

CONFIDENTIAL

Press Conference #98-A,
With Members of the National Conference
of Business Paper Editors,
Executive Offices of the White House,
February 16, 1934, 4.30 P.M.

(Mr. Paul Wooton, Washington correspondent of the McGraw-Hill Publications, introduced Mr. Anderson, President of the Association.)

Q (Mr. Wooton) They have a few questions they want to ask.

THE PRESIDENT: Fine.

Well, I will consider that Mr. Wooton has introduced everybody representing the people behind the business of the country, so if you have any thoughts I hope you will consider this one of the old-fashioned Press Conferences. We will go ahead.

Q (Mr. Anderson) I do believe this represents a pretty good bellwether of business because, if you will remember, the last time we were here there were just a few of us sounding the blues. Now we are an aggregation. With that I will let Mr. Ed Warner talk.

Q (Mr. Warner) Mr. Anderson has asked me to say a word on behalf of the group about one or two of our special interests. We cover a diversity but there are some points on which we are all confused. In particular, we are a puzzled unit trying to assist and advise our industries in cooperating to help you to succeed in your economic program. But, beyond that, we have interests that affect all our fields.

In particular, we are, of course, deeply concerned with any technological advance. We believe, of course, from our background that the only hope of a steady improvement in the standard of living and a steadily increasing ability of industry to give better

services at lower costs lies in the further promotion of technological devices in the improvement of equipment and machinery. We are deeply concerned, however, with what appears to be the alarming slowing down of re-equipment of industry at the present time. Of course, almost everyone is familiar over the past few months with the fact that the capital group of industries have suffered a loss of seventy per cent of their pay rolls at the bottom and the consumer goods industries have also suffered but have recovered substantially. We know our industries badly need new equipment.

We find our industries sound. But, beyond the recognition of the need and before that dammed-up purchasing power that has been deferred can be released, we must first regain confidence and, secondly, some devising of appropriate methods of financing. I am sure if we had canvassed the entire business world on the one subject that was of greatest interest, that would have been the one selected. I know that is a matter of vital concern to you. I think it is on that subject we most of all desire your special counsel, as has been indicated by the subjects laid before you.

THE PRESIDENT: That is one of the questions with respect to the capital goods industry that I have been devoting a lot of time to since last March and April, and there are a great many crosscurrents. Insofar as equipment and re-equipment, replacing and improving the technological methods go, I think we can all be absolutely at one. We want to do everything we possibly can to encourage re-equipment, to encourage the bettering of machinery. I have not given the slightest indication of saying that our Government is

going to scrap machinery and go back to plain man power. I do think there has been such a complete lack of planning in the past in regard, not to equipment, but in regard to the total capacity of production that we have fallen into our own trap. There are a great many examples that you can bring up. For instance, you know, a couple of months ago I had a question up with the four companies that make steel rails in regard to the price that they were asking and, being half Dutch and half Scotch, I got a pretty good bargain out of them. But, in the course of the conversation, I said to them, "How much can you turn out in the way of steel rails a year?"

Well, there was U. S. and Bethlehem and Inland and Colorado Fuel and Iron -- those were the only four companies who make steel rails. They said, "We can turn out 4,000,000 tons a year." I said, "I have checked with the railroads and there isn't a Chinaman's chance that the railroads are going to need, on the average, over the next ten years, more than one million tons a year. How did it come that you fellows went ahead and built a plant capacity of four million tons when the railroads only need one million tons?" They said, "It was lack of planning."

That is an illustration that brings up one of the absolutely unsolved problems of the future. We do not want for a moment, and nobody wants to prevent John Smith, who has never been in the shoe business in his life from going ahead and going into the shoe business, if he wants to. On the other hand, ought not we to tell John Smith before he goes into the shoe business that if all the shoe factories in the United States were to produce, they would

turn out between eight and nine million pairs of shoes, and the country uses only three million pairs of shoes? Therefore, John Smith, be warned. If you have a new method of turning out shoes, go to it but remember, when you set up a new factory and turn out shoes, you are going to put another factory out of business. If you employ a thousand new people, you are going to put another thousand out of business.

One of the things we all of us have to give more consideration to than we ever have before is facts and figures to present to people who are about to go into a large capital investment which would result in overproduction in some particular individual industry where there is, already, overproduction.

In other words, every time you merely increase the units which make for additional overproduction, you drive somebody else out of business and, every time you do that, you have a loss and it is a capital loss as well as a loss of actual employment. Frankly, we have not the answer to it yet. I do not know what it is and you people have more time to study it because you are more or less specializing in one particular field. I have -- I think somebody brought the figures yesterday -- 215 different fields of action to run the United States. You people have only got to have ten or twenty, so I wish very much you would set your minds on that particular problem so that we can avoid the waste of capital in new industries, new plants, which we have been subjected to in the past because of lack of planning.

Now I agree absolutely that we would not want to prevent or check technological improvement. I am all for it just so long as

it is done with our eyes open, and if somebody comes along with a technological improvement which we know is going to drive some old fellow out of business, we want to take care of that old fellow and find something for him to do.

Q We are particularly concerned with the devices which the old, established shoe factories may acquire and put into service in their old plants and scrap the obsolete and uneconomical machinery.

THE PRESIDENT: Frankly, you and I know that while some of the old stories about the strike on the part of some of the bankers are exaggerated, there is some fire behind the smoke and that capital has not been provided as much or as readily as it should have been provided for technological improvements and the scrapping of outworn machinery. We are doing everything we can to encourage the lending machinery of the country to put the money out for legitimate purposes. They have used all kinds of excuses before, up to the present time. They said that we did not have a monetary standard, that they did not know what the dollar was going to do, et cetera, but they are finding out over a period of months that the dollar is not so very different and that, undoubtedly, we must increase the general values as a whole to make the payments of the debts of the country, which were incurred under a different dollar on the average, to make the payment of those debts more easy. But we are not going through what Germany went through by ^{deflation} dilution, or even England went through by dilution. We are doing it very gradually and we have not an awful lot further to go. We have gone along part of the way already. So the lending sources have not the same excuse for holding back that they had before and if there

is any way we can help in the putting out of additional credit, we are going to do it.

I was telling the White House Press just now -- we were discussing the possibility of creating a device which the Chairman of the Federal Reserve Board, Eugene Black, has suggested, of creating some form of what might be called an intermediate credit bank for every one of the twelve Federal Reserve ^{Bank?} Bond districts -- that is one of the suggestions, there have been half a dozen other suggestions -- so that the Federal Reserve Board in each district would, in a sense, be responsible for a direct loan to an individual industry instead of having to come down here to the R.F.C.

If there is anything we can do along that line, I hope you will let us know.

Q That subject of shoes is rather interesting to me. I happen to have a shoe trade paper and I have always challenged ^{Stuart} ~~Stewart~~ Chase's nine hundred million or eight hundred million because the actual published figures within the industry indicate that it has a plant capacity of five hundred and fifty million and we are subject to these tremendous peaks and valleys of the public demand. They will not have shoes that are not in fashion at the time they want them, and the natural result is that shoe machinery has been a thriving business, even during the worst period -- and the last month was during August (in 1933) -- due to the fact that we had obsolete forms of machinery to make the old and everybody wants the new. It seems to me that we have solved the difficulty because of the whims of fashion and the woman.

THE PRESIDENT: Yes, the ladies are responsible for much. (Laughter)

(At this point Mr. Early handed the President a memorandum which had been prepared in connection with this conference.)

I had not seen that. (Reading)

- "1. To date the administration program to promote relief and recovery has consisted largely of government spending. Isn't the next step in the recovery program to open up channels for financing industrial developments from private sources?"

