

CONFIDENTIAL

Press Conference #110,
Held on the stern seat of the NOURMAHAL,
April 9, 1934, about 1.00 P.M.

(The Press had come out sixty miles in Mr. Gar Wood's express
cruiser to meet the President at a rendezvous off Bemini Islands.)

THE PRESIDENT: I have got one job for the crowd. I haven't time to
prepare my speech for the Gridiron Club Dinner.

Q You promised to make it?

THE PRESIDENT: Yes, I promised to make it.

Q Save those reports (referring to the pouches of mail and official
reports which had been brought out) and read them at the Gridiron
Club Dinner.

Q They would not understand them.

Q It might shock them.

THE PRESIDENT: This has Florida beat a mile, off the record, on this
side, climate and everything else.

Q Is this still part of the Bahamas?

THE PRESIDENT: Yes.

Q Are all the islands around the region part of the Bahamas?

THE PRESIDENT: Yes. When you get down to the Cuban Channel, the Gulf
Stream swings around, coming west, and comes up this way. Shoot-
ing off, straight along the north coast of Cuba, is a very deep
channel only about thirty miles across. That is where we were
until last night. That is Anguilla Island, various shoals, Elbow
Cay, et cetera. That is great country. Nobody goes there. I
don't think anybody has fished Anguilla Island.

Q You don't think the fish know the tricks about being caught?

(Laughter)

Q I was told by a fisherman that up to ten years ago nobody had caught a sailfish.

THE PRESIDENT: That is right. Nobody with a rod and line under six or eight years ago caught a swordfish -- less than that, five or six years ago. But now they do it all along.

Q What is the name of the chap who caught that fish?

THE PRESIDENT: That is Lytell Hull. We call him "Mr. Secretary" on board.

MR. McINTYRE: Why?

THE PRESIDENT: Hull.

Q (Mr. Stephenson) Write it out for him.

(Only a few minutes were consumed by the Press Conference. The members of the Press had spent most of their visit in looking over the specimens of various fish caught, also in inspecting the NOURMAHAL. The principal purpose of the visit of the Press was to determine the state of health of the President. There had been rumors that he was very ill, et cetera, and they desired to disaffirm these rumors by eye-witness accounts.)

- (End) -

CONFIDENTIAL
Press Conference #111,
Aboard the Presidential Special Train,
en route from Miami to Jacksonville,
April 12, 1934, 9.45 A.M.

Q Is there any news?

THE PRESIDENT: I do not think there is a blessed thing. I have not seen any mail since what you brought out (to the NOURMAHAL anchored off Bemini Islands).

Q General Johnson is on board. Have you anything in particular?

THE PRESIDENT: No. I am going to try to make him get off at Palm Beach and get three more days holiday.

Q Are you, really?

THE PRESIDENT: I do not see why he has to try to go back. He might just as well stay a little longer.

Q Have you looked at the McLeod Bill for the payment of depositors in closed banks?

THE PRESIDENT: No, I never heard about it until I read it in the paper.

Q The Frazier Bill either?

THE PRESIDENT: I do not know what they did with it.

Q Do you want new taxes to make up for that?

THE PRESIDENT: I have no idea how much they got in all told. I do not know the details. They have up to a hundred or a hundred and fifty million dollars for the Department of Agriculture but I do not know the details. Exclusive of the ten per cent, they added something. I cannot talk about it because I do not know what is there.

Q The Securities Act, any chance of modification?

THE PRESIDENT: That I do not know. I do not know what the status of

that is. The last thing that happened was a month ago. I think it was the Trade Commission (the Federal Trade Commission) that was going to suggest one or two what might be called minor amendments, and the only one I remember is the one which would limit the liability of the house of issue to the total of the amount of their own underwriting instead of the total of the issue. That is the only one I remember.

Q You approve of that, Mr. President?

THE PRESIDENT: That is perfectly all right.

Q You don't care for any general revision of the Securities Act?

THE PRESIDENT: No.

Q General Johnson told us the other day at the hotel (the Miami-Biltmore Hotel in Coral Gables, Florida) that he was content to let the licensing provision of the N.R.A. die because he thought there were enough provisions in the law to take care of its enforcement. He said whether it would be extended would be up to you.

THE PRESIDENT: Probably I will talk to him today about it.

Q They have a national propaganda on to defeat the Fletcher-Rayburn Bill.

THE PRESIDENT: Which is that?

Q The Stock Market bill.

THE PRESIDENT: I said that in my letter to him about three weeks ago, so that is not news.

Q Well, it always helps to say that you are still for it.

THE PRESIDENT: Yes. But when you come down to the details of these bills, naturally I say nothing at all because they change in the

Committee from day to day. I do not know what the status is today.

I have no idea.

Q Are you counting on Congress going out?

THE PRESIDENT: I have not any idea. Are all the appropriation bills through? I think they are.

Q Most of the big ones are.

THE PRESIDENT: I wonder what is left in the way of appropriation bills.

Q Did the Navy go through?

THE PRESIDENT: Yes, and Agriculture went through.

Q And State and Commerce.

Q Have you any new legislation to propose?

THE PRESIDENT: I do not think there is another thing.

Q How much relief legislation is there still to go through?

THE PRESIDENT: The big bill.

Q That will just about wind it up?

THE PRESIDENT: As far as I know, that is the only appropriation bill left except the deficiency bill that goes through the last day just to pick up all sorts of odds and ends.

Q That is routine.

Q The war debt Message is somewhat nearer?

THE PRESIDENT: Yes, two weeks nearer. (Laughter)

Q How about that?

THE PRESIDENT: Two weeks nearer. (Laughter)

Q Did you have a good time on the water?

THE PRESIDENT: Perfectly marvelous; I got a real rest.

Q Can we quote that?

THE PRESIDENT: The first two days I think I slept and then caught a

little cold in my nose. Oh, I fished the first two days, caught a cold in my nose, slept a couple of days and then fishing some more and lazying around.

MR. McINTYRE: I hope you slept last night more than some of us did.

THE PRESIDENT: Off the record, we stayed up late, about midnight, and had a little razzing party last night.

Q How much did you win?

THE PRESIDENT: No, razzing. We did not play anything. We were razzing the Commodore last night.

Q He can take it.

THE PRESIDENT: He took it all right. Strictly between ourselves, we razzed him about his little dog.

Q May we quote you on this, that you said it was perfectly marvelous and that you got a real rest, that the first two days were spent fishing, and then a couple of days sleeping, then fishing some more and lazying around?

THE PRESIDENT: Yes.

Q We did a little lazying around, too.

(End)

CONFIDENTIAL
Press Conference #112,
Executive Offices of the White House,
April 13, 1934, 4.15 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: Well, how are the palefaces? (The President had just returned from Florida.)

I have not found out anything yet. I have been here just a short time so, if there is any information I can give you I will be grateful.

Q I see you gave the Congress a little talk today (referring to the President's brief address to the people assembled at Union Station).

THE PRESIDENT: Yes.

I really do not know a thing yet. I am beginning to learn.

Q They want to know what your speech meant?

THE PRESIDENT: It was what they call an allegory. (Laughter)

Q Mr. President, one of your constituents wants to know when the cherry blossoms are going to bloom?

THE PRESIDENT: What time have they set for the party, the nineteenth?

I think so.

Q Mr. President, have you made any engagement with the Premier of Japan to talk things over out in Hawaii?

THE PRESIDENT: No. (Laughter)

Q That story was in the paper this morning from Hawaii, that something like that might happen.

THE PRESIDENT: What was it, relayed out from Washington? (Laughter)

Q I think from Japan.

