CONFIDENTIAL
Press Conference #135,
Executive Offices of the White House,
August 15, 1934, 10.50 A. M.,

MR. DONALDSON: All in.

THE PRESIDENT: I think the only plans that I can announce is that at the request of Messrs. Storm, Stephenson and Roddan we are going back to Honolulu next summer.

Q Why wait?

Q Can't we make it sooner than that?

THE PRESIDENT: Well, it is very difficult to see everybody in this room. I do not think I have any particular news.

Q Mr. President, did you get a request from Minneapolis this morning to take some action in the strike?

THE PRESIDENT: Not that I know of.

Q I understand the employers' committee and the citizens' committee sent a joint message to the White House last night.

MR. EARLY: I have not seen anything of it.

THE PRESIDENT: We haven't got it.

Q Mr. President, anything new on the drought?

THE PRESIDENT: No. I mentioned to the Secretary of Agriculture the other day that when you came in today if you wanted to ask me about drought I would talk to you about it. Out of that came this delightful theory that I was going to issue a statement on drought which, of course, is not true. I will be glad to answer any specific questions you may want to ask about the drought area. We saw something of the area, as you all know. You also have seen the reports of the Department, of the decline in certain crops.

Q Mr. President, the food prices are going up already. Can you tell us the policy on that?

THE PRESIDENT: The food prices, according to headlines in the newspapers, are going up so fast that it might be called an unconscious effort to instill fear. I say, of course, "an unconscious effort."

There is plenty of food in the country, which is what I have been saying for the last three months, and there will be plenty of food to go around next Winter. I have no doubt that the great majority of people engaged in the food business will not attempt to profiteer on food but in every profession and business there are chiselers and, of course, we will do the best we can and use whatever methods are needed to get after chiselers and profiteers. However, the great majority of people, being decent Americans, are not going to try to profiteer in food. As a matter of fact, food prices have gone up very, very little. The element of the cost of living that goes into food -- I think you can get it from the Labor Department -- as I remember it, it has gone up 6 per cent in the past year which is very, very little.

Q What, exactly, can you do to these so-called chiselers?

THE PRESIDENT: Each case can be taken up as it comes along. You cannot start at this time of a year and say that if this happens we are going to do thus and so.

Q I am just wondering as to the possible means.

THE PRESIDENT: Oh, there are lots of ways.

Q Is there authority under existing law to meet that situation or will you require new legislation?

THE PRESIDENT: No, I have plenty of authority.

Q Do you think this $525,000,000. for drought relief is going to be sufficient to last to January?

THE PRESIDENT: I hope so. I think it will all be spent but I anticipate it will last through.

Q Can you augment that in any other way?

THE PRESIDENT: That I do not know. I frankly do not know the answer to that question yet. It is one of the things I am going to check up on but I do not think we will need to spend more than $525,000,000., certainly before Congress meets.

Q Can you tell us anything about the cotton trade agreement?

THE PRESIDENT: I have got a synopsis of it in my basket and have not read it yet. It is only in tentative form and has not been agreed to.

Q Wallace (Secretary of Agriculture Wallace), when he left here yesterday, said the agreement might be considered in a state of suspended animation. Can you tell us what that means? Will it be held up for the time being?

THE PRESIDENT: I do not know what he meant by that. As I understand it, it was that the great majority of the items that had been discussed had been agreed to but there were still a very small number under discussion.

Q Anything you can tell us on the primary?

Q On the results reported in this morning's paper?

THE PRESIDENT: I have not even read them.

Q Do you want to hear about them? (Laughter)

THE PRESIDENT: I have not even read or heard about them.

Q Burke is leading out in Nebraska against Charlie Bryan and Donahey is leading White.

THE PRESIDENT: Unfortunately for the people who have written stories on it, I cannot help you crawl back from the limb but the fact remains that I have not taken part in any primaries and do not intend to.

Q Mr. President, we are glad you are back home with us again; we missed you very much. Have you given any consideration to the local management appointment of an Engineer Commissioner and a Justice of the Municipal Court?

THE PRESIDENT: The Engineer Commissioner -- I think we are going to have something in a couple of days.

Q How about the Judge of the Municipal Court?

THE PRESIDENT: No, I have not taken that up at all.

Q And the location of the Tuberculosis Hospital?

THE PRESIDENT: The location of the Tuberculosis Hospital -- I think I have it.

Q Any particular site?

THE PRESIDENT: I suggested to the Secretary of Interior yesterday that in view of the fact that this hospital is going to be a pretty important thing for patients from the District of Columbia, that the one thing to consider was the good of the patients. There seem to be several different schools of thought and several different opinions as to where it should be and I suggested to the Secretary of Interior that he should get two or three people from outside the District to give us a very quick survey and report on it. I suggested two or three names of very eminent specialists in tuberculosis to come down and look over the situation.

Q Can you mention those names?

THE PRESIDENT: I suggested Dr. Brown up at Saranac.

Q Do you know his first name?

MR. EARLY: Dr. Lawrason Brown.

THE PRESIDENT: I do not know whether he could come down or not, but somebody of that type.

Q Have you a successor for Governor Black yet?

THE PRESIDENT: He is going to lunch with me to beg to be allowed to go home again. I have kept him going, just babying him along, kidding him, and he is still here.

Q Mr. President, I understand you are going to be surprised by the receipt of three grains (kernels) of corn today from Fort Erie. Are you going up?

THE PRESIDENT: No, I cannot go. They are coming in with the three grains.

Q Mr. President, to go back to the drought, there have been a great many stories to the effect that this organization which is under Hopkins and also Secretary Wallace, has been pretty much working with the two departments, the Emergency Relief and the AAA. Have you any intention of setting up a separate outfit?

THE PRESIDENT: No, they are working very well together.

Of course, there is one thing I did not mention before on the drought thing that also has to be watched. That is the speculative end of things. I think it is fair for you to assume that the operations on the produce markets, the grain exchanges, are being watched. There is a good deal of information coming in to show that a lot of what might be called pure speculators -- pure is not a very good adjective -- have transferred their operations from stocks to grain. We all remember what happened a year ago in July, when a very small number of men as, for instance, the dentist from Louisiana ran a 40 or 50 thousand dollar shoestring on the Chicago Grain Exchange

up to about 20 million bushels of various kinds of grain. He and half a dozen other very large speculators forced the price of wheat at that time, just as an example, up to $1.25 which was absolutely out of line with the economic wheat situation and then, of course, there was a perfectly terrific smash after that and it dropped in one or two days from $1.20 to $.95, wiping all those fellows out. That, of course, very definitely hurt the farmer who was producing grain and selling it at that time. We have a good deal of authority over Produce and Grain Exchanges and we want to avoid that kind of speculation in grain by people who would not know wheat from rye if they saw it in a field. And, just in the same way, we want to avoid speculation in food supplies after processing.