Well, I was just talking about that. (Reading)

"This money can come only from --

- "(1) Profits from improved industrial operations - either from increased volume at present efficiency or from the same volume at increased efficiency

- "(2) Accumulated surpluses now held by a few companies"

Well, of course, in addition to that we have a very large volume of excess bank credit which exists today. It is no secret that probably excess bank lending capacity is bigger now than it has been at any time in the last fifteen or twenty years. (Reading)

- "2. How far can the government assist in the financing of capital-goods purchases to meet the needs of private industry, in order to take up the added slack in the capital-goods industries when expenditures for public construction slow down?"

As I said before, I do not want to put the R.F.C. into the business of making direct loans to individual firms if we can possibly help it. You know what would happen if you centralized that business in one board in Washington: One would come in with a perfectly good demand or a request for a loan and would get it and somebody would come in the next day with a request not based on sound

financing and he would start to get turned down and then his Congressman and Senator would come around and it is going to be terribly hard for one central body in a political capital to discriminate between individuals and corporations seeking loans. Therefore I think it is a far better thing to work out a perfectly fair banking institution which will be more local in its scope, like the Federal Reserve Districts or something of that kind, and which will be controlled insofar as its policies are concerned by businessmen rather than bankers.

I think that is a pretty sound differentiation to make; in other words, making the directors of that corporation the leading businessmen and industrialists of the Federal Reserve Districts rather than the leading bankers of the Federal Reserve Districts. The industrialists themselves know better than the bankers do what firms should get loans and what should not.

And then, (reading)

"3. Is it the administration policy that recovery cannot be permanent until job security has been attained by compulsory unemployment insurance; sickness, accident, and death benefits; old age pensions and other social legislation?"

Well, the answer to that is that we are headed right that way and we have been for twenty years and we have not stopped. There is no question about it, we will have to have some form of unemployment insurance. But on all of these plans I think we are all agreed, business and Government, that we want to keep away from the dole method, that it ought to be put on an actuarial basis insofar as we possibly can; in other words, that it should not be

a straight handout by Government. It ought to be on a contribution basis, whether it be unemployment insurance or sickness or accident insurance or old age pensions or anything else. What I have always said when I was Governor of New York was that it was probably a great mistake for Government to do more than pay for the overhead and administration costs, that they might be considered a legitimate Government function but that the actual fund should be set up and maintained through the contribution system, roughly half from the employer and half from the employee.

Now, the country is not educated up to all of those things yet. It is, in some states. Some states run away ahead of others in that regard. For instance, you have workmen's compensation in the State of New York and you haven't got it on the other side of the line in Pennsylvania. Gradually we are coming to it, in my judgment, and the more that we can educate towards uniformity in that respect, the better it will be for everybody because it is unfair to the manufacturer in, let us say, New York and Massachusetts which are pretty far advanced in that type of legislation, to have to compete with the manufacturer in another state, down in Georgia, that hasn't any legislation of that kind. It ought to be made as uniform as possible.

On the other hand, the Federal Government cannot go ahead with it all alone because there are grave questions as to whether the Federal Government has the constitutional right to enter into all of these insurance plans. The suggestion has been made, and I think probably some of you know about it, what is known as the Wagner-Lewis Bill, which is only, so far, in tentative form, but

the general principle of that bill is that there should be a Federal tax put on, say at the end of a couple of years, on every employer, all over, who employs -- I have forgotten what it is -- ten people or more, and thereupon any employer who takes out unemployment insurance in acceptable form, either under a state plan or private company plan, would have that tax remitted. In case the employer did not do it, the tax would go to the Federal Government and, in effect, would be used as the basis for unemployment relief, and that would be the source of unemployment relief funds.

Now, that method is well known in Government. In other words, the Federal Government in effect says to the states, "Go ahead and set up something like this. If you don't, then we will put a tax on." It is an incentive, or some people would call it a bribe to the states to go ahead and enact some form of legislation. Of course the chief purpose, as I said before, the chief purpose and objective of all this is to get a uniform system over the United States. If every state does the same thing, it is not going to hurt the individual employer because he would have exactly the same conditions no matter where he happened to have his factory and his competitor would have the same conditions. (Reading)

"4. Looking forward to the time when recovery can be considered as complete, upon what principle should the line be drawn between publicly and privately operated business enterprise?"

Now, that is too broad a question. I don't quite get it. What, for instance? Give me an example.

Q I will undertake it. Assuming we get out of an emergency condition

where everything has to do with recovery. There are certain lines of activity which have been Government, some private and some on the line between. Now, we are all thinking along new lines. To what extent does it appear that the line ought to be shifted and that local government or state government, with Federal cooperation, should take over the lines that have been private?

THE PRESIDENT: I do not think we should change very much one way or the other. Of course the only change we have made is in regard to certain forms of electric utilities where I have come out with a stick, but the necessity of wielding a stick over the utilities has been apparent for a long time. We could not get into their books and, if we did, they took us to court for twelve years. So, eventually, the Government had to do something to protect itself.

Now, there are some lines of industry that have a public character besides utilities but not an awful lot. If the steel corporations, the four of them that turn out steel rails, won't let me go into their books and find out whether they are making 75% or 3%, the Government has to do something about it because, after all, a steel rail goes on a railroad, which is a public utility, and I cannot sit here and let the railroads of the country pay a profit when I do not know what the profit is. That is all and that is perfectly simple. If they will let me go into their books, I am perfectly willing to let the four steel rail companies earn a profit, but I want to know what it is. If they deny me access to the books, the Government has to act. I do not want to go into the steel rail business.

MR. WOOTON: Thank you so much for giving us this time. It is mighty fine.

(The Conference adjourned at 4.53 P.M.)

CONFIDENTIAL
Press Conference #99,
Executive Offices of the White House,
February 21, 1934, 10.40 A.M.

THE PRESIDENT: When do they start counting the ballots? (Referring to the election of a new president for the White House Correspondents' Association)

Q Monday, at six o'clock.

THE PRESIDENT: Is it a secret ballot?

Q Very much so.

THE PRESIDENT: Has Truly Warner (Albert Warner) got thoroughly organized yet?

Q Thoroughly organized -- ask me. (Laughter)

Q There is other propaganda against Stevie (Francis Stephenson) though.

The Senator is the campaign manager of the White House Correspondents, Mr. President. (Laughter)

THE PRESIDENT: I hope you find it easier to raise funds than the Democratic National Committee does. (Laughter) We get plenty of offers of funds. The problem is the source. We have to be awfully careful on that.

Q We are not concerned with the source; all we want is the money.

Q We are still worried about a Senate investigation.

THE PRESIDENT: This is merely conversation in the front row; it is not for publication.

I do not think there is any news. Several members of the Cabinet had to be away Friday, so we are meeting today instead. It is just a regular Cabinet meeting.

Q Why did they have to be away Friday?

THE PRESIDENT: Washington's Birthday; double holiday.

Q Anything further on Governor Black?

THE PRESIDENT: No, I have not heard another thing since he was here last week.

Q I presume you read the morning papers. The Federal Advisory Council wants to open up heavy industries.

THE PRESIDENT: What is the Federal Advisory Council?

Q The Federal Reserve Board Advisory Council.

THE PRESIDENT: They want to open up what, loans to heavy industries?

Q Yes.

Q Anything more on the air-mail situation?

THE PRESIDENT: No. No, you are a little ahead of time. I hope there will be soon.

Q Are you planning to send a tariff Message to Congress soon?

THE PRESIDENT: Sometime before they adjourn.

Q What shall I say about the bonus?