MR. EARLY: Stevie (Mr. Stephenson) is checking up on one of his own

stories. It was A.P.

THE PRESIDENT: I thought so, yes.

Q (Mr. Stephenson) What is this?

Q Do you expect to take any steps which may obviate the opening on the twentieth of temporary air-mail bids?

THE PRESIDENT: No.

Q Can you comment on what your policy would be with respect to contractors whose air-mail contracts were cancelled being given six months to reorganize as per the terms of the House bill?

THE PRESIDENT: I never heard of it; I don't know.

Q Mr. President, since you went away the Senate has added some \$150,000,000. to the tax bill. Any preference as to whether that should stay in or not?

THE PRESIDENT: We have not discussed that yet. I do not know what all the items are.

Q How about the Stock Market bill?

THE PRESIDENT: I do not know what is in it at the present moment. It shifts every day.

Q Not very much. (Laughter)

THE PRESIDENT: I am asking a number of Senators to come down tomorrow afternoon at 2.30 to give me a lot of information and Sunday, sometime in the evening, probably a number of the people in the House will be down to give me the same information from the House.

Q Is that on the Stock Exchange bill?

THE PRESIDENT: Everything in the world.

Q Will you then decide on your program, how long Congress may stay?

THE PRESIDENT: Will we decide how long? I asked them to stay all

summer. It is all right with me.

Q Allegorically? (Laughter)

THE PRESIDENT: I was not very kind to the Washington climate.

Q Our readers are probably kicking us.

THE PRESIDENT: That line about the humidity, of course that is the real important thing.

Q You should not call attention to it.

Q That ought to be good for an editorial. (Laughter)

Q Have you signed the Johnson Bill?

THE PRESIDENT: This morning.

Q Can you interpret whether that would apply to those countries making token payments -- in other words, whether those countries making token payments would get their loans?

THE PRESIDENT: I had better talk to the Secretary of State before answering that question; I don't know.

Q Who will administer that bill, Mr. President,

THE PRESIDENT: I do not know. I suppose the Federal Trade Commission, the Federal Reserve, the State Department -- quite a number.

Q Mr. President, have you endorsed the Wagner labor disputes bill?

THE PRESIDENT: I have not heard about it for the last two and a half weeks at all.

Q Some stories indicated you endorsed the general principles of the Supreme Court for labor, or something of that sort?

THE PRESIDENT: No.

Q How about the silver agitation?

THE PRESIDENT: We are still talking about it.

Q On the nationalization of silver, they say they have enough votes

to pass.

THE PRESIDENT: The Secretary of the Treasury told me there are five bills.

Q Speaker Rainey announced today they would try to combine the silver bills in the House and try to make an effort to get one of the combined bills through. Have you talked with him about it?

THE PRESIDENT: I have not; I will tomorrow.

Q Anything to say about the new Code eagle?

THE PRESIDENT: What?

Q The new drive for the N.R.A. Code eagle?

THE PRESIDENT: Get a new bird?

Q Yes. (Laughter)

THE PRESIDENT: I think all that is happening on that is that we will have another extension from the fifteenth of April, just as we had it from the first of January, on practically the same terms. Anybody is entitled to use the blue eagle if they conform with the Code provisions.

Q How long is the extension?

THE PRESIDENT: I don't know; it has not come over yet.

Q Mr. President, have you had an opportunity to look over the pending McLeod Bill since you got back at all?

THE PRESIDENT: Which is that?

Q It provides for the payment of depositors who had money in all closed banks which are members of the Federal Reserve System.

THE PRESIDENT: I've got quite a lot of claims myself. I lost \$300 in a closed bank in 1921. Some of my family lost some money in a closed bank in the 1907 panic and my father lost money in the 1893

panic in a closed bank. Do they all come in?

Q They probably would like to amend it to that effect.

Q It provides for the payment of depositors in all banks, public and private and what not, up to \$2500.

THE PRESIDENT: Are they going to take care of all other bad debts?

Q It involves only four billion dollars at the present time.

THE PRESIDENT: Only four billion dollars? Why, that is nothing. I lost money in a lobster industry about eight years ago. See if you can't get that in, too.

MR. STEPHENSON: Thank you, Mr. President.

Q That was more allegory, Mr. President.

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

CONFIDENTIAL

Press Conference #113,
Executive Offices of the White House,
April 18, 1934, 10.52 A.M.

Q Good morning, Mr. President.

THE PRESIDENT: Good morning, Fred (Mr. Storm). How is the seasickness
this morning?

Q (Mr. Storm) Feeling fit as a fiddle today.

Q (Mr. Stephenson) Did I tell you that I bet on Sea Fox down at Tropical Park?

THE PRESIDENT: What happened?

Q It won in the NOURMAHAL handicap. That is where I got this suit.

THE PRESIDENT: Pick the nautical names every time. They are good.

Count (Rudolph de Zapp), how are you this morning? Still
got any vacancies?

Q (Count de Zapp) Oh, yes.

THE PRESIDENT: I do not know why everybody is coming in this morning.

There is no news.

Q They are very hopeful this morning, Mr. President.

MR. DONALDSON: All in.

THE PRESIDENT: I don't know why I am being honored by such a large
crowd today. There is no news at all.

Q Mr. President, has your attitude on the McLeod Banking Bill changed?

THE PRESIDENT: Which one?

Q The McLeod, the bank depositors bill, has it been changed since his
visit yesterday, since his conference with you? (Referring to the
conference on April 17 with Congressmen McLeod and Palmer at which
Mr. Merriam and Mr. Crowley were present)

THE PRESIDENT: No.

Q You are against it?

THE PRESIDENT: Yes. Necessarily, of course. I think I can talk to you about the McLeod and similar bills. You had better make it halfway between off the record and background. (Laughter) That is, if you can get that nice shade; I don't know where it is myself.

On any bill of that kind, it is almost impossible to do justice. For instance, as an example, I said to Palmer yesterday and to McLeod, "What are you going to do about this kind of case: Two banks fail at the same time. They are on opposite corners. One goes into the hands of the receiver and so does the other. One receiver is able to clean up his receivership in the course of a year and thereupon they pay off the depositors, say, 60 cents on the dollar. Now, those depositors have got their 60 cents on the dollar. The episode is closed -- it is finished business. The assets have been sold, you cannot reopen it. That is not taken care of in the McLeod Bill and all they have got is 60 cents on the dollar.

The other bank is only able to pay 30 cents on the dollar but because of the difficulty of liquidation it is still in the hands of a receiver. The depositors in that bank, instead of getting 30 cents on the dollar, would get 100 cents on the dollar under the McLeod Bill.

There is a perfectly good illustration of the impossibility of giving justice in individual cases under any blanket bill. How far back are you going? Are you going back to the money my father

lost in 1893? I don't know. How are you going to fix a date?

Of course, the actual fact of the thing is that we are trying to take care of a tremendously complicated situation. There are thousands and thousands of closed banks, state banks and national banks, and we have been lending money and buying assets. There is an administrative question as to whether, in the carrying out of that process, we are being liberal enough in the money we are loaning or the money we are paying, and the R.F.C., the Comptroller, the Federal Deposit Insurance, and the Treasury Department are all working on the re-examining of every closed bank in order to make more certain that we have adopted a liberal policy in lending money on assets or purchasing assets. Now, that is about as far as you can go.

Q Mr. President, are you impressed with the argument that the anti-
hoarding campaign of a year and a half ago laid an obligation on
the Government to thaw out these frozen deposits?

THE PRESIDENT: You mean under the Hoover Administration?

Q Yes.

THE PRESIDENT: No, I don't see what that has to do with it at all.

After all a bank is a bank.