Q Who would handle that general surveillance work?

THE PRESIDENT: Agriculture.

Q Just the Agriculture Department?

THE PRESIDENT: Yes.

Q On the Cuban trade agreement, are you going to give that back to the State Department with your approval? Can you tell us when?

THE PRESIDENT: It won't come to me for approval.

Q It will not come to you for approval until it gets to the final form?

THE PRESIDENT: This memo is just to keep me in touch.

Q Have you had time to study the Russian debt situation?

THE PRESIDENT: I have not had time to talk about it at all.

Q Do you expect to go into that?

THE PRESIDENT: I suppose so. Of course all of these people are coming in to see me, have come in to see me in the last three days more to bring me up to date than anything else.

Q Anything from Secretary Hull on the status of the debt?

THE PRESIDENT: The general debt situation?

Q No, Russian?

THE PRESIDENT: No, not yet.

Q On the drought, could you comment at all on the effect of the drought on the agricultural control?

THE PRESIDENT: Only to comment in this way, that it does not affect the thing at all, one way or the other, but the point of view of the principle. It does not affect the principle. It is a perfectly simple, practical policy that was adopted a year and a half ago, at the previous Session, based on the thought that, taking wheat as an example, if we produce in excess of 25 per cent in this country of wheat over our needs, obviously one of two things will happen: If it stays in this country it will hang over the market, as a huge surplus, which will keep the price of wheat away down. If it goes out of the country, the price of wheat in this country will be exactly what the world price is, no greater and no less. Taking wheat again as an example, if we reduce the excess surplus -- of course we have got to have a small surplus always -- if you can reduce it to the point where the world market will not be the only controlling factor, undoubtedly the domestic prices will go up.

And, of course, that did happen before the drought. In other words, last March -- nobody could foresee the drought at that time -- the price of wheat had gone up very, very materially in this country and was, because of the control of the surplus, substantially above the world market, somewhere around 20 or 25 cents above the world market. Now that price presupposes -- I am going back to the pre-

drought period -- that we would keep this surplus down to a reasonable point, that we would try to maintain a reasonable surplus and prevent it from getting us back in the future to a point where wheat would be forced down again to 30 cents a bushel.

Actually, the drought has had the result of reducing the excess surplus in one year instead of perhaps two years or three years. So we go on at this time with the normal development of the policy which otherwise would not have gone into effect until a year or two years from now. In other words, there is no change in the plan even though that puts some people out on a limb. (Laughter)

Q Mr. President, has there been any further thought about the Government granaries for establishing a yearly surplus?

THE PRESIDENT: On that again, we have to consider the control of the surplus one year earlier than we would have had to otherwise. What the actual machinery will be I don't know. We haven't got to it yet. But, undoubtedly, we will have to work out some kind of machinery that will prevent the speculative use of the normal and reasonable surplus, so that Mr. Cutten won't be able to -- leave out his name -- so that Mr. X won't be able to corner the wheat market and so that there will be a controllable, reasonable surplus big enough to prevent starvation and, at the same time, not so big that it can force down American prices the way it has in the past.

There is literally nothing new on this thing at all. It is all old stuff. The drought has merely pushed up the next step by one year or possibly two years.

Q To set up any machinery as that, such as, just for example, the ever-normal granary, would that take any additional legislation?

THE PRESIDENT: I don't know; I haven't studied it enough to know.

Q Mr. President, have you had time to hear anything about the administration of the Jones-Costigan Sugar Bill? There seems to be some difficulty, particularly with Hawaii and Puerto Rico. Hawaii seems to think that as a result of your visit there they are likely to get an increase in their quota.

THE PRESIDENT: In the Hawaii case there will be no change in the quota. They are taking in this year about four million dollars more than they took in last year. In the case of Puerto Rico, that came up late yesterday afternoon. We will probably get action on it today.

The only other thing I have heard is the demand from some of the refineries that under the Act the differential on Cuban refined be greatly increased -- no, I am wrong on that -- that the amount of the differential be greatly decreased so as to allow more sugar to be refined in this country than has been in the past. That comes under the Cuban Treaty.

Q Anything new on Silver?

THE PRESIDENT: No, I don't think so. I might just as well tell you a secret on silver. I have had three or four telegrams and four or five people come in to congratulate me on the marvelous timing of the Green Bay speech and the nationalization of silver, that it was within three minutes the two appeared on the Stock Exchange ticker. The actual story was this: If anybody had read the law they would have known exactly what was going to happen two months beforehand. The law provided that we were to go ahead and buy silver with the ultimate objective of getting 25 per cent of silver and 75 per cent of gold as bullion reserves. We started in to carry out that law in good faith and bought a good deal of silver. Before I went away,

about a week before, I had a talk with the Secretary of the Treasury and others and it was obvious that if we were going to buy silver on a fairly good scale the price would go up, the world price. Now, the law also says that the silver in this country which is speculatively held, somewhere around 200 to 250 million ounces, can be bought by us at 50 cents an ounce if we are going to take it over. Now, suppose the world price of silver goes to 55 cents an ounce. We would be in the position of offering less than the public market for all of that silver. Therefore, we must make provision to take over the American stocks of silver before silver reaches 50 cents an ounce.

Before I went away I signed all the papers, a complete set of papers, which were to go into effect merely by sending me a radio if I had been on the boat or a telegram if I had been on the train, saying that silver has gone to 49 3/4 cents an ounce, "Do you authorize your orders going into effect?" All that was done before I left and the price set was 49 3/4 cents an ounce. Silver struck that the morning of the Green Bay speech. That was the careful timing.

Q Can you explain, Mr. President, why on June 14, five days prior to the silver purchase act going into effect, there was an authorization to Mr. Morgenthau to coin up all the silver he had on hand? Why was it June 14?

THE PRESIDENT: I don't know why. I think he came in and said to me, "You know, I have discovered we have a lot of silver on hand, 100 million ounces or something like that. We have never issued currency against it." I said, "Why didn't we?" He said, "It just accumulated and everybody forgot about it." I said, "Go ahead and issue currency against it."

Q Did you have the silver purchase act in mind?

THE PRESIDENT: I think it was absolutely coincident in this case that he discovered the silver lying around loose.

Q Is there a plan to remove the duty on Canadian hay?