THE PRESIDENT: I said all I could say. I said it to Speaker Rainey yesterday by telephone.

Q Anything for the local democracy?

THE PRESIDENT: Count (Rudolph De Zapp), Homer (Attorney General Cummings) and I are talking about it today.

Q I understand that Mr. Starbuck's (William D. L. Starbuck) appointment on the Radio Commission expires tomorrow night. Have you given any consideration on that?

THE PRESIDENT: Mac (Mr. McIntyre) told me about that last night and I have not thought about it at all. I did not realize it was expiring.

Q Is that likely to stay vacant until some action on the communications problem is taken up on the Hill?

THE PRESIDENT: I have not thought about it. I do not know how far they got on that communications bill.

Q Mr. President, will recognition of Manchukuo by foreign powers change our own point of view regarding that country?

THE PRESIDENT: I will have to talk to the Secretary of State about it before answering that question. It is fraught with dynamite.

Q On the bonus, would you care to give us your reasons for being opposed to the bonus?

THE PRESIDENT: No, I do not think at this time I had better go into it any further. Just let it rest at this time on what I said to the Speaker yesterday.

Q On the Johnson Bill that has to do with the right of public utilities to appeal to the court on rate decisions, which comes up in the House pretty soon, are you taking any attitude?

THE PRESIDENT: I have not, except that there is a long history. In 1929 I was in Albany and the United States -- I do not know whether it was the Supreme Court or the Circuit Court of Appeals, handed down a decision in the New York Telephone case after seven years. The whole State of New York got considerably exercised about that situation. The New York Telephone Company was solely an intra-state company and the State Public Service Commission had sought, seven years before, to reduce the telephone rates within the State. They were taken to the Federal Court and there it rested for seven years before there was a determination. Now, of course that sort of thing is an impossible situation.

I very strongly advocated, as I remember it -- you will have to check on this -- as I remember it, I recommended to the Legislature and they put through a resolution calling for exactly what this Johnson Bill provides for. I am very strongly in favor of removing the jurisdiction of the Federal Courts over purely intrastate utilities of that nature. I hope it will go through. I am not sending any Message on it.

Q Mr. President, during the last two or three days Mr. Hopkins has indicated that some sort of program will be worked out between now and May first to take care of possible overflow of unemployment which will not be absorbed by private industry or in our public works program.

THE PRESIDENT: No, except we are all doing the best we can to find employment for as many people as we can.

Q Have you received a letter from the railroad managers in response?

THE PRESIDENT: Yes, one came in yesterday. I don't see there is any particular reason why it should not be given out, Steve (Mr. Early).

MR. EARLY: I have not seen it.

THE PRESIDENT: It said in effect that they had communicated with the railway labor executives and they are having a meeting on the fifteenth of March.

Q Do you see anything more that can be done to bring the price of liquor down to a reasonable level? (Laughter)

THE PRESIDENT: Who has been stinging you?

Q This is more than an academic question. (Laughter)

THE PRESIDENT: That is why I said, "Who has been stinging you?"

Q No, seriously. (Laughter)

It seems to me that in the long run the Government itself is going to lose on this basis because the bootlegger can undersell the legitimate --

THE PRESIDENT: (interposing) Absolutely. It is the thing we are all worried about. As I understand it, Joe Choate is concerned over the fact that the imports are not coming in nearly as fast as we expected them. He is looking into it at the present time but is not yet ready to report. But the fact is that the liquor is coming in from outside the country in comparatively small volume.

Q Of course there is a seven dollar tax on it before you get it.

THE PRESIDENT: Yes, and this you will have to keep off the record, as an indication of it a Congressman came down to see me and he wanted the R.F.C. to finance the import companies on the ground that they could not pay, that they could not find the money to finance this large tax. There is a lag between the time the tax is paid and the time the importing company gets paid by the wholesalers and retailers. Of course I do not think the R.F.C. can do anything about it but that is an indication.

Q Cannot we say for you that you are for more and cheaper liquor?

(Laughter)

THE PRESIDENT: I might say that at the dinner on March third. (Laughter)

Q Did you sign the crop reduction loan bill?

THE PRESIDENT: No, and I asked for it last night. I haven't had it on my desk. It has probably gone somewhere for checking.

Q To go back to this for a minute, is it possible that we will have to lower the tariff or the combined tariff and income tax?

THE PRESIDENT: I won't express an opinion because Joe Choate is looking

into the question at the present time.

Q Has any consideration been given to the proposition originally suggested to have a Government corporation that will do all importing and distribution of liquor?

THE PRESIDENT: Not that I know of. We are getting on very well with the Virgin Islands rum proposition. Have you had that yet?

Q Yes, sir. You allowed unrestricted imports.

THE PRESIDENT: I think we had allotted a million dollars to set the corporation up.

Q Are there any others of the Dominions that figure in the rum business? Puerto Rico or --

THE PRESIDENT: (interposing) Puerto Rico has made some rum; not very much, I think.

Q Does the liquor tariff situation tie up with your general tariff Message? You proposed originally to set up a liquor tariff that would give lower rates to those countries taking farm goods and other stuff from us, but that was dropped by the Ways and Means Committee and they are awaiting further recommendations from you on general tariff policies.

THE PRESIDENT: That does not mean that the policy is out of the window entirely. It means that all along we were faced with the liquor shortage problem and it has not been so much a question of tariff bargaining at that time as getting enough liquor to put the bootlegger out of business.

Q Have you figured out about what the prices ought to be in order to get rid of the bootlegger?

THE PRESIDENT: It depends on the brand. (Laughter) I will go into a

secret conference with you on that afterwards. (Laughter)

Q May we experiment with the different brands? (Laughter)

Q On this financing proposition, wouldn't that come under the functions of this proposed Import and Export Bank?

THE PRESIDENT: I do not know enough about the problem of raising money on a shipment of liquor to raise the tax. I should not think it would be a difficult thing to finance it offhand. After all, liquor is a changeable asset and once in the bonded warehouses it has pretty good value. I should think that almost any bank would lend money on it.

Q Some of us are getting queries on the Newspaper Code and particularly how it affects Washington correspondents. We might have a five-day week, with vacation on the sixth day, or use the last day as cumulative time for vacations. If you add that to your vacations, then you have to hire somebody and that would work as your reemployment.

THE PRESIDENT: My thought was that probably there ought to be. This is rule of thumb shot in the dark -- there ought to be some leeway but not very much. In other words, it ought not to be possible to work people sixty-five or seventy hours a week and then accumulate a large vacation, too large a vacation at the end. There ought to be a rule of reason on it.

Q I mean a forty-hour week and then accumulate time and in that way you help reemployment because you have to hire somebody during a vacation.

THE PRESIDENT: Of course the main objective is to work it out so there will be more people taken on. That is the objective we have in

mind.

Q Have you signed the Fisheries Code yet?

THE PRESIDENT: Fisheries Code?

Q National Fisheries Code.

THE PRESIDENT: I have not heard of it. (Laughter)

Q Will there be a separate code for Press Associations? (Laughter)

THE PRESIDENT: I think A.P. came under the Country Club Code. (Laughter)

Q What are you talking about? (Laughter)

THE PRESIDENT: I don't know what the other Associations came under but, as I understand it, they are voluntarily under one of the codes for the graphic arts.

Q I don't recall but they will do whatever is right.

Q I checked up on that last night with General Johnson's office and when he asked the Press Associations to submit a code, their answer was they would probably come under the Newspaper Code, but nothing has been heard of them since.

THE PRESIDENT: We had better make them reply.

Q You expect them to come in under the Newspaper Code?

THE PRESIDENT: Some code. I do not know what code but some code.