Q What was the question, Mr. President?

THE PRESIDENT: He was asking about some kind of a moral obligation on
the part of the Government because the Government kept a bank open.
My Lord, we try to keep every bank in this country open. Some of
them we kept open too long but it did not hurt the assets of the
bank, keeping them open. It probably helped.

Q Mr. President, do you care to discuss the condition in Japan yester-

day in which it is stated that the Japanese Government made objection to foreign loans?

THE PRESIDENT: I have not talked to the State Department at all. I do not think they have heard anything.

Q How about the debt Message to the Congress?

THE PRESIDENT: Yes, yes, we are three days nearer.

Q What is the railroad situation?

THE PRESIDENT: I have got them coming in, I think it is this afternoon.

(Looking at schedule) Yes, this afternoon at 3.00 o'clock.

Q Who will be in?

Q Do you see both sides?

THE PRESIDENT: I do not think so. It is management this afternoon.

I will undoubtedly see the others later on.

Q Have you any comment on Britain's very splendid financial condition and her action in not taking any cognizance of debt payments to us in her new budget?

THE PRESIDENT: No; wait until the debt Message.

Q In that connection, have you had an opportunity to discuss with the Secretary of State the Johnson Bill and its attitude toward token payments?

THE PRESIDENT: No.

Q Do you care to offer any comment on the silver legislation? There seem to be several bills and some anxiety.

THE PRESIDENT: The less comment I make at this particular moment, the better.

Q Are you willing to have an independent agency administer the proposed Stock Exchange control law instead of the Federal Trade Commission,

as proposed in the House bill?

THE PRESIDENT: I am not changing my position publicly from what I have said before. The Message went to Congress and it has been stewing around and they are considering it every day. I do not know what the official decision of the two houses will be. Just a little previous, that is all.

Q How about the adjournment of Congress and the legislative program to be enacted before they adjourn?

THE PRESIDENT: No, because that is a little bit like saying we have got to have such and such definite bills. It is a little bit like the difficulty of writing a story that such and such proposal or piece of legislation is conservative or radical. You have to characterize and I do not think the time has come to characterize yet.

Q Yesterday, after the conference with you, Senator Wagner indicated that the pending Labor Board Bill and the Unemployment Insurance will both be enacted this session, with some modification?

THE PRESIDENT: I am having a conference with Wagner and the Secretary of Labor and Harry Hopkins and N.R.A. tomorrow or the next day on the general subject. Of course I would like very much to see something carried out by this Congress in the way of the creation of some form of permanent mediation by Congressional action instead of merely by Executive action. That is about as far as we have got.

Q Anything on the attitude toward publicity on income tax returns?

THE PRESIDENT: No, because that is still in conference and involves not only legislative action but also Executive action and the

Executive action might dovetail into Congressional action because, you see, I have the power under last year's bill to make the returns public. I think we will be able to straighten that out without trouble.

Q Have you read Colonel Roosevelt's (Colonel Theodore Roosevelt) speech last night?

THE PRESIDENT: No, did he make a speech?

Q T.R., your distant cousin.

THE PRESIDENT: No. I read Harry's (referring to the Assistant Secretary of the Navy). (Laughter)

Q Are you going on the radio?

THE PRESIDENT: Not that I know of.

Q May I ask whether your reference to permanent mediation means that something in the nature of the Wagner Bill should be put through?

THE PRESIDENT: No, I would not say that, because it might be some different form to carry out the same principle, that is to say a permanent mediation body and possibly a permanent arbitration body. But that does not mean, necessarily, a complete change from the proposal of Senator Wagner. That is a matter I do not know about yet.

MR. STEPHENSON: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #114,
Executive Offices of the White House,
April 20, 1934, 4.05 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: I suppose you would like to know about what happened at the railroad conference today. As you know, I held a conference before I went off on the trip and then I took with me a trunk full of papers that went into all the phases of railroad employment. Then, after I got back, I saw the management the day before yesterday and the employees today.

I am sending a letter to Commissioner Eastman this afternoon which Steve (Mr. Early) will prepare for you so that you may have a copy of it.

Probably the easiest way is to read the letter because it explains rather fully the general railway labor situation and, if you want to ask any questions afterwards, you can base them on the letter. (Reading)

"My dear Mr. Eastman:

"As you know, I have recently conferred with representatives of both the railroad managements and the railroad employees in regard to the wage controversy, and have given this matter further consideration. No one who knows the facts can fail to be moved by the suffering which the depression, in combination with the great increase in competition from other forms of transportation, has inflicted on the employees. The 10 per cent deduction from basic wage rates, which the employees voluntarily conceded in 1932 for the good of the industry, has not been the major cause of this suffering. Furloughs, part-time employment, demotions and pay below a reasonable minimum have been more important factors. Wage rates tell only a part of the story; the whole story is told by what a man has in his pay envelope at the end of the week or month."

In other words, just explaining, it has not been the 10 per cent cut that has caused, by any means, most of the suffering. There are so many employees who have been employed only one day or two days or three days a week. Then there were a great many who were employed a month or two and then furloughed for two or three months. That has been the major cause of the suffering in the ranks of the railroad labor employees.

"Realizing this suffering, as I do, I have felt that the welfare of the employees, and particularly the welfare of those at the bottom of the heap, is the vital thing to have in mind in this wage controversy. The question is whether the elimination, in whole or in part, on July 1 of the 10 per cent deduction from basic wage rates is the thing which their best interests demand. If it is necessary to choose between some measure of relief from furloughs, part-time work, demotions, and low minimum pay and the elimination, in whole or in part, of the wage deduction the choice should certainly favor the first of these alternatives. The traffic and earnings of the railroads are improving, but they are still below the 1931 level, a very large amount of deferred maintenance exists, and maintenance expenditures are still on a sub-normal basis."

Actually, they are cut in half. Maintenance in 1929, I think it was, ran a little over two billion dollars. In 1932 and 1933, each of those, the maintenance ran less than one billion dollars.

"I cannot avoid the conclusion that during the remainder of this year, it is very important that increased earnings should be used in the rehabilitation of the properties and in providing such added and improved service as the increased traffic may demand. This will not only decrease part-time employment but it will add materially to the total number of men employed."

I said that because there was a good deal of discussion on the part of the employees of how railroad families have had to double up. One family that was still employed on the railroad would take

another family that was not being employed or was only employed one day a week or something like that. Therefore the idea is to add materially to the total number of men employed as well as to increase the part-time.

"An increase in wages will help men now at work, but it will be of considerably less advantage to the employees as a whole, and it will also operate to defer the rehabilitation of the properties and the provision of good service which are essential to the good health of the railroad industry. The employees are part of the railroad industry and are tied to its future. It is essential that the railroads should be able to meet effectively the severe competition by which they are now faced, and inability to do this will inevitably react on the men. The railroads need the next few months to put their houses in order for this purpose.

"After careful consideration of existing conditions, therefore, I am fully persuaded that the position which I took in my letters of February 14 and March 20, addressed jointly to the railroad managements and the labor executives, was sound, and that an extension of the present wage status for at least six months is what the welfare of the railroads, of their employees, and of the entire country demands as the immediate and temporary disposition of this matter. This includes, of course, the recommendation in my letter of March 20 that the minimum wages of railroad employees should be brought into conformity with the standards followed by the National Recovery Administration.