THE PRESIDENT: I don't know; I cannot answer that question today. Do you mean buying Government hay in Canada? Now, whether that means removal of the duty or not I don't know, but I don't think there is an intention of removing the duty for other people, other than the Government.

Q Would an extension of that plan perhaps affect other commodities later on?

THE PRESIDENT: I don't know. I have not considered it.

Q What will you do with the three grains of corn which are being presented to you when you get them?

THE PRESIDENT: I will give them to the cook. (Laughter)

Q When do you expect to go to Hyde Park?

THE PRESIDENT: I don't know. I will probably go a week from tonight.

Q Anything on NRA?

THE PRESIDENT: I don't know; not yet.

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

CONFIDENTIAL
Press Conference #136,
Executive Offices of the White House,
August 17, 1934, 4.15 P. M.

THE PRESIDENT: I do not think there is a blessed bit of news.

Q Any news in our department (referring to the District of Columbia)?

THE PRESIDENT: There was a piece of news -- I do not know if it is ready to announce yet, it ought to be -- about your Engineer Commissioner, Colonel Dan Sultan.

Q That is Colonel?

THE PRESIDENT: Colonel -- I think it is Colonel.

Q What is the status of the trade negotiations with Cuba?

THE PRESIDENT: I do not know at the precise moment but I hope within a week or ten days to have something.

Q Can you tell us anything about the Cabinet meeting this afternoon?

THE PRESIDENT: Nothing happened; just received about a dozen different items -- no particular item -- just discussed a great many things that we have not talked about for a long time.

Q Anything definite on reports that the Government or the RFC may take over a number of railroads, including the Southern Pacific and the Denver and Rio Grande?

THE PRESIDENT: Sounds like a ghost story; I never heard of it. Why should we?

Q They are going into complete receivership.

THE PRESIDENT: Are they as badly off as that? I had not heard at all.

Q Anything new on the drought?

THE PRESIDENT: No. They had some rains in Missouri yesterday.

Q Are you going to be in town over the week end?

THE PRESIDENT: I think I will go down on the yacht.

Q On the SEQUOIA?

THE PRESIDENT: On the SEQUOIA. I am going back to the old days.

Q Can you tell us anything about the textile strike? The labor leaders say you are the only one to prevent it.

THE PRESIDENT: I do not think we are ready to talk about it at all. I think I should say this -- off the record, because we cannot print anything from this end, we don't know enough about it yet -- it is one of those things not sufficiently clear to say yet. There are certain what might be called inter-union political troubles there and it is complicated by the old differences between the northern textile people and the southern textile people and we are very hopeful that the thing is going to be worked out. The thing has not crystalized yet so that you can characterize it or define it in any one way.

Q Any further monetary plan, Mr. President?

THE PRESIDENT: Well, let us see -- you mean in September, 1935, we are going to do this, that or the other thing? Or something immediate?

Q A little more in the present.

Q Does that mean something in September, 1935?

THE PRESIDENT: Pick your own date, Stevie (Mr. Stephenson), it is all right.

Q That textile strike was off the record?

THE PRESIDENT: Yes, off the record, because, frankly, we do not know enough about all the internal complications to comment on it in any way at this time and there are a lot of internal complications. We do not know what they are after, in the first place. We do not know the demands.

Q Have you anything to say as to what your intentions are with respect to the carrying out of the new National Labor Relations Board attacks

on other Government agencies, particularly with reference to the Chicago Motor Bus case, where the Board (the National Labor Relations Board) made a ruling and asked that the Blue Eagle be removed and the NRA has failed to act? The NRA is seeking, according to General Johnson, to make an investigation of its own.

THE PRESIDENT: I haven't the faintest idea how to reply to that. I do not know anything about it at all. I will have to ask about it. What is the particular case?

Q The Chicago Motor Coach case. The Company refused to appear before the Regional Labor Board. The Regional Labor Board ruled against the Company and that ruling was afterwards reviewed by the whole (National Labor Relations) Board. There has been handed down (by the National Labor Relations Board) a final ruling (against the Company) and they referred the thing to the NRA Compliance Board for action. This was two weeks ago. General Johnson said he is going to propose, or has proposed, that they send an investigator out there and make a study in the field. The Board maintains that General Johnson has no authority to review its findings. The Board cannot force the Company to take action but the NRA can remove its Blue Eagle.

THE PRESIDENT: What is the name of the company?

Q The Chicago Motor Coach Company which operates about 150 miles of bus lines in the City of Chicago. The Board found that they had discharged some twenty workers for union activity.

THE PRESIDENT: I am taking this down and will look into it.

Q In recent months there have been some thoughts expressed in certain quarters about the Civil Service system.

THE PRESIDENT: What about it?

Q These quarters have expressed concern over what they call the gradual

increase in the blanketing in of the Soldiers Home attendants down there.

THE PRESIDENT: Well, on that specific case of Johnson City -- there is no point in talking about it as a general situation -- as I remember it, and this recollection goes back a couple of months, a very large percentage of the employees in that Veterans' Home had never taken any examination. Probably the great majority are perfectly competent but they had never taken any Civil Service examination and, therefore, they had been covered in by Executive Order. The question of politics does not come in; I do not know whether they are Republicans or Democrats or anything else. It was simply that they had never gone into Civil Service in the regular way. The Johnson City Order provided that all of those people and anybody else were to take an examination and if they pass it, they will continue in the employment. I think that cannot be considered as weakening the Civil Service; I should call it strengthening the principle of Civil Service.

Q There have been a lot of inconsistent views expressed about political activity (by Government employees). The Home Owners' Loan Corporation ordered their employees to refrain but two or three other departments have announced that they do not intend to and do not see any need.

THE PRESIDENT: Which ones?

Q. A couple have said that they do not contemplate and do not see any need.

THE PRESIDENT: Which ones?

Q AAA and NRA have issued no policy as far as --

THE PRESIDENT: (interposing) I don't see why they should not go along.

Q -- and Ickes said he was not going to issue any instructions.

THE PRESIDENT: The general policy is that they are not supposed to engage

in political activities and the same rule would apply to all Government employees.

Q At the Wednesday Conference I believe you told us that you had not heard the results of the Tuesday primaries. Have you -- (Laughter)

THE PRESIDENT: What primaries?

Q Last Tuesday's, in Nebraska and Ohio.

THE PRESIDENT: Oh, did they have primaries there? You will have to tell me about it afterwards.

Q It is my recollection that Colonel Sultan was Engineer Officer at Chicago. Has there been any replacement there?

THE PRESIDENT: I do not think so; only decided on it yesterday afternoon, late.

Q What color do you want this tweed suit to be?