Q The Stock Market regulation bill, have you read it yet?

THE PRESIDENT: No, not yet.

Q Thank you, Mr. President.

CONFIDENTIAL

Press Conference #100,
Executive Offices of the White House,
February 23, 1934, 4.15 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: On the forty million dollar emergency crop production loan bill, I am signing it this afternoon. I haven't done it yet but will do it in the next five minutes. I am going to sign it with the following explanation, that in signing this bill I do so only on the theory that it is proper to taper off the crop loan system rather than to cut it off abruptly. They got this year something like eighty million dollars and it is forty for the coming year.

A useful purpose will be served by aiding certain farmers who cannot yet qualify for crop production loans from the newly established production credit associations. Of course, such credit associations have been formed to take care of these crop loans. However, where farmers have security to offer this year, they should be required to obtain their loans from the associations which have been established to give farmers a permanent source of production credit.

The record in the past of these crop production loans is very bad. Unfortunately, previous crop loans show a large loss to the Government. In prior years, that is on the return of the loan, it runs sixty and seventy and seventy-five per cent. In other words, the return shows a big loss and also in prior years the administrative costs have actually exceeded the interest collected. That is bad business.

The amount appropriated this year is far below the appropriations of previous years. I think this is less than half of what it was last year, but this 1934 loan by the Government ought to be considered as a tapering-off loan, and should be the last of its kind. In other words, I do not want any more bills along this line next year. I was rather horrified by the returns that came in. For instance, in loans made in 1933 so far, up to the first of the year, only 73% has been repaid.

Q The first of which year?

THE PRESIDENT: 1933 (1934 ?). Only 73% had been repaid up to the first of the year. There will be a material loss.

Q What was the total of the loan for 1933, do you happen to know?

THE PRESIDENT: Either eighty or a hundred million dollars, I have forgotten which.

Q A hundred million dollars.

Q Would you care to state whether or not the crop reduction plans have anything to do with cutting of production loans?

THE PRESIDENT: No, an entirely different thing. The new associations being formed are intended to take care of crop loans.

Q Have you had a return on the fifty thousand questionnaires that went out in reference to the advisability of making compulsory or voluntary reductions?

THE PRESIDENT: The last I heard from the Department of Agriculture was 95% in favor.

Q That was on cotton, was it not?

Q Was that in favor of the tax idea?

THE PRESIDENT: No. It was put out in three different ways and split

roughly three different ways. The 95% was split three different ways, but the whole of the 95% were in favor of some kind of more compulsory system than the old method. I thought those figures were given out. I thought that they had been given out by the Department of Agriculture.

Q Mr. President, the Army seems to be having a difficult time of it on the mails. Would you care to make any comment on that situation?

THE PRESIDENT: No, except, of course, that everybody deplores any accident in the air.

Q Has the Army got the equipment, do you think, necessary for this?

THE PRESIDENT: They seem to be flying the mails.

Q Do you care to discuss the visit you had from the Reforestation people today?

THE PRESIDENT: Who?

Q The lumber people.

THE PRESIDENT: Yes. They came in to give me a preliminary report on what amounts, really, to an extension of the lumber code that was signed last fall, developing it into what might be called a conservation code.

There was a clause in the original lumber code that provided a meeting, of which today's meeting is a result, between the private owners of forests and the state and Federal forestation services, with the idea that we would cooperate, the Government and the state-owned forests and forest systems, with private ownership, which amounts to four-fifths of the total, in a general plan which would cover reforestation. It is a thing that has been worked out, that form of cooperation, in almost every European country with

very great satisfaction and very great success, and there is no reason why we should not work it out over here. It depends for its success, of course, on enforcement. It means that either a large company or a small private owner who does not live up not only to the provision for hours of work and pay per hour, but also to provisions for cleaning up after he has lumbered off his property by reseedling or planting, whether a big company or a small company, if they do not live up to it it means the whole thing falls down. Therefore, it becomes largely a matter of private practice and it must be almost 100% perfect in carrying out the agreement. Like so many other things, about 5% of the operators, if they chisel, the whole thing falls down. But the lumber companies who are represented -- I should say the industry itself--feel that proper enforcement can be obtained not only through their own efforts, but also through the assistance of the state and Federal forestry services. It looks as if they are really getting somewhere.

I am particularly interested because away back in 1911 I got through the Legislature the first definite effort to bring the private companies into a spirit of conservation. We passed what was called the "top lopping" bill up in the Adirondack section. Up to that time, when they would cut down a spruce or a pine, they would work out the lower part, the stick, and leave the upper part of the tree sticking up in the air. If you had a fire where that had been done the whole section would burn out over night. The top lopping provided that all branches should be laid back and that would all work into the ground in the course of a couple of years and would present no longer the fire hazard which the former

method of working it did.

Q Does the code provide that they must reseed after they cut off the timber? Is that in the code?

THE PRESIDENT: Of course that depends entirely on the kind of land.

For instance, you take down in the yellow pine belt. Nobody plants yellow pine. If, after you have lumbered a yellow pine area, you clean the ground, you will get a reseeding from the trees that are left -- so many trees to the acre left for reseeding purposes -- you will get a natural reseeding in two or three years. On the other hand, in certain parts in the North, if you cut clean or even if you leave only a small number of seed trees, according to the character of the land, you do not have to replant. Taking it by and large, in lumbering operations, the percentage of land that has to be replanted is almost infinitesimal. It is one or two per cent because, in almost all forest land, if you leave seed trees, two or three seed trees to the acre, you get an annual reseeding without any cost if you prepare the ground for it by cleaning up.

Q Have you anything on the Bank?

THE PRESIDENT: Nothing further. Have not a word about it the last three or four days.

Q Do you regard it as a hopeful development, having the bankers participating in the sixty million dollar New York Central refinancing, although the R.F.C. will put up twenty million dollars and the bankers forty million dollars?

THE PRESIDENT: You mean private bankers?

Q Yes. What is your reaction to the private bankers' participation in the New York Central refinancing?

THE PRESIDENT: It looks to me, from the way the darned thing is going that the Government won't have to put up one red cent.

Q Isn't it indicative of --

THE PRESIDENT: (interposing) What is it selling, 111 and 112?

Q 113.

THE PRESIDENT: And yet people came down with tears in their eyes, saying that nobody would take it. It proves what I said was right.

Q Anything new on the tariff Message today?

THE PRESIDENT: No.

Q Returning to air mail, can you say whether any plans are being formulated to open the bidding for lines again?

THE PRESIDENT: We are working on plans. We have not got it out yet.

Q Anything you can tell us about the Russian Ambassador's visit today?

He told us he had a small, small commission.

THE PRESIDENT: It was a very small matter.

Q Nothing about debts?

THE PRESIDENT: No.

Q Anything on your buying land with the proceeds of the processing tax?

THE PRESIDENT: I don't know where that is now. It is kicking around somewhere. I do not know where it is. It is going between departments.

Q Do you care to comment on Sirovich's (Representative Sirovich, of New York) bill for an exporting corporation?

THE PRESIDENT: I do not know it. What is it?

Q It was noticed on the fifteenth of February and provided for a three hundred million dollar corporation to engage in foreign trade and

other business, et cetera.

THE PRESIDENT: Why is a bill necessary?

Q Well, he seemed to consider it was; he put it in. (Laughter) Maybe he heard about what the White House planned to do. (Laughter)

Q You recently told us, or did you, about National Committeemen practicing as lawyers. I have an inquiry from Chicago asking if that applies to National Committeemen who bid on municipal contracts where P.W.A. funds are involved.