"I shall be glad, therefore, if you will undertake to effect a settlement between the employees and the managements along these lines. In that connection, however, I desire to emphasize three things:

"(1) Everything practicable should be done to see to it that increased earnings of the carriers during the period of the extension are used to help the more unfortunate employees who have suffered from unreasonably low minimum pay, furloughs, part-time, and demotions. I cannot too strongly urge upon the managements the necessity of devoting any increased earnings to the rehabilitation of their properties, better service, and additional employment. That will be good business for them. Whatever safeguards are feasible to assure such use of

funds should be applied. It must be frankly recognized that there is little prospect that the railroads will be able to employ in the future the number of men they have employed in the past, and that they must operate with the utmost efficiency and economy; yet unemployment and part-time work can be reduced materially. It must also be recognized that certain classes of employees will be affected more than others by rehabilitation and improved service; but all will benefit as the health and efficiency of the industry are restored.

"(2) Provision should be made, so far as practicable, to avoid the renewal of the controversy next August or at any other time during the period of the extension. I see no reason why the deduction should not be put upon the same basis as it was on originally, so that further controversy may be deferred until at least January 1. I make only the one exception that it may be desirable to provide for a reopening of the matter before that date, in the event that increased earnings are not put, within reasonable limits, to the use which I have indicated above.

"(3) Negotiations should be brought to an end, one way or the other, without delay, so that if a present settlement should prove impossible, which I sincerely trust will not be the case, there will be opportunity for a thorough investigation by a fact-finding commission prior to July 1. In order that there may be no apprehension as to possible bias in such an investigation --"

I have to appoint the commission.

"-- I may say that I shall make appointments to any such commission upon the definite understanding that no regard shall be paid to personal opinions that I may have expressed, and that the conclusions shall rest solely upon the facts developed. Such a commission would, I presume, examine into the merits of the wage rates of the different classes of employees, a subject which I have not considered. I have considered only the wise disposition for a temporary period of the immediate issue."

Then there is one other thing I suppose I can give you as background. As you know, we have had the problem in the railroad

situation of very, very high fixed charges. In other words, the problem of the capital structure of the railroads. One reason for it is the very large amount of fixed charges that were incurred between 1915 and 1916 and 1929, double tracking, new stations, et cetera, which were paid for in many instances by bond issues which carried with them large interest charges.

I do not know whether it is a fair way of putting it, but here is a good illustration. Suppose a railroad, during the 1920's, four-tracked its lines and today only needs two tracks. It is still paying interest on those other two tracks and finding it almost impossible to come out even. Now that raises a serious question as to whether a bad guess on the part of the railroads in the 1920's as to future traffic conditions should become a penalty on the capital structure of that railroad for a great many years to come. It raises the question as to whether there should not be some form of reorganization by which unused and unnecessary property should not be capitalized by stock, for the sake of argument, instead of bonds. In other words, that if at some future date it turned out that the guess was a bad guess or that there was a falling off in general railroad use as to whether that should not be a charge on the stockholder, the owners of the road, instead of the mortgagees of the road.

In other words, the railroad situation is so serious that we come pretty close to being faced with two alternatives: One is a policy by which the capital structures of the railroads of the country could be so reorganized that there would never be, even in bad times, a question of meeting fixed charges; something that

would eliminate, insofar as possible, the constant threat of receiverships that we have had now for 100 years, continuously, in the country. It would be a reorganization of the capital structure which would leave the control and the management of the railroad in private hands with a fairly definite assurance, first, that they keep out of the hands of receivers and, secondly, that this whole problem of employment and wages could be put on a fairly permanent and satisfactory basis.

The other alternative, which none of us favor unless the first fails to work out, is Government control.

There does not seem to be any third alternative, which is not exactly grammatical, but expresses the idea.

Q Right on that point, Mr. President, the railroad people say that the third alternative is super-consolidation. Would you care to touch on that as embraced by the principal plan?

THE PRESIDENT: Yes. That is really not an alternative because nobody has yet brought in a plan for consolidation which takes care of the human element. Every plan that has been brought in for consolidation involves the throwing out of work of somewhere around 30 to 33 per cent of the present number of railroad employees. And the present number of railroad employees who are employed is only a little over 50 per cent of the total number. In other words, 50 per cent of them are still employed and, unfortunately, in railroading it is like coal mining. Once a railroad man always a railroad man. You cannot become a politician or a newspaperman if you have once served as a railroad man. And these plans of condolidation do not take into consideration the human element.

Q Would consolidation solve the matter of capital structure to any degree?

THE PRESIDENT: Only in this way, that it would bring the reorganization of capital structure to the point of negotiation and you might be able to get an agreement on the cutting down in that way. But, even then, under the present law on reorganization of capital structure, there are only two ways of doing it: One is by unanimous consent, which is almost impossible to get. For example, a fellow has what he was told is a bond when he bought it. Actually it is not, it is a debenture. Actually he bought it as a bond but he hoped to trade it in for the common stock some day at a profit, even though the common stock has not paid a dividend for ten years. The other method is receivership.

So, the principal thing is to simplify the method of reorganizing the capital structure. The only thing I have done on this is to call it to the attention of the Cabinet and I have asked two or three members of the Cabinet to study the question informally, to talk with the Interstate Commerce Commission, with the Coordinator of Railroads and other people, employees, managers, et cetera, and in the course of the next month or two to see if we cannot have something that is fairly definite to serve in a discussion of future national policy. It is a thing which won't come to a head probably before the summer.

Q Can you tell us the names of the Cabinet officers?

THE PRESIDENT: The Secretary of Commerce, the Secretary of Labor and the Attorney General.

Q Have you given any thought to the proposal of the House Ways and

Means Subcommittee for a forty per cent horizontal reduction in tobacco taxes?

THE PRESIDENT: I don't know a thing about it, only what I read in the papers. Why a forty per cent reduction in tobacco taxes?

Q On manufactured products.

THE PRESIDENT: You mean instead of a six-cent stamp on my Camels there will only be a two-cent stamp?

Q Yes, sir.

THE PRESIDENT: Why, my Lord in Heaven, we need the revenue.

Q They claim the increased sales would make up for the loss of taxes by reducing it to ten cents.

THE PRESIDENT: I don't think I will smoke two packs a day instead of one.

There is one interesting thing on the Hill in regard to tobacco taxes I have a good deal of sympathy in -- I have not taken part in any way -- and that is the opposition of people who pay ten cents to soaking them a six-cent tax, when the fellow who pays twelve or thirteen cents only pays six cents. There is a great deal of merit, but as I understand it, it will never come out of committee.

Q How about the Bankhead Cotton Bill? I understand that there is apprehension that a lot of manufacturers in other countries will increase their production comparably to our reduction?

THE PRESIDENT: Those are the five per cent of the growers?

Q Yes. Is that a serious problem at all?

THE PRESIDENT: No.

Q You are not considering any agreements or anything?

THE PRESIDENT: No.

Q May we anticipate that your debt Message to the Congress will be more than merely a report on the debt situation?

THE PRESIDENT: All I can tell you is that it is two days nearer.

Q There are a couple of new developments in the air-mail situation:

The first is that in your message (released to the Press) explaining the conference you held last week with the two Senators and Mead (Representative Mead) of the House Committee you expressed the desire for one year competitive bidding. The Post Office Department has opened temporary contracts which, under the old law, will permit three months' operation with two similar extensions, making it nine months. Can you comment on whether or not it is your desire for them to go ahead with the temporary bids?

THE PRESIDENT: Yes, because I do not know what the Congress will do with even one year permanent bids.

Q And the other is that the House Committee voted at a meeting to strike out the ban which will prevent contractors having contracts cancelled from bidding?

THE PRESIDENT: I don't know; I will have to see exactly what they said and did because it is a legal question. If they struck out the ban, did they repeal the old law? I don't know.

Q Could you tell us anything about your conference today with Senator Wagner, Secretary Perkins and Johnson?