THE PRESIDENT: I think an inoffensive gray, one of those drab colors.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #137,
Executive Offices of the White House,
August 24, 1934.

Q Have you any plans for fall?

Q Anything you can say on the formation of the American Liberty League? Anything to say about it?

THE PRESIDENT: The only thing I can do is to talk to you informally the way I told you on the train that I was going to do. Naturally, I have no formal statement. In anticipating another of Fred's (Storm) questions, "Did Jouett Shouse speak to me about it?" -- he did and he came in here and pulled a piece of paper out of his pocket and read me the two objectives which I think all the papers have printed, and I told him that both of the objectives could be subscribed to by every American citizen; that they were what might be called axiomatic, [un-] equivocally acceptable to all Americans, and when he asked me whether there were any objections to the formation of the private organization, I said of course not, it is none of my business and I wouldn't have any objections anyway to a private work which had as its principles working for axiomatic principles of American life. Well, that's about all that happened. He said, "Thank you very much" and went out. So that is literally all that happened when Jouett came in. Next, Fred?

Q Then you are for the Constitution?

THE PRESIDENT: I won't say "still" because somebody will say that was too passive, I'll say "actively." Of course, again talking just between us, really I suppose you can use this for background, the

thing to note about an organization of this kind -- of course there are a great many of them, with all kinds of names -- you will find in history organizations of this kind that are fraternal and semi-religious, and everything else. Personally, my own feeling is this: that when you come down to the definition of American principles you want to go the whole hog; you want to go all the way, instead of stopping short. An organization that only advocates two or three out of the Ten Commandments, may be a perfectly good organization in the sense that you couldn't object to the two or three out of the Ten Commandments, but that it would have certain shortcomings in having failed to advocate the other seven or eight Commandments. To put it again in a Biblical way, it has been said that there are two great Commandments -- one is to love God, and the other to love your neighbor. A gentleman with a rather ribald sense of humor suggested that the two particular tenets of this new organization say you shall love God and then forget your neighbor, and he also raised the question as to whether the other name for their God was not "property." Now as a matter of fact these two things are worth reading. One is that the organization will designate officials that will teach the necessity of respect for the rights of persons and property as fundamental to every successful form of government, and will teach that government to encourage enterprise.

Going back again, there isn't much said about your neighbor, and if you analyze certain things in the Declaration of Independence which helped opportunity -- life, liberty and the pursuit of happiness -- there are quite a number of other things that the

average, and more than average human, gets out of government besides these two things. There is no mention made here in these two things about the concern of the community, in other words the Government, to try to make it possible for people who are willing to work, to find work to do. For people who want to keep themselves from starvation, keep a roof over their heads, lead decent lives, have proper educational standards, those are the concerns of government, besides these two points, and another thing which isn't mentioned, and that is the protection of the life and the liberty of the individual against elements in the community that seek to enrich or advance themselves at the expense of their fellow-citizens. They have just as much right to protection by government as anybody else. I don't believe that any further comment is necessary after this, what would you call it -- a homily? Except that in The Times this morning -- I lay in bed and laughed for ten minutes -- if you will turn to the financial page of The Times, "Topics In Wall Street"; that has a short paragraph -- one that appealed to me. Darned good too, most of them, because they give you a real highlight on what's going on, and there was one paragraph that started off like this -- I forget the exact phraseology -- "The speculative fraternity in Wall Street regards the new American Liberty League as a direct answer from Heaven to their prayer."

Q Do you subscribe to the view of Secretary Ickes that this will draw lines pretty sharply between liberals and reactionaries?

THE PRESIDENT: I don't want to say anything about it.

Q Did Mr. Shouse invite you to become a member?

THE PRESIDENT: I don't think he did. Must have been an oversight.

Q Senator Schall made a speech last night in which he said that there were indications that the Administration was thinking of setting up its own press services and that the U.P., A.P., and I.N.S. are going to be scrapped in favor of this governmental agency?

THE PRESIDENT: I will have to tell you that I was so much interested in that statement and so utterly opposed to putting the U.P., A.P., and I.N.S. out of business that I sent word to Senator Schall asking for his information, because a thing like that ought to be run down and stopped right away. Of course he must have had definite and certain information on which to base a statement of that kind.

Q Did you talk with General Johnson today? Have you anything to say about N.R.A. organization?

THE PRESIDENT: No, we are just going ahead. Of course on N.R.A., if I were writing a story I didn't think could be overdrawn -- at this time the actual situation, if you want me to orate -- the actual situation is this: The National Recovery Act, as I remember it, lapses -- goes out of existence, I think -- in June next. I think, obviously, before then, we have to get some kind of legislation if any portion of it, or portions of it, are to be made permanent -- and obviously a great many portions of it will be made permanent -- just to take some one controversial thing, for instance child labor, minimum hours, certain provisions relating to unfair practices -- but between now and January we have got to decide to work up a decision, or come to a decision, as to what legislation will be asked in Congress, and I think about all that can be said today is that we are in a position, and will be for

the next two or three months, of studying what kind of recommendation will be made to the Congress. And General Johnson is working on that Triple A. There are several dozen people who are all giving a certain amount of consideration to that problem. And in the meantime N.R.A. per se -- we have already lifted certain features out of it, like National Labor Relations -- will probably continue to function. Probably General Johnson, who is off on a holiday now, will devote most of his time to it, but not to the actual details of administration, but will certainly continue as Administrator of National Recovery. In other words, we are beginning to look for a proposal to come up next winter in Congress and we are getting ready to meet it before it comes.

Q Is price fixing one of those questions still to be determined?

THE PRESIDENT: Oh my, yes.

Q Has anything been discussed about the possibility of recommended changes in anti-trust laws?

THE PRESIDENT: No, we haven't got to it -- the question of the relationship between price fixing and the anti-trust laws are all being worked on and at the present time we haven't got to any point. If I were writing your story I wouldn't say anything except that we are working on it and would not even give a suggestion as to any determination on it.

Q Do you know anything about what General Johnson referred to as a plan you would have ready to announce in about two weeks at Hyde Park?

THE PRESIDENT: That would be so that in the interim we would have administrative handling of N.R.A. problems.

Q Will you tell us when you will proclaim the Cuban Treaty?

THE PRESIDENT: This afternoon about five o'clock -- they told me that this morning -- does anybody know?

MR. EARLY: That's correct.

Q Will you proclaim it immediately afterwards -- you have to make it effective?

THE PRESIDENT: I suppose so -- I don't know, nobody mentioned it.

Q It was slipped to us for of course there is a lot of talk about what is and isn't going to be done.