THE PRESIDENT: If you just leave it in general form and do not talk about the gentleman himself. Just leaving it as a matter of broad general principle, I am inclined to think that a National Committeeman within a state ought to choose. If he wants to bid on public contracts that have any relationship at all with the National Government, if he is the low bidder he should get it, but I don't think he should continue to be National Committeeman at the same time. It is a question of ethics. He ought to choose.

Q There seems to be a little distinction there. Do you mean, holding his job, it would be suitable for him to make a bid and then, if he does get the project itself, --

THE PRESIDENT: No, I don't think he should engage in that work.

(Laughter)

Q Have you read Whitney's (Richard Whitney, of New York) idea on how the Stock Exchange should be regulated?

THE PRESIDENT: The story that came out today?

Q Yes.

THE PRESIDENT: I do not think I read it. I think Ray Moley told me about it before it came out.

Q His statement before the House?

THE PRESIDENT: No, I have not read it.

Q Do you consider filling the vacancy on the Tariff Commission?

THE PRESIDENT: Not at the present time.

Q There is a rumor that one of the Justices of the Supreme Court is about to retire?

THE PRESIDENT: No comment.

Q Is Mr. Peek (Mr. George Peek) expected to take the presidency of this new intermediate Export-Import Bank?

THE PRESIDENT: Not that I know of.

Q He says he is waiting to see you on it.

THE PRESIDENT: No. That whole thing, as I told you before, is really awaiting a meeting on the general foreign trade question. I think we are going to hold it on Monday.

Q There are little differences of opinion developing in the House Committee over the matter of sugar. Do you care to discuss it?

THE PRESIDENT: The only thing coming to my attention the last couple of days -- I am not quite clear what I thought about Brother Weaver's testimony the other day, and I got a telegram from the Governor of Hawaii in which he quoted the Associated Press --
(laughter)

Q (Mr. Stephenson interposing) It must have been right, then.

THE PRESIDENT: -- and saying the Islands are all up in the air because the A.P. story said that we were taking the position that Hawaii was not a portion of the United States, and that they felt very much hurt.

Now, I wired him back, or Mac (Mr. McIntyre) did, that the

position in this quota theory is, we think, a perfectly fair one. We took the quota for continental United States beet sugar, continental United States cane sugar and Hawaii and Puerto Rico and the Virgin Islands on the basis of the three-year average. We applied the same rule to all four places. I also said at the end of the telegram that it was perfectly true that the beet sugar people here in Washington are trying to suggest that Hawaii and Puerto Rico and the Virgin Islands are not parts of the United States and that, therefore, the beet sugar people should have preferential treatment. But those quota figures were honestly based on a three-year average.

Q In respect to Mr. Weaver's testimony, Dr. Tugwell the next day, in a statement, said it was the Administration's intention to prevent any further expansion of the sugar beet industry, and that seems to be the source of trouble with the Committee.

THE PRESIDENT: If the Committee would just use a little horse sense and read what I said to the Congress, they would be out of their troubles. I recommended a quota system based on the amount of consumption of sugar, and that consumption is divided up on a quota basis. Now, what would happen if we ate twice as much sugar four years from now, I am not able to say.

Q Once you get the agricultural end of that bill through, what about the dogfight between the refiners on the official quotas?

THE PRESIDENT: On the refiners, we are applying the same principle; in other words, to allow the refiners to refine the same proportion that they have refined over the last three years. Use exactly the same yardstick on everybody.

Q On this Hawaii thing, I want to get that straight.

THE PRESIDENT: I did not see the story that went out.

Q I did not either, but you are standing by your statement, the original sugar statement, and on that Hawaii was given a quota?

THE PRESIDENT: Absolutely, based on a three-year average.

Q Do you regard Hawaii --

THE PRESIDENT: (interposing) As part of the United States, very definitely. (Laughter)

Q You mentioned this foreign trade meeting. Can you give us a little more on that?

THE PRESIDENT: The thing we have been talking of holding the last three weeks.

Q It is going to be held, when?

THE PRESIDENT: Sometime Monday or Tuesday.

Q The Secretary of State, undoubtedly?

THE PRESIDENT: The Secretary of State, Commerce, Agriculture and one or two others, Tariff Commissioner O'Brien and somebody else.

Q Anything you can tell us about your meeting with Mr. Walsh (Frank Walsh, of New York) today?

THE PRESIDENT: That was on the St. Lawrence Treaty, that is it. It is just more information on the St. Lawrence Treaty, which I hope will go through.

Q Will Mr. Peek be among those present on Monday?

THE PRESIDENT: I do not know. I imagine he will but I do not know whether he is down on the list or not.

Q He is taking part in that, generally?

THE PRESIDENT: The Interdepartmental Committee that has been working.

I don't know who there is -- Dickinson, Frank Sayre --

Q (interposing) I believe he made the interdepartmental report?

THE PRESIDENT: -- but I think Peek will be there too.

Q To discuss the foreign trade policy?

THE PRESIDENT: And of course -- lest you ask the question, I will forestall it -- tariff is involved in it too.

Q Does that involve legislation too?

THE PRESIDENT: Yes.

Q Can you tell us whether there are any developments in Russian exports?

THE PRESIDENT: Won't be until next week. Nothing until we have a meeting.

Q Can you tell us anything about the proposed legislation guaranteeing the bonds of the Home Owners' Loan Corporation?

THE PRESIDENT: I am just about ready to send it to Congress. I should think that by Monday that could go to the Congress.

Q On Monday? Thank you.

Q You are not going up to Oyster Bay on March third, to the wedding?

THE PRESIDENT: I cannot. I have to go to a dinner here that night.

Q There is another report out that you are going to Maryland in the near future for some tercentenary?

THE PRESIDENT: It happens later on. The reason I cannot go is that I have to go for the fiftieth anniversary of my old school on the first of June. It clashes with the Fleet review on the thirty-first of May.

Q Anything you can tell us about Vice President Garner's visit up here today with Senator Byrnes?

THE PRESIDENT: Just talking politics. (Laughter)

Q Can you elaborate on that a little bit?

THE PRESIDENT: No.

Q Anything new in the railroad situation on wages?

THE PRESIDENT: No.

Q Have you any assurances from either side on that proposition?

THE PRESIDENT: Have to wait until after the fifteenth of March.

Q Any developments on the Weirton situation?

THE PRESIDENT: I do not think so. I talked to Bob Wagner about it two or three days ago. I do not think there is anything since then.

Q Mr. President, there seems to be developing a new -- a theory of national defense, to separate the Air Corps from the Army and Navy. Are you taking an active interest in that?

THE PRESIDENT: I have not heard of it.

Q Thank you, Mr. President.

(The Press Conference adjourned at 4.35 P.M.)

CONFIDENTIAL

Press Conference #101,
Executive Offices of the White House,
February 28, 1934, 10.55 A. M.

THE PRESIDENT: Why so shrinking? (The President was speaking to Francis Stephenson, new president of the White House Correspondents' Association)

Q (Mr. Stephenson) The weight of responsibility, Mr. President.

THE PRESIDENT: Wait until next year at the dinner. It will give me an opportunity I have been awaiting for years.

Q Give it to him good, Mr. President.

THE PRESIDENT: I am sorry I have to wait for a whole year to do it.

Q (Mr. Stephenson) I will go to work on you in the meantime.

THE PRESIDENT: I had hoped, speaking in the family, that Jim Hornaday would be in today.

Q Here he is.

THE PRESIDENT: Let him come up here and shake hands on his fiftieth anniversary. (The President shook hands with Mr. Hornaday to the accompaniment of applause.)