THE PRESIDENT: Only that they are conferring in regard to a Wagner Bill. In other words, so much water has gone over the dam -- I think I can say this off the record -- Senator Wagner realizes that certain provisions of the bill -- for instance, the settle-

ment of the automobile strike -- changed the character, so they are working on an amended bill.

Q Mr. President, can you tell us about silver?

THE PRESIDENT: About silver? What about it?

Q Can you tell us your views on it?

THE PRESIDENT: I think it is an awfully long subject. Suppose we wait until after tomorrow's meeting. In general I think you can use this talk as background, if you want to write a silver story, that we have learned from experience that even if you have all the known facts, a panacea does not always cure the patient as expected. As, for example, in the case of gold. We undoubtedly did put up the price level in this country through the purchase of gold and the increase in price. We did not put it up as much as we expected to. The effect of putting it up and getting more gold and increasing prices was all to the good but there we were operating under known facts. We knew where all the gold in the world was. We knew practically within a billion dollars' worth who owned the gold and where it was, -- central banks, governments et cetera.

In the case of silver, we are dealing with absolutely unknown factors all the way through. No two people agree on how much silver there is in the world. Some people believe there is probably two or three billion dollars worth of silver hidden away. Silver was mined before Christ was born. In the case of gold we were buying not only a known quantity in relation to a known quantity but we were buying a very large part of the total gold supply of the world. In the case of silver, some guesses are that there are eleven or twelve billion ounces of silver in the world. A very small pro-

portion of that is held by governments or banks. It is mostly in private hands. Probably, as a minimum guess, there may be fifteen or eighteen billion ounces. Nobody knows.

For us to undertake to buy 50 million ounces a month is such a drop in the bucket that instead of bringing the world price of silver up to \$1.29, it might not raise it more than 15 or 20 cents. You will find a very good example if you will refer back to your files, I think it was December 21 last when we undertook by Executive Order to buy American-mined silver at, roughly, 20 cents above the world price. As I remember it, it was selling at 43 or 44 cents at that time. We offered to buy it at $64\frac{1}{2}$ cents an ounce. Some of our silver friends on the Hill threw up their hats and cheered lustily and gave you people stories to this effect: "This is the most glorious and far-reaching event in American history. When the market opens tomorrow morning the world price of silver will be $64\frac{1}{2}$ cents an ounce." Now, that was the best judgment of people who believe in silver. Actually it went to 46 cents and is now back at $44\frac{1}{2}$ cents an ounce. Enough said.

Q The Darrow Board is supposed to have its report in?

THE PRESIDENT: I have either got an appointment or am getting an appointment with Darrow (Clarence Darrow of Chicago) to come in and have a talk with me about it.

Q Do you know whether it will be made public or not?

THE PRESIDENT: I guess we had better see it first.

Q Did you say before whether that amended Wagner Bill would be on the program?

THE PRESIDENT: We are not quite ready. Let us see first how it is

amended. The general thought is, as I said the day before yesterday, we all believe there should be some more permanent body for mediation and arbitration of labor disputes, something that would become a more central body than our present method. Today we have the Department of Labor mediating, we have the National Labor Board mediating, we have Hugh Johnson mediating and father mediating. So what we want to do, what we would like to do, is to have one central body doing most of the mediating. That automobile business took a lot of my time, just about a whole week. I want to avoid that kind of thing in the future, if I can.

Q Are you going to sign the cotton bill?

THE PRESIDENT: Tomorrow.

MR. STEPHENSON: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #115,
Executive Offices of the White House,
April 25, 1934, 10.45 A. M.

Q Just as well you did not stay at the ball game. They got licked.

THE PRESIDENT: My record is still pure. I have never seen them lose.

What is the news this morning? I do not know a thing,
really not a thing.

Q About Japan?

THE PRESIDENT: Japan? Don't know a thing.

Q Haven't you heard anything about it?

THE PRESIDENT: No, I have not seen the Secretary of State since he
got back.

Q Any sort of background on the situation?

THE PRESIDENT: I think I had better not today because there are an
awful lot of cross currents and cross wires.

Q You said you were going to see the Secretary of State today. Are
you going to discuss the Japanese situation or just see him?

THE PRESIDENT: See him. I suppose he has got a great many other things.

Q Are you considering making any suggestions in connection with the
Fisher Body strike in Cleveland and St. Louis?

THE PRESIDENT: That has not come to me at all. Of course, on the
Fisher Body strike, as I suggested the other day, I am trying
to avoid having all of these strikes come up to me. Take the
case, for instance, of the coal situation in Western Kentucky.
Some of our good Senators and Congressmen from Kentucky would
like to have me jump in. I would be doing nothing else but
arbitrating if I took cognizance and jurisdiction over all of

these.

Q How about the Wagner Bill?

THE PRESIDENT: I have not heard anything further. They were going to have a conference, Wagner, Miss Perkins and NRA. I have not heard anything since then.

Q You think that is the solution, do you, to take that off your back?

THE PRESIDENT: It will help. It may not be a permanent and final solution, but it will help.

Q How about unemployment insurance legislation?

THE PRESIDENT: I am not quite ready on that. You mean the insurance?

Q Yes.

THE PRESIDENT: I think you had better let me think it out a little more; another few days. Of course, I am tremendously in favor of unemployment insurance. I guess you had better wait and let me talk off the record on Friday on that. I can be a little bit more coherent then.

Q Are you going to make public the Darrow report on the NRA Codes?

THE PRESIDENT: I suppose so, when it is written. It has not been written yet, as far as I know. Mr. Darrow did not say it had (been written). When it is written he is going to come up here with the members of that committee and talk things over. I mean, when they have a preliminary draft of it.

Q Any decision on a Message on the debt due from Finland and other foreign nations?

THE PRESIDENT: Not yet. It is three days nearer.

Q Both Governor General Murphy and Governor Winship of Puerto Rico telegraphed into the War Department protesting some provisions

of the Costigan sugar bill, saying that that bill, when put into effect, would create a great deal of unemployment in the Islands.

THE PRESIDENT: It has not come down yet and I frankly do not know the language in the conferee's report. It has been approved?

Q Only by the House.

THE PRESIDENT: Only by the House. I do not even know the language in it.

Q Murphy suggested that instead of having the bill become retroactive to January first, it be made effective with our fiscal year, as of July first, so that it will enable the Philippines to dispose of a great deal of their 1933-1934 surplus.

THE PRESIDENT: I will take that up today. I don't know anything about it.

Q Anything new on the railroad negotiations?

THE PRESIDENT: I have not heard a word.

Q In the event that the State Department finds that one of the assenting parties to the Nine-Power Pact had violated that pact, would we consider it our duty to make protest?

THE PRESIDENT: That is a very, very "iffy" question.

Q Do you care to offer any observations on the silver question? It has been constantly popping up.

THE PRESIDENT: Which one?

Q Just in general.

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

Q Are you going to see the silver bloc committee?

THE PRESIDENT: Not that I know of. I told them I would be glad to see them any time they come down.

Q In your recent talks with Senate leaders, have you taken up or decided whether you want the bonus bill brought on the floor?
It has been in committee for quite a while.

THE PRESIDENT: I am not saying anything about it. I think you can make a good guess on it.

Q I understand you spent an hour on this Public Works of Art Project. What do you think of it?

THE PRESIDENT: I was awfully keen about it. I think the best line of the whole exhibit is what the Director of the Corcoran (Art Gallery) said to me and that is that of all these six hundred pictures there isn't a single one, without one possible exception, that shows despair or despondency. Taking it by and large, those pictures are hopeful pictures, and that is a very remarkable thing when you think that the people who did them were actually on relief. And, more than that, they are honest pictures; in other words, they depict American life in an American way. There is very little of what some of the committee call decadent foreign art. You can tell right away what the picture is intended to be.
(laughter)

Q Mr. President, have you approved any definite plan for the enlargement of the offices here?