THE PRESIDENT: I don't know. I haven't heard about it. I think it was a story to Stevie of the A.P.'s credit, one of those Timbuktu stories, that ..... was going to come out immediately and have the government taken over.

Q Have you conferred with Mr. Frederick H. Prince in that connection?

THE PRESIDENT: No, I thought he was busy racing.

Q Getting back to N.R.A., do you have anything to say now about this "interim" organization?

THE PRESIDENT: No, of course we have been talking about it for two weeks or more.

Q May I get back to the Constitution for a moment. Have you given any thought to the possible connection between conditions in the State of Louisiana today and certain clauses in the Constitution which make it mandatory on the Federal Government to maintain a republican form of government in every state?

THE PRESIDENT: That's a new one -- of course there again on this Louisiana situation, obviously we want to maintain a republican form of government, but at the same time, under the republican

form of government, a municipality is definitely a creature of a state government. Now a state government -- for instance, when I was Governor of New York when New York City's finances were getting into such a jam, there were a lot of very hoity-toity Senators who were strict constitutionalists, who came to me and said, "Take over the government of the City of New York," because all of their city bonds were in jeopardy. I met prominent businessmen and lawyers from New York City who wanted me as Governor to take over the City of New York, but I had to tell them I couldn't do it. I told them, however, that the Legislature of the State of New York, having been the body which granted the charter to the City of New York, had the right to take away the charter from the City of New York and set up any form of municipal government that the Legislature thought should apply to that municipality. In this Louisiana case the Legislature of the State of Louisiana has the inherent, constitutional right to govern a municipality within that State as it sees fit, provided it does not violate the right of franchise and certain rights of self-government. That is about as far as you can go.

Q Are you satisfied they have not violated those certain rights?

THE PRESIDENT: They haven't done it up until today.

Q You are satisfied then that there is a republican form of government?

THE PRESIDENT: In the City of New Orleans?

Q No, in the State.

THE PRESIDENT: I should say that if there was a free franchise in the State of Louisiana, the questions would come up as to whether a

free franchise was being exercised or not, and we haven't gotten to that yet. Here's a nice point. Let me ask you a question: Is it a republican form of government for the State of Rhode Island to confine the franchise only to people who have a certain amount of property?

Q They had a revision of that one time.

THE PRESIDENT: That's a nice question -- there is a very restrictive franchise in the State of Rhode Island today.

Q In other words the clause is all wide open.

THE PRESIDENT: No.

Q Do you have any comment to make on threatened textile strikes?

THE PRESIDENT: I haven't heard anything about it in the last couple of days. There is only one other thing, for the benefit of the Hearst papers, and there may be others which may copy the idea. I horrified the Secretary of Agriculture coming back on the train, by suddenly announcing out of a clear blue sky, that I was very glad that he had said what he did about the theory, the economic theory of foreign ships carrying some American goods. If you will read his letter, it is a rather interesting thing, and shows why it is necessary to always give the whole story instead of part of the story. Representative Bland wrote him a letter in June and he answered it about July fifteenth, and in effect he said that while there were many considerations, such as national defense, etc., in regard to our Merchant Marine, one should also at the same time consider certain other things, which were not always considered. And in effect what he said was absolutely true from the point of view of economics. One reason why American manufac-

turers and American farmers can't sell more goods to other countries is because other countries can't buy. It is obvious if they could pay they could buy more. If other countries were able to pay a portion of that cost in the form of services, they could buy more American goods. There is apparently no question that if every time our American exports were carried on foreign ships foreigners could buy more American exports. But that is only one side. Hearst papers take notice. There are other factors to which the Secretary of Agriculture referred. He didn't outline them but they are very simple. There are three other factors they forgot to counterbalance against the facts he mentioned. One is the fact that from the point of view of national defense we obviously need a certain number of American merchantmen which could be used for national defense in time of war. That's perfectly clear. Number two, in the event of a war in which we were not a party, let us say, a general European war or a Far Eastern War, foreign shipping might be finally eliminated because of that war and then we would have no bottoms to carry our American goods and we would be out of luck. So that is another case of the necessity for having American ships. And there is a third factor: We know that when we didn't have American ships on certain runs in certain lanes of world trade, foreign ships and foreign shipowners have had an unfortunate tenacity in getting together and squeezing American exporters on rates. In other words, in having control of the ships and using it against American trade, and in favor of their own trade, you have a third insurance factor that makes it necessary for us to have an American Merchant Marine, and all the Secretary of Agriculture did was

to call attention to the obvious economic factor on the other side of the insurance question; that the more we make it impossible for foreign ships to carry some of our goods, the more difficult it makes it for them to buy our goods. There is the whole story, not just a part of it. And if the whole story is written the answers are perfectly obvious.

Q Now that Hopkins is back will you have a conference with him on the Pennsylvania relief situation before you go to Hyde Park?

THE PRESIDENT: I am going to see him tomorrow, but I don't believe Harry knows anything about the Pennsylvania situation.

Q Have you had any recent indications what is to be done up there?

THE PRESIDENT: Two weeks, or about a week ago, I was told by Aubrey Williams that Pennsylvania would be asked by the Federal Government to do its share, which they are not doing at the present time, and the only way out is to call an extra session. We are in favor of an extra session.

NOTE:

In keeping a numerical record of the Press Conferences, the reporter allowed for three Press Conferences which he had been informed were held during his absence on a brief vacation. Actually, however, only one Press Conference (No. 137) had been held during that period. Unfortunately, this error was not discovered until after some two hundred subsequent Press Conferences had been held and it was therefore decided to skip Nos. 138 and 139.

CONFIDENTIAL
Press Conference #140,
Held in the President's Study at Hyde Park, N. Y.,
August 29, 1934, 11.15 A. M.

THE PRESIDENT: I do not think I could even invent news and that is saying a lot. Somebody wrote a new song (referring to the stack of papers in front of him); somebody had a Golden Wedding; somebody was 102 years old. That is all.

Q We can't use any of it.

THE PRESIDENT: Several towns had One Hundredth Anniversaries.

Q Can you comment on Henry Morgenthau's statement?

THE PRESIDENT: I have not read it.

Q He announced last night that this $2,800,000,000 of gold profit would ultimately be used to curtail the public debt.

THE PRESIDENT: That is a hope, isn't it?

Q He said it wasn't; he made it very definite. What is worrying most people, but is the only way to do it, is to turn it into currency in exchange for Government securities, which would mean increasing the Budget $5,000,000,000. to $7,800,000,000. which would be a very real inflation and which would serve at once to make the dollar worth only about sixty cents in this country.

THE PRESIDENT: Say, he is good, you know!