Congratulations and I think the nicest thing and truest thing I can say is that you are a gentleman of the Press. (Applause)

I have got a handout for you, which Steve (Mr. Early) will give you as you go out, in regard to unemployment. It covers the general lessons and the general experience that we learned things from in the past few months and might be called the first part of the new procedure after the first of May. You will get it so I won't read the whole thing to you but, in general, in case you want to ask questions, the experience of the Emergency Relief organization shows

now that we ought to separate the relief problem into three parts. The first is the proof that you cannot apply the same methods and means to rural areas that you apply to city areas and therefore we set up as the first group the problem of distressed families in rural areas. We found from experience that their security must be identified with agriculture and that, in many parts of the country, this calls for a change from commercial farming, that does not pay, and dependence on a single cash crop, that only pays one year out of four or five, something like that, to the raising of various commodities needed to maintain the family. Therefore relief funds for the rural areas will have to be spent in rather a different way. Work for wages is not for them the same kind of an essential that it is in the city because some of the expenditures by Government -- and by Government I mean state, local and national -- must go to make them self-sustaining.

Well, the simplest illustration I know of is what we tried to do in Georgia a few years ago, the hog, home and cow campaign, where the Government aided them to get the cow and let them pay for it over a period of years. In the long run that is cheaper than buying milk for them.

At the same time (under this program) we would try to get a certain amount of cash for these families in rural areas that need help by distributing the local public works among them. For example, the highway work that goes on in every rural community every year, give that highway work to the people who need it, again coming down to the essential element of need.

Then, the second category is something that has also developed because of the experience in the last few months. It is a problem of

the stranded populations. In other words, families in communities -- the easiest example is the community that used to be a one industry town and has lost that industry and the people cling to their towns, hoping against hope, year after year, that the industry is going to start up again and it never does. One example is the coal mine that has run out and the people stay there, year after year. It is a stranded community -- stranded families. In that case we have to adopt a means of relief which eventually looks to taking the people off relief.

Q May I ask a question? Is that population large?

THE PRESIDENT: Fairly large. We haven't any definite figures on it. I asked yesterday at the Council meeting how large it was and Harry Hopkins said that his very, very rough guess was it was 300,000 families. One or two other people from the Labor Department and one or two others thought it might run as high as half a million families. Those people, obviously, have got to be given the opportunity, at least given the offer of moving to some small community where, either through farming operations of their own or through a combination of farming and industry, they can make themselves self-supporting.

Then, the third category relates to urban areas, the cities and suburbs of the larger cities. There again we are definitely taking the position that we don't want them to go on a dole. We want to remove, as far as we possibly can, what we used to call home relief, that is to say, cash, and substitute for it **work** relief.

In regard to these urban areas, the plan is, from the spring on, to work with the communities and put the public bodies on notice that they have got to devise properly organized work programs and that the federal contribution would go in carrying out these work programs al-

most one hundred per cent, you might say, for wages and that the federal contributions would be confined to needy persons.

The \$950,000,000. appropriation will have been reduced by May to a little over \$600,000,000. and by the end of the fiscal year probably to the \$500,000,000. for the following year. That will be used and we hope will be sufficient to carry us through the greater part of the next fiscal year, without any question, in this program, this threefold program of helping the rural population, the stranded families and the urban population. In other words, we are now using the experience we got in the past few months.

Q Mr. President, did you get any report as to the total number of families on relief at present?

THE PRESIDENT: Yes. You mean on CWA, or on relief as a whole?

Q Both, if you can give them.

THE PRESIDENT: I haven't it for the whole thing. Harry Hopkins can give you the number on CWA. It is about 3,200,000 at the present time.

Q The urban program to be carried out through the CWA organization?

THE PRESIDENT: Yes, by putting more responsibility on the locality to see that only families in need get that money, get those wages, because it is wages for work.

For instance, one very simple figure, the only one I remember out of this mass, is that out of the 4,000,000 individuals on CWA there are only 2,000,000 of them that have come from relief rolls. Now, that is rather an amazing thing. The other 2,000,000 were people out of work who came and said they were out of work. Because of the need for hurrying last fall, very, very careful checkups were impossible. Now we have plenty of time to turn around before next fall and every case will be looked into to see whether they are the most proper subjects for this

employment.

Q Did you mean 3,200,000 families or individuals?

THE PRESIDENT: Individuals.

Q Mr. President, you said that the federal aid would be immediately -- you mean the old people, the unemployed?

THE PRESIDENT: What?

Q You said the federal aid would be for needy people. Do you mean by that the old people who are unemployed?

THE PRESIDENT: You mean old people? That is a different thing. You have to take care of them through what amounts to the dole system.

Q Do you mean the Federal Government will control the highway construction so as to give work to the local people?

THE PRESIDENT: No, certainly not, but what we are going to devise in the case of the rural population is to persuade the local authority. For instance, as an example, in any township in the State of New York, the State Government, in the average township in the State of New York, employs a highway gang on the State road that runs through their township, and they have probably five or six people on the highway gang. In addition, there is the Town Superintendent of Roads, who employs sporadically perhaps eight or ten other people on the town roads, In North Carolina it is all one system, so it is all one agency that does the hiring but in the average township there are fifteen or twenty people on the highways. In a great many cases those people are not the needy people in the community and an effort will be made, through local government, to take on the needy people on all kinds of Government public works, rather than those who do not need it as much.

The same problem comes up in the case of two or three people in one family who are employed. We are going to spread the employment

so that only one person in the family will get the employment if there is nobody in the family working.

Q Is the Federal Government going to contribute in the same proportion?

THE PRESIDENT: It will depend on the need condition as it develops during the spring and summer.

Q What will be done in the case of certain localities unable to take their part?

THE PRESIDENT: There we will have to bear an additional cost.

Q I presume that the Federal Government may have to bear the whole cost?

THE PRESIDENT: There are very few, like the drought areas in the Dakotas or Oklahoma, but it is a comparatively small number.

Q Does the subsistence homes bill stay in the big city picture?

THE PRESIDENT: I should say, offhand, that the subsistence homes program will be used more largely in the future for the stranded family classification.

Q Is this program going to be carried out in connection with Dr. Wilson's office?

THE PRESIDENT: They are all tied in together now.

Q We were given to understand the other day by Hopkins that the present plan, which included carrying baskets of food to the farmers, and this farm road relief had not worked out very well.

THE PRESIDENT: It has not put nearly as many people to work as we expected on the road thing.

Q Is this a continuation of the same plan? I mean, using the highways as a method of work, is that a continuation of the same scheme?

THE PRESIDENT: Of what scheme?

Q Of using highway employment in the rural areas?

THE PRESIDENT: That will fit into the picture in the proper place.

Q Hopkins said it had not worked out satisfactorily.

THE PRESIDENT: What he meant was that out of the total amount of money, it did not put as many people to work as we expected.

Q Do you have a new highway appropriation in mind for next year?

THE PRESIDENT: I think not. You see, on the highway appropriation -- I do not know the actual figures but I think probably they could tell you in the highway bureau -- but just as a guess on my part, I should not say that more than half of it would have been spent by the spring. It means that the other half will be actually paid out in wages during the balance of this year.

Q Will the CWA wage scale continue or will it change in the cities?

THE PRESIDENT: I do not know yet; we have not got to that.

Q Will it include the waterway projects as well as highways?

THE PRESIDENT: No, not under Hopkins. The waterways projects will go forward like the Fort Peck Dam, et cetera. That will come out of whatever additional money we get for public works, but the thing will tie right in together.

Q Has any estimate been made of the cost of this new relief program as compared with CWA work?