THE PRESIDENT: No, not yet.

Q Is it contemplated?

THE PRESIDENT: It is contemplated. Of course, it is a very difficult proposition. I hate to put any more buildings into the White House grounds, but, on the other hand, you know the situation among the employees of this office at the present time. It is

cruel and inhuman and everything else the way they are housed at the present time. The way it works out, it is almost impossible to maintain offices in the State, War and Navy Building. It is too far away. There are things we need all the time. So it looks as if we will have to put into the next appropriation bill an authorization for adding to these offices out this way (indicating), directly south, and along Executive Avenue, not a great distance, a matter of sixty feet.

Q Would that give you a new office?

THE PRESIDENT: Yes, it would push my office down to the south end.

Q Can we take this over for the Press Room, then?

THE PRESIDENT: I was thinking about that. (Laughter)

Q Have you any information on the German Government or German agencies making an attempt to secure loans from the Export-Import Corporation? ^[Bank?]

THE PRESIDENT: No. What I read this morning in the papers is the first I heard of it. George Peek is coming in today but it is not on that, it is a talk we have been arranging for two weeks.

Q Don't you expect to do this (fix the offices) this summer?

THE PRESIDENT: Yes, it will be an authorization in the next appropriation.

Q What do you think it will cost, rough figures, two or three hundred thousand dollars?

THE PRESIDENT: I think a great deal less than that. Oh, yes, I remember, a hundred and twenty thousand dollars.

Q Would that take in the Cabinet Room too?

THE PRESIDENT: Yes, and if I leave this room for the Press, I will leave the fish up there to inspire you.

Q Any plans for carrying on these Public Works projects?

THE PRESIDENT: Well, it is thought of -- it hasn't got into the definite stage as yet. There is no reason why you should not know what we are discussing. That is the possibility, in these public buildings which are going up, post offices, custom houses, etc., all over the country -- I'm not talking about Washington, I'm talking about government buildings all over the country -- as things are now, we make an estimate on the cost of the building, as you know, and in most cases the actual contract price works out somewhere below that estimate. Say it is a \$75,000 building and the lowest bid is sometimes \$70,000 or \$71,000 and we find we have got a definite saving on the appropriation because of the fact that the bid is below the estimate. Then, in addition to that, we have done a good deal in our designs in the past, in the hallways of those buildings, in the way of fairly expensive curlicues, scroll work, cornices, etc., and a certain amount of gold, all expensive decoration, and we are talking about the possibility of eliminating this more expensive decoration such as gold leaf and fancy cornices and fancy ceilings and devoting some of that money to the decoration of the building by artists who are on the relief rolls. It does not get very much beyond that. In other words, it would be a small percentage of the saving over the estimated price. It looks like a perfectly legitimate thing to do, or perfectly legal, and the total amount would be extremely small.

Q Do you feel, in view of the character of the painting, that it would be safe? Is their ability sufficient?

THE PRESIDENT: I think it would have to be checked into in some cases.

Q Isn't gold out anyway?

Q Do you care to discuss that suggestion made by Vinson (Representative Vinson of Georgia, Chairman of the Naval Affairs Committee of the House) to take PWA funds to start building a new Navy?

THE PRESIDENT: You are a little previous. That will appear, probably, in the estimate that goes up and that estimate -- somewhere around, a little short of a billion and a half dollars -- that will go up as soon as the revenue bill has finally passed both Houses.

Q With the prospect of passing it at this session?

THE PRESIDENT: Oh, we have to have the billion and a half. Oh, my, yes.

Q And there will be funds for starting this naval program?

THE PRESIDENT: There will be an authorization, as there was in last year's bill. That means it leaves it up to me to decide how many ships, if any, we would start.

Q Anything to say on the Russian-American debt negotiations?

THE PRESIDENT: No.

Q Will you take that matter up with Peek -- that Russian matter up with Mr. Peek?

THE PRESIDENT: No.

Q Did you sign any important bills this morning?

THE PRESIDENT: Three bills for Alaska. I am going to sign them now.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #116,
Executive Offices of the White House,
April 27, 1934, 4.10 P. M.

THE PRESIDENT: I do not think there is any news except that I am extending -- the final form is not complete yet -- extending Title I of the Emergency Railroad Transportation Act for another year, in other words, to June 16, 1934 (1935?), which extends Mr. Eastman for one more year. We are all very much gratified over the settlement of the railway wage controversy.

Q Mr. President, what about -- don't you expect Eastman to submit a report on railroad legislation? It was contemplated last year.

THE PRESIDENT: He has got a lot up there on the Hill.

Q In that connection, do you have any assignments for Eastman?

THE PRESIDENT: Good Lord, man, he has three men's jobs now. How do you mean?

Q New ones?

THE PRESIDENT: He has got plenty to work on.

Q He says he still has lots left to accomplish.

THE PRESIDENT: Yes.

Q Speaking of June sixteenth, have you decided whether you will or will not ask for a renewal of licenses under NRA?

THE PRESIDENT: I have not done a thing about it in the three weeks since I got back.

Q Have you changed your views on the tobacco taxes?

THE PRESIDENT: I have asked various people to look it over. The situation, of course, depends a good deal on the amount of money or revenue the Government is going to get. I am perfectly willing

to have the tobacco tax restudied but we have to have the same number of dollars come into the Treasury from one source or another.

Q You asked us to remind you to say something about the Wagner-Lewis unemployment insurance bill?

THE PRESIDENT: I do not think there is anything more to say. I have written in favor of it. I hope it will pass.

Q How about the labor disputes bill?

THE PRESIDENT: No, they have a committee at work on it, Senator Wagner, Miss Perkins, Johnson, Richberg and Hopkins. They are still working.

Q As a result of your luncheon with the Secretary of State, can you comment on the Far Eastern situation?

THE PRESIDENT: No.

Q Will you comment on Davis' report on disarmament?

THE PRESIDENT: We only had time to talk fifteen minutes and he is coming back to lunch tomorrow with the Secretary of State. We have only begun to talk about it.

Q How about the sugar bill?

THE PRESIDENT: That has not come to me yet.

Q Have you made up your mind?

THE PRESIDENT: It has not come to me yet.

Q Are you in favor of one-year or three-year contracts on the air-mail bill? There is some difference up there on each side.

THE PRESIDENT: You will first have to tell me the situation on the Hill. I don't know.

Q I believe in the Senate bill it is three years and Chairman Mead

put one year in the House bill. I understand it was one year up here.

THE PRESIDENT: I think you had better let them talk with each other on the Hill a little more.

Q Has any progress been made to carry out the conservation section of the Lumber Code?

THE PRESIDENT: Charlie (Mr. Hurd, of the New York Times), I don't know. I have not heard a word about it.

Q It is said that the lumber people are getting a little bit discouraged and are hoping that the Government would carry out their part. Others said they were attempting to go ahead.

THE PRESIDENT: Frankly, I do not know anything about it. I suppose the Government's part will be carried out partly through the Forestry Bureau and partly through CCC and partly through Public Works. I don't know who is handling it.

Q The way they (the lumber people) talked, a big appropriation was held up and that is what is holding it. They said the Government is expecting to spend \$63,000,000.

Q They have asked for a \$200,000,000. revolving fund. Anything in that?

THE PRESIDENT: They certainly cannot have it this year; we have not got it.