Q He rehearsed that before the mirror.

Q Give us that again. (Laughter)

(Mrs. Roosevelt entered the room at this point.)

THE PRESIDENT: How are you? How is Sis?

MRS. ROOSEVELT: She is fine. We had dinner together and I put her on the train.

THE PRESIDENT: It is too early but Henry (Secretary Morgenthau) did, I think, use the word "ultimately."

Q We ought to get the paper.

THE PRESIDENT: Just between us, if I make a speech and say I am going to do something ultimately, what does it convey to you? It means some unannounced time pretty far distant. If I were going to do it tomorrow, I would not say "ultimately." Well, that is about the size of it. In other words, it is just another of those things where I suppose he is perfectly correct in saying "ultimately" that money will be used. It is there. It is -- I do not know what the word for it is -- it is a nest egg. Ultimately, one uses one's nest egg. I think that is about all that one can say about it.

Q Mr. President, have you any comment this morning on the textile situation?

THE PRESIDENT: No, anything I say would be purely speculative.

Q At this meeting where they adopted this resolution the day before yesterday in connection with your Order 23, at that time they appointed one man who was supposed to convey all that to you and it was not quite clear whether that was going to be by telegram or whether he would come up to see you.

THE PRESIDENT: I do not think so. I have not had anybody ask to see me.

Q You haven't had any requests?

THE PRESIDENT: Have we, Mac (Mr. McIntyre)?

MR. McINTYRE: No, sir.

Q There was a story appearing in the Washington papers, I think it was Monday, that General Johnson put a letter of resignation on your desk. Is there anything?

THE PRESIDENT: I think he said something, didn't he?

Q He said, "I have not resigned."

THE PRESIDENT: Well, I haven't anything further to say than what he said.

Q He did not categorically say that he had not made an attempt to resign at one time or another, did he?

THE PRESIDENT: Well, he made a statement. I guess it was all right.

Q How are you enjoying it up here?

THE PRESIDENT: Fine. I have not started to work yet.

Q Neither have we.

Q We have got you working hard in the daily press.

THE PRESIDENT: I forget who is coming to lunch.

Q Norman Davis.

THE PRESIDENT: Right, in fact he is coming at 12.00 o'clock and then this afternoon Felix Frankfurter and his wife are coming to spend the night. I have not seen him for nearly a year.

Q What had we better make him?

THE PRESIDENT: It will be an awful shock to Mark Sullivan and others that I have not seen Felix for nearly a year.

Q He saw you at Groton?

THE PRESIDENT: Is that it? Well, that was in September; it was early. Oh, no, you are thinking about the campaign and that was 1932. I saw him up here last September before he went to spend his college (sabbatical) year on the other side.

Q We are putting him on the Supreme Court this afternoon.

THE PRESIDENT: I suppose that probably Felix and his wife will talk mostly about things on the other side.

Q What school? It is not Cambridge or Oxford?

THE PRESIDENT: He was exchange professor at Oxford for a year and now he is going back, I take it -- I have not heard anything to the contrary -- to Harvard Law School and I take it he will tell me much about things on the other side. I do not think he knows much about things on this side. That is literally all I could write about it.

Q Davis will do the same thing?

THE PRESIDENT: Yes; I have not seen him since he got back.

Q There were always rumors about Woodin resigning. Are you going to get out a statement to reassure people about something?

THE PRESIDENT: About what, Russell (Mr. Young)?

Q (Mr. Young) About confidence. (Laughter)

THE PRESIDENT: I think the best thing to do on that will be to get hold of Bill Dewart and Mrs. Ogden Reed and get them up to lunch and give them a lot of personal reassurances.

Q Mr. President, please let us not get personal. (Laughter)

THE PRESIDENT: That was off the record.

Q Have you invited them to lunch?

THE PRESIDENT: If you get me a list of names of the people that want these reassurances, we will have a picnic for them.

Q How about Henry Fletcher (Chairman of the Republican National Committee)?

THE PRESIDENT: People outside of the political arena.

MRS. ROOSEVELT: Would you serve frankfurters? (Laughter)

THE PRESIDENT: Yes.

Q In place of the Count (Rudolph de Zapp), may I ask you whether the matter of the new (Public) Health Officer (for the District of Columbia) has been brought to your attention?

THE PRESIDENT: I never heard of it. I did not know there was a vacancy.

Q I think the Commissioners (of the District of Columbia) make the appointment.

THE PRESIDENT: I think they do. Who do they generally appoint?

Q I think they pick out some local doctor.

Q Mr. President, I wasn't quite clear about the cotton garment situation -- what you said a few minutes ago.

THE PRESIDENT: There isn't any news.

Q That will come before you directly because that is your Executive Order that they are defying?

THE PRESIDENT: I don't know.

Q What is the next step?

THE PRESIDENT: I do not know. Frankly, I do not know what the next step is in either the textile or the garment.

Q Of course, if they go ahead and refuse to abide by that Order, there must be some enforcement agency to take up the problem in due time, either an NRA agency or the Department of Justice. I am wondering what machinery --

THE PRESIDENT (interposing): I am wondering too.

Q Are you awaiting the return of General Johnson to get further information on the subject?

THE PRESIDENT: No; nothing to do with it. Frankly, I do not know a thing about it. I just get a few high spots here and there.

Q There were reports from Washington that in order to build up or increase employment during the winter it may mean taking off the restrictions on production and let them increase production and at the same time take measures to increase consumption. Have you heard anything about it?

THE PRESIDENT: No; it is over my head.

Q Is this Garment Code, Executive Order on the garment thing, against which they are protesting, being relaxed in any way?

THE PRESIDENT: I do not know anything about it. If I did I would not tell you but it is true that I do not know anything about it. (Laughter)

Q Can you tell me anything about the Governor's (Governor Lehman) visit yesterday?

THE PRESIDENT: No, just ordinary conversation, that is all. In other words, even for a speculative story it is too damned early. I would not know what to write. We talked over all sorts of things.

Q He intimated to the boys up in Albany that he discussed with you chiefly his State campaign and things up here (in New York).

THE PRESIDENT: We did not talk campaign at all, not a bit.

Q (Mr. Fred Storm of the U. P.) Make that statement off the record, please. (Laughter)

Q (Mr. Francis Stephenson of the A. P.) I can deny your story.

THE PRESIDENT: We will make that off the record. Really, Herbert (Governor Lehman) and I talked about a whole lot of things but it was just conversation, mostly at the table with the family there.

Q Have you any comment to make on the outcome of the California primary?

THE PRESIDENT: No -- no more than on any other primary -- that should be added to it.