THE PRESIDENT: No. What I said before is that we hoped that the \$950,000,000. will carry us through, certainly until next spring but of course that is subject to the reservation that no human being can tell what the conditions will be late in the fall.

Q Have any of the details of the methods for handling the stranded population or relief been worked out?

THE PRESIDENT: No, we have set up the three groups. This is merely the preliminary of the announcement of the general policy.

Q Can you divide the things by a rough figure of the people stranded in the city and in the country?

THE PRESIDENT: No.

Q Does the stranded population include transients or floaters or people that have moved into the cities that do not properly belong there?

THE PRESIDENT: I do not think it does. I think the figures we talked about with respect to relief applied to the families that were still in the community where they got stranded.

Q I was thinking about the Southern California situation.

THE PRESIDENT: Of course that Southern California situation just sticks out by itself as a sore thumb.

Q Is it contemplated that the Federal Surplus Relief Corporation will be part of this work for the stranded families, colonizing them on sub-marginal land?

THE PRESIDENT: I do not think that comes out of surplus relief, but am not certain.

Q Are there any developments in prospect concerning National Committeemen who have been doing law business -- some of those who have not resigned as yet?

THE PRESIDENT: Who are you talking about, which one?

Q Arthur Mullen.

THE PRESIDENT: Arthur Mullen. I have not heard a word about any of them or anybody else for the last week. Have you heard any?

Q Except I understand that Mullen is going around indicating he had no intention of resigning. (Laughter)

Q Is it still your view that the railroads are not subject to NRA Codes?

THE PRESIDENT: Yes. We have specifically put them off on one side as a separate problem, with the consent of everybody.

Q Have you asked General Johnson to do anything in that connection?

THE PRESIDENT: No.

Q Going back to the Southern California situation, have you read the special report of the National Labor Board Commissioners?

THE PRESIDENT: Have they got one? I did not know that; I must get it.

Q The conferences on the St. Lawrence Waterway, anything new with reference to that?

THE PRESIDENT: Yes, I said at the last Press Conference that I hoped they would take a vote sometime.

Q On foreign trade, various things have been going on in that line?

THE PRESIDENT: Not quite ready to shoot on that; pretty soon.

Q Will there be more Public Works money likely to be appropriated and made available in addition to the amounts already in?

THE PRESIDENT: Oh, yes; we are sending up that request for -- I do not know what the total is -- it is around \$2,000,000,000. for various things. You see, that appropriation has not gone up as yet. Public Works is included in that.

Q That is the original \$500,000,000. estimate?

THE PRESIDENT: Yes. But always remember the classifications on that \$2,000,000,000. are intended to be highly elastic. In other words, any subdivision of the amounts in this bill are subject to reallocation at any time. There is not any hard and fast amount. It is an estimate. I will probably send it up as an estimate. It might run more.

Q This \$2,000,000,000. is in addition to the \$3,300,000,000.?

THE PRESIDENT: Yes. It was in the Budget.

Q Isn't this \$500,000,000. for the continuation of relief next year in your Budget? Wasn't that included in the \$2,000,000,000.?

THE PRESIDENT: That has gone in.

Q Does that cut this other bill by a half billion? I thought it was probably part of the next year's money.

THE PRESIDENT: But you will have to figure as to exactly what they have appropriated. The total amounts in the Budget were \$1,166,000,000. for the balance of this year and \$2,000,000,000. for next year. That makes a total of \$3,166,000,000., all of the items to be interchangeable. Now, I do not know how much they have passed already -- I have forgotten -- but what they have passed you deduct from \$3,166,000,000. and you will find out how much more is due from Congress.

Q Any requests for PWA outside of the Budget?

THE PRESIDENT: Not that I know of.

Q Is it fair to ask if you think that the margin requirements in the pending Stock Exchange Bill are wise?

THE PRESIDENT: I cannot talk about it. While it would be absolutely fair to say that I have not read the bill -- I have not read it but I pretty well know what it has in it. But because it is in the stage of discussion, I think I had better not go into the details any more than I should go into details at the present time about what happened yesterday.

Q I was just going to ask you about it.

THE PRESIDENT: I just knew you would. (Laughter)

Q How about the announcement today about the Commission (D. C. Commission) vacancy? Keech or any other candidates?

THE PRESIDENT: They may have seen Mac.

Q I am taking care of the citizens of Columbia (the District of Columbia). The local citizenship associations are engaged in a membership drive --

that is every ten years -- and they are very anxious, of course, to have the President of the United States to become a member of the local Citizens' Association.

THE PRESIDENT: Would I lose my voting residence at Hyde Park if I did that?

Q You know they don't vote here.

THE PRESIDENT: That is all right.

Q President Woodrow Wilson was a member of the local Citizens' Association and if the President can see his way clear to become a member, they would feel, naturally, highly honored.

MR. MCINTYRE: You have a delegation coming later today to offer you the invitation.

THE PRESIDENT: How much does it cost?

Q You will get a free membership.

Q With regard to the establishment of these three banks to finance the development of foreign trade, can we say what you have in mind with regard to what the Government would be willing to guarantee the railroads?

THE PRESIDENT: I do not think we have come anywhere near talking about that, even Peek himself. It would depend on the individual case.

Q With regard to this bank, it was mentioned twenty million dollars as a possible credit we will extend to the American silver producers to ship silver down there. Is that figure correct?

THE PRESIDENT: You had better check with Sumner Welles. My general impression is that it was ten.

Q The Secretary said a few million and we thought twenty was rather high.

THE PRESIDENT: I think it was ten. You had better check on it.

Q In connection with this passage of additional legislation regulating securities, utilities, et cetera, do you see any need for a uniform

federal incorporation law such as you have a uniform bankruptcy law?

THE PRESIDENT: The only thing that has happened on a federal corporation law is that there is a committee studying it. There are all sorts of problems involved and the committee has made one or two reports on details, on portions of the general problem. I do not think they are ready to make a report that would be really worthwhile at this time and therefore, in talking to some of them yesterday, we all thought it was better to let that go over to another session of Congress, pending more study of it, so we will know better where we stand.

Q What committee is that?

THE PRESIDENT: I could not tell you who is working on it. There is somebody -- the Federal Trade Commission, the Department of Commerce, the Attorney General.

Q That was on the subject of securities?

THE PRESIDENT: On the subject of the possibility of providing for a voluntary federal incorporation law.

Q Thank you, Mr. President.

Q Is there anything new in the air mail situation?

THE PRESIDENT: Not yet; soon.

(The Press Conference adjourned at 11.25 A. M.)

CONFIDENTIAL

Press Conference #102,
Executive Offices of the White House,
March 2, 1934, 4.07 P. M.

THE PRESIDENT: How is he (referring to Mr. Francis Stephenson)?

Q He is finding himself. He is taking his new duties very seriously.

THE PRESIDENT: By God, he needs to. (Laughter) Says one President to another. (Laughter)

Q (Mr. Stephenson) O. K., Mr. President.

Q (Mr. Storm) This place was overrun with presidents this morning. We had Stevie in here and Bill Murphy from the Press Club and George Durno, all at one time.

THE PRESIDENT: That is going some. It is a good combination. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: Somebody was asking the other day about the spending of the highway money and I have two large volumes from the Secretary of Agriculture which I am going to ask Steve (Mr. Early) to look through and dig out the information for you from those two volumes as to how much money has been spent up to the present time. The only figure I can find is that seventy-three per cent of the total money handed out by the Department of Agriculture has been obligated by the state governments. Now, how much has been actually spent in labor, I do not know. That is a job for you.

MR. EARLY: Don't give it to me. (Laughter)

Q There is a story in the paper this morning that an article that was being prepared by the National Committee, reviewing the first year of the Administration, had been killed because you did not want to get into any controversy. Is there any possibility that you will give us a

statement?

