT: Maybe. Frankly, I have not given any consideration either to the tariff Message or the debt Message, any more than I had two months ago.

Q You received the new Japanese Ambassador this week and exchanged greetings in which you said that you thought that any problems should be settled amicably. Do you care to go into that at this time?

Q Are there any discussions coming up on that?

THE PRESIDENT: Not that I know of. The State Department is the place to ask.

Q We noticed he told you that anything done in the Far East would be in the interests of peace.

THE PRESIDENT: (The President did not answer.)

Q Thank you, Mr. President.

THE PRESIDENT: I do not think there is a single conference on over the week end.

Q That is good.

Q The problem in Detroit regarding C.W.A. is a little different than in some other places because there was a surplus of labor before on account of overexpansion of industry there. Even if industry picks up one hundred per cent in Detroit, there would be a good many people there who would be left unemployed and the number left unemployed would be a rather staggering figure.

THE PRESIDENT: Of course there are all sorts of things that Detroit

has been working on. They are even working on the possibility of moving a lot of people out back to their own states, to where they came from.

Q Would it be a bad thing to speculate on that?

THE PRESIDENT: That is a local thing. I am simply telling you what happened in Detroit. Frank Murphy had all sorts of ambitious plans to move out 25,000 people.

Q Thank you, Mr. President.

(The Press Conference adjourned at 4.30 P.M.)