Q Anything of special interest in Dr. Pearson's (Professor Alfred J. Pearson) visit here?

THE PRESIDENT: No. The only reason that most of these people come -- just for information and not for quotation or anything like that -- is that people tell me about people who have just come back from the

other side. I had never heard about this man before and somebody said that he was an extraordinarily interesting man and it would be worth my while to see him when he came back. He came back and told me the same thing he told you. He is tremendously interested in Sweden.

Q I think it is going to be in his new book.

THE PRESIDENT: New book, probably. (Laughter)

Q What did you say about never having heard of him before? (Laughter)

THE PRESIDENT: A lot of people coming to Hyde Park are people who have been on the list for two or three months as having been highly recommended as being interesting people. Now we are cleaning up on them, going over the old lists. They are people we said we would see a long time ago. It would not be polite to send them a cordial invitation and say that we have never heard of them before.

Q Just use that as background?

MRS. ROOSEVELT: The Press is beginning to believe that Dr. Pearson enjoyed his visit more than you did.

THE PRESIDENT: He was very interesting. He told me all about his visit to Hitler.

Q And Russia?

THE PRESIDENT: Yes.

Q For public use, are you going to the Fair (the County Fair at Rhinebeck) tomorrow?

THE PRESIDENT: This afternoon or tomorrow, I don't know which yet.

MR. McINTYRE: That isn't for publication.

THE PRESIDENT: There again, the Fair has been trying to advertise for their receipts that I would get there on a certain afternoon and I refuse to be advertised.

Q It has been publicly advertised that you will be there today or tomorrow.

Q They (referring to two of the reporters) were "taken" on the Midway. They are city slickers.

THE PRESIDENT: Did you ever see that game where they have a little shell that goes over -- (Laughter)

Q (Mr. Roddan, interposing) It wasn't that; it was a black and red wheel and it would never stop on the one you bet it was going to stop on.

THE PRESIDENT: Of course, I am very anxious to have this Dutchess County Fair of ours put on a paying basis so I hope you will all go and see all the exhibits.

MR. McINTYRE: Mr. President, with respect to your remarks about the little shell game, Charlie Hurd says that we have seen it played without shells in some of these Press Conferences. (Laughter)

Q I wonder if you would add anything more about Dutchess County for the local newspapers? I just noticed that Jim Townsend --

THE PRESIDENT (interposing): There again, I have not seen Jim since I do not know when -- last fall.

Q There is a water project down in the town of Hyde Park?

THE PRESIDENT: I heard about it yesterday from Henry Hackett and have not heard about it any more.

Q I thought probably you might be interested; you are a taxpayer of course.

Q (Mr. Roddan) Is he paid up?

THE PRESIDENT: I do not know enough about it to comment on it. I haven't any idea of the details.

Q Did you know that you were pretty nearly blacklisted and posted up at the Press Club?

THE PRESIDENT: Didn't I pay my dues?

Q You did finally. (Laughter)

THE PRESIDENT: They were damned lucky to get paid at all.

MR. McINTYRE: Missy (Miss LeHand) rushed a check over to them.

Q Are we going to see Norman Davis?

MR. McINTYRE: I imagine he will stop off at the Hotel (The Nelson House) on his way down.

THE PRESIDENT: Now I will tell you why not: He stopped down last time at the Nelson House and believe me -- (interrupted by laughter). I think he is going right back to Stockbridge.

Q He has already said almost everything he had to say on the European situation down in Washington, so there is no reason in having him stop.

Q You will be surprised what we can get out of him.

MR. McINTYRE: This is a purely personal visit anyhow.

THE PRESIDENT: This is a purely personal visit.

MR. McINTYRE: Will you let the Secret Service men notify us in advance as to when you are going to the Fair because we have to --

THE PRESIDENT (interposing): I don't think it will be until tomorrow but I don't think it is quite the right thing to use it for advertising.

Q Have the boys arrived?

THE PRESIDENT: Not yet. John (Roosevelt) won't get here until Saturday night and Franklin (Roosevelt) is still so far off on the coast of Maine, cruising, that he cannot get back in time.

MR. McINTYRE: Are your plans definite enough about the yacht races to tell the boys now?

THE PRESIDENT: I will tell you what you can do. You can put it this way, which is strictly true, that if everything is all quiet I may go on the NOURMAHAL on the fourteenth around to Newport and see the races.

Of course I am awfully keen on those races; I have seen a great many in the past. I will then come back here. It is only a matter of three or four days but it is purely tentative because, as you know, when I came up here the question of plans was absolutely open. I might go back to Washington -- any one of a dozen different things.

Q Would you get on the NOURMAHAL here?

THE PRESIDENT: Yes.

Q They are betting six to five on the ENDEAVOR this morning.

THE PRESIDENT: So I see. They must have seen her sail alongside the old boat.

Q Have you a destroyer for us?

MR. McINTYRE: Would there be any objection to going aboard the destroyer to see the races?

THE PRESIDENT: I think it is all right to keep it within our own group. I think if I do go around it is a devil of a trip to make you take. The best thing would be for you to go to Newport from here, motor over and, if you cannot get accommodations in Newport, then just get them in Jamestown.

MR. McINTYRE: We are also trying to borrow a yacht. It won't be as big as the NOURMAHAL.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #141,
In the Study of the President's Home at
Hyde Park, N. Y.,
September 5, 1934, 10.50 A. M.

THE PRESIDENT: Where is the Captain? (Referring to the captain of the ball team which had played Lowell Thomas' team at Pawling the Sunday previous.)

Q On the way.

Q We have discovered a way to beat them. We are going to put two left fielders out there with gloves.

Q I will say you have to have gloves.

MR. McINTYRE: The best of that strategy is having Fred (Mr. Storm) in the box. He can't hit.

Q I think we will play Stevie (Mr. Stephenson) on the fence all the time.

THE PRESIDENT: You are certainly good, getting over the fence.

Q (Mr. Stephenson) Wasn't I? And with my eye on the ball all the time. That eighteenth time is what wrecked me.

THE PRESIDENT: There is only one way we can be sure of winning and that's like in the old Harvard -- the Crimson Lampoon games. You never had a keg (of beer) on first; you had to earn that. But we did have a keg on second and one on third.

Q How did you get anybody back to the home plate?

THE PRESIDENT: Oh, we had two kegs there. (Laughter)

Q Speaking of kegs, what did you feed Upton Sinclair?

THE PRESIDENT: Do you know what I fed him? Two long glasses of iced tea.

Q You must have had something in them.

Q He was babbling when he came back (to the Nelson House).