THE PRESIDENT: No. Steve (Mr. Early) brought me the memo that was sent out to the editors killing it. I think that states the fact very simply and very truthfully, that this article was prepared at the request of the Press, outlining the history of the past year. As our good friend Charlie Michelson honestly admitted, he wrote the article without any effort to make it a part of an article, but the National Committee decided that the very fact of publication of it, sending it out over the name of the National Committee, might be construed as pursuing the same tactics as -- this is off the record -- as the Republican National Committee, and they did not want to be placed in that position, either by editors or the public. In other words, they believe that the people in this country go along with the idea that they are trying to run this party for the good of everybody and not for the good of the party.

Q Is there anything you can tell us about the mission of Mr. Norman Davis to London?

THE PRESIDENT: Norman hasn't any mission to London. He is going over on some private business, purely as a lawyer, as I understand it. He has got no messages, no work to do. I think he is going to Sweden. Is he going to London?

Q He is in London now.

THE PRESIDENT: I suppose he is on his way to Sweden.

Q I understand there are dispatches from London indicating that we are submitting some sort of formula regarding armaments.

THE PRESIDENT: Norman Davis is going over purely and solely in a private capacity. He is not on the Government pay roll and he won't have anything to do with the Government work until and unless there is a meet-

ing in Geneva, and Lord knows when that will be.

Q We understand a communication has been sent to the British Government concerning disarmament. Can you tell us anything about that?

THE PRESIDENT: There was one went off a couple of weeks ago. I think it is going to be given out this afternoon by the State Department at the request of various people.

Q It was not a special message sent by you?

THE PRESIDENT: No. There is nothing in it that in any way changes the attitude. It shows polite and real interest in the progress-- any progress that they can make over there in the European political situation, with the hope that it will bring things around to the point where we can again discuss world disarmament.

Q That will be given out by the State Department?

THE PRESIDENT: There or here?

MR. EARLY: Immediately following your Conference, by the State Department.

THE PRESIDENT: There is no story in it because it is merely a reiteration of what we have said half a dozen times before.

Q Does that go over your signature?

THE PRESIDENT: No.

Q Can you tell us whose signature?

THE PRESIDENT: I don't know. I think I saw it at the time; it is one of the regular State Department dispatches.

Q Wasn't it a reply to the British memo sent to us about that time?

THE PRESIDENT: That I do not know. I do not know that they sent a memo.

Q They presented one to us. It was the regular British note, which was sent around to all the powers about a week ago.

THE PRESIDENT: Yes?

Q The belief had been, until the bill was made public up on the Hill, that

you were asking emergency powers to last three years. The bill that Senator Harrison gave us this afternoon indicates that these agreements are terminable within three years but that they may be renewed for any number of years in addition to that.

THE PRESIDENT: I don't think it makes any difference one way or the other.

Q Some persons recommended the adoption of a permanent tariff policy?

THE PRESIDENT: You will see the word "emergency" very distinctly in the Message.

Q I was speaking about the bill.

THE PRESIDENT: I do not care what the bill is so long as I get the authority. If they make it a three-year authority, that is perfectly all right.

Q You expect to terminate the authority within three years?

THE PRESIDENT: It is an emergency power, distinctly asked for as that.

The agreements can only be made over a period of three years. Congress can terminate them at that time, if they want. In other words, it is a purely academic discussion. The intent is quite clear.

Q Mr. President, have you taken any action on wild life restoration?

THE PRESIDENT: I do not know where it is now. Do you know?

Q It is supposed to be here. It came back night before last.

Q Have you discussed the Weirton case with the Attorney General lately?

THE PRESIDENT: I have not heard anything about it for a week or ten days.

Q Can you give us any information on Panama's refusal to accept our check, preferring to have gold?

THE PRESIDENT: Not yet. The Secretary of State is conferring with various other people, the Treasury and the Attorney General.

Q Hasn't the Attorney General rendered an opinion yet?

THE PRESIDENT: No, not that I know of.

Q Mr. President, are you discussing with House leaders the Independent Offices Bill?

THE PRESIDENT: No.

Q Sir, is your debt Message any nearer? Any time soon?

THE PRESIDENT: You are right, it is nearer. (Laughter)

Q Is it coming any time soon?

THE PRESIDENT: I do not think as a matter of fact that there is anything much more in prospect of sending up to Congress except minor matters. Pretty nearly everything is completed with today's action except the war debts and we are nearer that.

Q How about public utilities holding companies, Mr. President?

THE PRESIDENT: Public utilities? I do not know what happens on that.

Q You mentioned some weeks ago about an unfulfilled plank in the platform.

THE PRESIDENT: I do not know. To tell you the honest truth, I have not thought about it at all. Is there anything about holding companies in the Stock Exchange bill?

Q The Communications Bill has holding companies in it.

THE PRESIDENT: Frankly, I have not taken it up at all.

Q Under the Home Loan legislation, do you contemplate the financing of new home construction or just refinancing?

THE PRESIDENT: I don't know. We had been talking about the desirability of getting financed, preferably by private means, a large program of home improvement and also home building. That goes rather into the subject which is still under discussion about agencies to improve the credit situation, like, for instance, the suggestion of the twelve regional banks which is still in suggestion form.

We believe that there is a great deal of money that is needed to

be applied for the building of new homes and for putting in bathrooms and furnaces, etc., improving the old home, and it is largely a question of working out a plan for getting the credit for it. We haven't got beyond the discussion stage in regard to those twelve banks.

Q Any further progress on the intermediate credit banks?

THE PRESIDENT: No, still talking about it. In fact, I think they have a conference this afternoon on it.

Q Senator Vandenberg was here today, and he told us that he had discussed plans for demonetizing politics. Can you tell us anything further on it?

THE PRESIDENT: Right. (Laughter) No, because it is in the conference stage and we brought in a good many people from the Senate and the House. We had Senators Byrnes, Norris, King, Judge Sumners, Senator Vandenberg, and one or two others, and they are continuing the conference with the idea of getting a bill which they could get through Congress which would have two applications, as a general proposition. One would be in connection with practicing before departments or with departments on any monetary matters by Congressmen, Senators, members of the National Committee, etc., etc. The other phase of it, the regulation part of it, has to do with who they would allow to appear before them with the objective of the elimination of people who make their livelihood by such representations and receive large sums for it under what amounts, in many cases, to false pretense. They are trying to get somebody agreed on some bill up there.

Q Mr. President, would practicing before departments be broad enough to prevent contracts going to National Committeemen under PWA?

THE PRESIDENT: Yes, but that is not practicing before departments, that is the political angle of it.

Q Have you seen the proposed amendments to the Agricultural Adjustment Act?

THE PRESIDENT: No. I think the Secretary (Secretary Wallace) said there were a number of amendments but they were all rather technical in character and merely clarifying. There would be no trouble about them one way or the other. I have not seen them.

Q There is a report that the air mail lines are going to be turned back Saturday at midnight?

THE PRESIDENT: Oh, no.

Q Anything new on that situation?

THE PRESIDENT: Not yet, but very soon, we hope.

Q Mr. President, do you care to say anything about Senator Wagner's new bill?

THE PRESIDENT: No, I have not seen the bill. Apparently there are quite a number of different subjects in it. The only thing I knew about was the general thought of making the National Labor Board more practical. But I understand there are other things. I have not seen it.

Q Can you tell us anything about the Japanese problems that Prince Tokugawa took up with you?

THE PRESIDENT: Not at all.

(The Press Conference adjourned at 4.22 P. M.)