Q Reports from Hawaii say that the Costigan-Jones Sugar Bill is discriminatory so far as the Island is concerned in sugar production. Can you tell us anything about that?

THE PRESIDENT: I cannot until it comes down.

Q Have you made any decision on the Beck conservation report?

THE PRESIDENT: I don't know. We have given them a million dollars.

Q Yes. That is separate from the report on conservation.

THE PRESIDENT: As far as the principle goes, of course it is a grand report. When you come down to the question of financing it, we have to do it only as fast as we can.

Q Some time ago you said that if the post office business picked up, as you thought it might, you would be able to aid some substitute postal employees. I understand that today the postal employees' unions are asking you to sign that bill?

THE PRESIDENT: The bill came in before I went into Cabinet meeting and all I know is that there is a recommendation for veto. I have not looked at it so I do not know what I am going to do. It has come with a recommendation for veto from the Post Office Department.

Q In the Comptroller General's report on War Department contracts, he criticized them for the manipulation of their specifications. Have you discussed that?

THE PRESIDENT: No, only what I read in the papers.

Q Any planning in progress in regard to mineral policies?

THE PRESIDENT: You will have to let me check up on that. Something has been done. We are working on -- I cannot tell you, I cannot remember -- I have talked with Secretary Ickes about it and the Bureau of Mines and various other people quite a long time ago. In other words, we have in mind starting the machinery towards getting a national mineral policy. I cannot tell you any more because that is literally all there is. Ickes may have studied it.

Q Have you done anything about the housing stimulation bill that Frank Walker is preparing?

THE PRESIDENT: Yes, and I think we will have a story in the course of two or three days. The thing is tying in pretty well together.

Q Do you expect any legislation will be required?

THE PRESIDENT: The thing that is holding it up is that we are trying to do it without legislation. There are one or two obscure points. The Attorney General is trying to work out the establishment of certain forms of insurance for home building credit and home repair credit and if we can set up that kind of insurance without legislation, we are certainly not going to ask for it.

Q Will that be done through the RFC?

THE PRESIDENT: Yes.

Q Have you enough information to decide whether the token payment governments come within the purview of the Johnson Act?

THE PRESIDENT: No. Henry Morgenthau and the Secretary of State are working together on that now, trying to work out somebody in Washington that will be able to say "Yes" or "No."

Q Another air-mail question: Senator Black said it would turn regulation over to the ICC six minutes after the bill was passed?

THE PRESIDENT: I cannot tell you anything about that bill because it changes so often.

Q Do you intend to ask Congress for a Joint Resolution changing the cocoanut oil tax?

THE PRESIDENT: You had better let that come down to me first.

MR. YOUNG: Thank you, sir.

(The Press Conference adjourned at 4.15 P. M.)

CONFIDENTIAL
Press Conference #117,
Executive Offices of the White House,
May 2, 1934, 10.50 A. M.

(Harry Hopkins and Frank Walker were present.)

THE PRESIDENT: I don't think there is any particular news. I think you can be fairly certain that there will be either a message to Congress or letters to the appropriate Chairmen fairly soon on the housing matter. But I have not got around to writing it yet. I may have it in the course of the next couple of days. I think all you can say now is that it is perfectly clear, from the surveys we have made over the last couple of months, that there is a real need, all over the country, practically every part, for better housing and new housing; that in taking active steps to encourage better housing and new housing we will be doing a great deal to alleviate unemployment, especially in certain trades that have come back slower than almost any other trades, in other words, building trades. Also that we will raise the general standard of American housing.

I cannot tell you the details of the plan yet because that, I suppose, I ought to hold for either the letters to the Committee; but you will have the details very shortly. The plan is just about ready.

Q The fact that you are going to send a letter or a message indicates that you need legislation?

THE PRESIDENT: We do. We hoped to get by without legislation but we do require very, very simple permissive legislation, which is practically along the same lines as existing law applying to other things. In other words, it is carrying out, as a broad principle,

the methods we have applied to other needs.

Q Will you ask for a special appropriation for housing?

THE PRESIDENT: I do not think so.

Q Is Mr. Hopkins going to be in charge of the housing?

THE PRESIDENT: I haven't any idea; I haven't taken it up. Obviously, we cannot start an organization until we have the authority.

Q The price of labor and materials for building have gone up so greatly during the past few months. How will that affect those prices?

THE PRESIDENT: We hope to keep them down to a reasonable amount.

Q About how much money do you think will be expended in this program?

THE PRESIDENT: I don't know; I have no idea at all.

Q At the present time could you tell us whether you expect to form a special corporation?

THE PRESIDENT: I cannot tell you that. Probably won't know that until after the legislation goes through. There are lots of ways of carrying out the mechanical end of it.

Q In this morning's paper there was a big story in connection with the annual meeting of the Chamber of Commerce of the United States that the Government was preparing to relax its restrictions against business and also not planning to ask for a renewal of the licensing provisions of the NRA.

THE PRESIDENT: That was just Elliott Thurston, wasn't it?

Q No,, it was just Teddy Wells.

THE PRESIDENT: I guess Teddy and Elliott combined together.

Q I did not see the Post; it might have been in there too.

Q Can you tell us about the sugar bill?

THE PRESIDENT: Not yet. I am seeing the Virgin Islands about it sometime this morning, I am seeing Puerto Rico sometime this

morning, and I am seeing the Secretary of Agriculture sometime this afternoon.

Q Is there any possibility of a reduction in the liquor tax?

THE PRESIDENT: I do not know. I have not checked with Joe Choate about that. I should say probably, as a good guess, that there isn't much possibility of a reduction in the tax this session.

Q Does that apply to the tariff too?

THE PRESIDENT: We are going ahead with the opening up of the quotas, the removal of the quotas, so as to bring in all we can in the next few months.

Q Any chance of action on the tariff in connection with the quotas?

THE PRESIDENT: I do not think I have got the right under the present legislation to cut it down.

Q I was more interested in whether you thought it was advisable than whether you had a right to do it.

THE PRESIDENT: I do not think I have the right to do it.

Q But you could, after this tariff law passed?

THE PRESIDENT: That is almost in the realm of an "if" question.

Q Steagall (Representative Henry Steagall), in connection with the deposit insurance bill, has had a provision that would permit the Deposit Insurance Corporation to largely increase its funds for buying assets in closed banks and lending money on assets in closed banks. Have you looked into it at all?

THE PRESIDENT: What bill is it on?

Q On the bill that would continue the present temporary --

THE PRESIDENT (interposing): No, I have not seen that at all.

Q With reference to the air-mail situation, could you indicate your

preference to the Senate bill which contains provision for early transfer of control to the ICC or to the House bill which merely provides for a commission?

THE PRESIDENT: I imagine they will iron that out between themselves.

Q The conference with Darrow yesterday, can you tell us anything?

THE PRESIDENT: I had better not.

Q Has his report come in?

THE PRESIDENT: Just between us girls, there was a certain disagreement in that Darrow committee which will probably come to a head.

Q How is it going to come to a head?

THE PRESIDENT: I do not know yet.

Q As a result of your conversation with the Soviet Ambassador early this week, do you share his belief that the prospects are bright for an early settlement of the debt question?

THE PRESIDENT: The whole problem, do you mean, or the Soviet?

Q All debts, yes.

THE PRESIDENT: I hope so, that is all I can tell you.

Q Anything on the Wagner Bill?

THE PRESIDENT: No, Miss Perkins and Bob Wagner (Senator Wagner) are lunching with me today.

Q Do you understand they have a bill ready to submit?

THE PRESIDENT: I don't know.

Q A short time ago you wrote letters to the heads of the Senate and House Committees on the Howard Bill (the ~~Wester~~^{Wheeler}-Howard Bill affecting Indian rights) --

THE PRESIDENT (interposing): In other words, my letter distinctly said that I was primarily interested in the principles of the

bill. When you come to the details, that is different. I think that Senator Wheeler has quite a number of amendments which he proposed himself to the bill as originally introduced. What they are, I do not know.

Q We have a constantly recurring rumor that Mr. Straus (Ambassador to France) is coming home and that Morgenthau is going to France and that Baruch (Bernard M. Baruch of New York) is going to replace Morgenthau (Secretary Morgenthau) in the Treasury?

THE PRESIDENT: It sounds like Drew Pearson. Getting very personal this morning.

Q I understand you have been looking at some reports on Puerto Rico and that you saw the Governor yesterday. Have you any plans or hopes?

THE PRESIDENT: No. You have been there, you might give me some suggestions. Pretty difficult, isn't it? That whole problem is one of the most difficult things in the world.

Q Speaking of Puerto Rico, do you have any views as to including Puerto Rico in the Union, as a state?

THE PRESIDENT: No, which party favors that?

Q That has been currently agitated.

Q That is the Republican Party, if I may answer his question.

Q There continues to be a lot of discussion of your views on silver.

I was wondering if you care to say anything about it at this time?

THE PRESIDENT: There is no use going into a long discussion on silver but I think, just as a sort of tip, if you will read all the way back for a long, long time, over a year, what has been said, mostly by me I guess, about a monetary or, rather, a metal base

for currencies, in other words, if you get a complete picture of the general line we have taken, I think you can get a better story out of it than coming to the conclusion that we are either one hundred per cent one way or the other. It does date back quite a long ways and it is a perfectly consistent policy.

Q Do you think anything can be done?

THE PRESIDENT: Hope springs eternal.

Q The District National Guard is without a Commanding General.

THE PRESIDENT: What happened?

Q The old one died. I wonder whether the War Department has made any suggestions to you or submitted any names to fill the place?

THE PRESIDENT: Do I appoint?

Q Yes, you do.

THE PRESIDENT: I did not know that. I am becoming a regular dictator, Count (Rudolph de Zapp). I will have to find out about it. I did not even know that I appointed.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #118,
Executive Offices of the White House,
May 4, 1934, 4.10 P. M.

MR. DONALDSON: All in.

THE PRESIDENT: The only news is still in a package. The package is not opened. It is the report of the Darrow Board. I shall try to read it tomorrow and Sunday and if it is not too profane, I shall probably release it on Monday or Tuesday.

Q Did Mr. Darrow give you a digest of it?

THE PRESIDENT: No.

Q Mr. President, will you be able to go to Secretary Woodin's funeral?

THE PRESIDENT: I had hoped to go but it is absolutely impossible. I have so many things on that I do not see any way out of staying here. I have the sugar bill and the silver conference tomorrow morning and I have the revenue bill, which probably will call for a Message on my part.

Q You mean the revenue bill?

THE PRESIDENT: Yes. I think you can make a pretty good guess that I am very, very much dissatisfied with the provisions in regard to coconut oil products of the Philippines in the revenue bill but it is a bill that contains a very large number of other matters and I do not see my way clear to veto it for that reason but I do expect to send a Message to the Congress explaining my feeling that the Congress has been unfair to the Philippines in that regard and suggesting that the Congress restudy those provisions. That is about the best I can do.

Q Any other objectionable features to the bill you might mention in

that Message?

THE PRESIDENT: None that have been called to my attention yet but probably will be tomorrow and the next day.

Q Is it a fair guess that publicity of returns --

THE PRESIDENT (interposing) Fred (Storm), what does it actually say in the bill as it passed?

Q (Mr. Storm) You have me now. (Laughter)

Q I have written about it a great many times, sir, but immediately after reading it the bill would be changed.

Q When you file your income tax return, you file a separate sheet giving your gross and deductions and net.

THE PRESIDENT: Yes?

Q And then that part is to be made public, but not the returns.

Q And also all credits as well as the tax itself.

THE PRESIDENT: What do you mean, credits?

Q It is to give gross income, deduct any income and credits against net income and finally the tax. That is the formula.

THE PRESIDENT: I never had any credits against net income. Anyway, it sounds pretty good that way.

Q That is the way it was explained to us.

Q Has the Attorney General ruled yet on the application of the Johnson Bill to token payers?

THE PRESIDENT: He is going to, pretty soon.

Q In that connection, are we any nearer the debt Message?

THE PRESIDENT: I should think so. I think, as a guess, within a couple of weeks.

Q Suppose Congress adjourns in the meantime?

THE PRESIDENT: That is an impossible suggestion. What odds do you give me?

Q Do you mean we may have it in a couple of weeks?

THE PRESIDENT: I think so. That is on the theory --

Q (interposing) Do you propose to sign the revenue bill tomorrow?

THE PRESIDENT: It means I have to have the Message ready when I do sign it to go up at the same time.

Q Do you expect to sign the sugar bill today or tomorrow?

THE PRESIDENT: Probably not until Monday. There again there will be some kind of a statement which has to cover a great many things, Puerto Rico and Hawaii, Cuba, the Philippines, et cetera.

Q Have you given any thought to asking the Congress for authority to accept some payments from the debtor nations on June fifteenth at your own discretion?

THE PRESIDENT: No.

Q In connection with the silver conference tomorrow -- that is my old subject -- there are reports in Wall Street of a lot of buying of silver and there is some speculation that that might be done by the Government?

THE PRESIDENT: I would probably tell you if I knew anything about it but I don't, one way or the other.

Q Your intention to send a debt Message to Congress this late in the session, does that mean you will not ask for Congressional action on the war debts?

THE PRESIDENT: You are about two weeks ahead of time on that.

Q Mr. President, do you favor the promulgation of a code for the anthracite industry? They haven't a code yet.

THE PRESIDENT: What is the status?

Q They have been negotiating since September. It was first deferred to

await promulgation of the Soft Coal Code.

THE PRESIDENT: Where is it now? Who is it before?

Q Before Mr. Ellis of NRA.

THE PRESIDENT: As I remember it, the last word was two or three weeks ago when General Johnson said it was pretty nearly ready. I have not heard anything since then. The Aluminum Code is in the same status. It is a little more difficult because it is a monopoly code.

Q Have you any plans to give a report over the radio?

THE PRESIDENT: No.

Q Can you tell us anything about the future of the Darrow Board, whether it will be transferred or wound up?

THE PRESIDENT: Mr. Darrow told me this morning that this report is based on hearings on eight industries and I think he told me they would have hearings on four or five more which they are not yet ready to report on. He saw no reason why they should not be all ready to make a supplementary report and go home before the end of the month.

Q It seemed in that report that Mr. Sinclair (a member of the Board) neglected to sign the report of the Board. I wonder --

THE PRESIDENT (interposing): It is all in here, in carefully sealed envelopes and I have not opened them yet. I will have to use tongs.

Q "The Darrow Board would be ready to go home," does that mean the end of the Board?

THE PRESIDENT: Yes, so I understood. As far as I know, there is no reason to continue after they make their report.

Q Has Sinclair resigned or is he technically --

THE PRESIDENT (interposing): The status is not changed.

Q Anything special up before the Cabinet today, any one subject?

THE PRESIDENT: Everything under the sun.

Q Any price studies?

THE PRESIDENT: No.

Q Is that Darrow report a majority report or are there several reports there?

THE PRESIDENT: I think there is a majority report and I think there is a minority report of one, but that is only a guess.

Q Thank you, Mr. President.

(The Press Conference adjourned at 4.20 P. M.)