Q Well, he traveled a long way.

Q Mr. President, can you tell us anything more than Sinclair told us yesterday in five thousand well chosen words?

Q He promised that you were going to tell us; that you would tell us what happened here.

THE PRESIDENT: Did he, really?

Q Yes.

THE PRESIDENT: Then he must have had something on the way to Poughkeepsie.

Q There is nothing that you can say about it, Mr. President?

THE PRESIDENT: No.

Q Cannot you discuss the Epic Plan along purely nonpolitical lines?

THE PRESIDENT: No.

I do not think there is any news. I am going to possibly have a story this afternoon. I think I can give you the background on it now so that if the thing does break you will know about it. It is the appointment of one of those special boards of three for the cotton textile. For heaven's sake, do not use the story until I give you the release on it. The Garrison Board which, of course, might be called the Court of Appeals, feels, I think very rightly, that they should not take original jurisdiction over the strike settlements, that it should go to one of the courts of first instance and they recommended that instead of having any question of settlement come before the cotton textile mediation board, of which Robert Bruere is the chairman, that we should carry it out by a special board. There is a provision, you know, in the law for the appointment of a special board. As I remember it, wasn't that San Francisco board one of those special boards? I think it was.

Q Yes, sir.

THE PRESIDENT: Well, this will be exactly the same kind. I have not got the third man yet because I cannot locate him. Two of them will be Governor Winant of New Hampshire and one Mr. Smith of Atlanta.

Q Who is he?

THE PRESIDENT: A prominent attorney and has been the chairman of the Regional Labor Board with very great success. He is a son of old Hoke Smith. This is all subject to release. The third man they could not get so we have to get a third man.

Q Garrison is the chairman?

THE PRESIDENT: This (indicating) is the Labor Relations Board letter: (Reading) My dear Mr. President:

"This Board, as you know, has tried through mediation to avert the textile strike. We wish to report the circumstances which brought us into the situation; the steps which we took in endeavoring to avert the strike; and our recommendations for a course of action which we hope may bring about a prompt and just settlement of the controversy.

"One of the duties imposed upon the Board by the Executive Order which created it is a study of the work of industrial relations boards established under the codes. Because of complaints made to us that the machinery for handling violations of section 7 (a) in the cotton textile industry was inadequate, we gave special attention to this matter. During the past month we sought, by conferences with the Cotton Textile National Industrial Relations Board, the Code Authority, members of the Cotton Textile Institute, and officials of the United Textile Workers Union, to establish agreement upon a procedure which would provide more adequate handling of 7 (a) cases in the cotton textile industry. In the course of these discussions it became apparent that no action which our Board might take with respect to these cases would in itself prevent the strike. The Board concluded, therefore, that nothing would be gained by any final action on its part until the strike was either averted or terminated.

"Our inquiries and discussions in connection with the 7 (a) cases merged into the causes of the present strike, one of which is the handling of these cases. These circumstances led us inevitably into the role of mediator, particularly since the offer of the Cotton Textile National Industrial Relations Board to

mediate had been rejected by the Union. This rejection occurred last Friday, August 24, and the Union requested our Board to act. The Board immediately called in the Union Committee and conferred with it throughout the week-end. On Monday the Board dispatched invitations to the Cotton Textile Institute, the Cotton Textile National Industrial Relations Board and the Union Committee to attend a round table conference. On Wednesday the President of the Cotton Textile Institute declined the invitation.

"The Board being unable to bring about a joint conference, which the Board believed held out the only real possibility of averting the strike, separate conferences were held with representatives of the Cotton Textile Institute and the Union. In these conferences the Board made every possible effort to find some formula for avoiding the strike, but without success.

"As a matter of policy we doubt the wisdom of the Board's acting as mediator in this or any other strike situation. Mediation is frequently carried on by the regional labor boards, which are under the jurisdiction of this Board; but it has been our conviction that the purposes of Public Resolution 44 and the Executive Order establishing this Board could best be served if the Board kept itself clear of mediation activities. It is evident that the Public Resolution and the Executive Order intended our Board to serve as a quasi-court for interpreting in terms of particular cases the meaning and intent of section 7 (a).

"As a semi-judicial body it is desirable that we be as far removed as possible from direct participation in controversies over some aspects of which we may at a later date be asked to sit in judgment. The Board ought not to be placed in a position which might hamper respect for its judicial activities and hinder its effectiveness as a body for building up public opinion in support of disinterested interpretations of the law. It is true that under the Public Resolution and the Executive Order the Board is authorized to investigate issues in controversies which are burdening interstate commerce, but in our judgment this power should be exercised sparingly, and rather for the purpose of ascertaining the facts prior to a strike situation, than for the purpose of settling it after it has occurred.

"In deference to the important function which we have been created by you to discharge, we believe that the public interest would best be served by our immediate withdrawal from further mediation efforts in the textile strike. From our knowledge of the situation we are satisfied that mediation looking toward a termination of the strike can best go forward by your creating a special board under Public Resolution 44, with full authority to investigate the causes of the strike and to propose a just basis of settlement.

"We shall be glad to assist such a board in whatever ways seem appropriate and in conformity with the general purposes

which it is our duty under the statute and the Executive Order to discharge.

Respectfully submitted,

Lloyd K. Garrison, Chairman."

Q Is that to be released?

THE PRESIDENT: If you want to carry that letter and the fact that this board will be announced very soon, that is all right.

Q But not to use the names?

THE PRESIDENT: Not the names yet. I have to get all three at the same time and I will probably get the third name this afternoon.

Q Late enough for the morning papers?

Q Early enough for the evening papers? (Laughter)

THE PRESIDENT: That will give you a grand story.

Q In connection with the textile strike, did you have a telegram from Senator Kean, of New Jersey?

MR. McINTYRE: Got it this morning.

THE PRESIDENT: What does the old boy want?

Q I think he has had a tip it was going to be done and he wanted to get in on the band wagon quick. It has all the earmarks.

Q Somebody told him.

THE PRESIDENT: He would not have done it of his own accord.

Q Somebody told him it was going to be done.

Q Is there anything to say about Mayor LaGuardia's visit here?

THE PRESIDENT: No, I don't know what he is going to talk about. I suppose in general it will be about the City financial problems and relief problems.

There is one thing you boys could ask about and get an awfully good story. About three months ago there appeared an editorial in the

London Times which, of course, people over here still regard as the bailiwick of Toryism, and as I remember it, I have filed it away, the editorial ran something like this: That we in England are somewhat surprised, somewhat amazed at the resistance, the objections being offered by certain elements in American industry to Article 7-A, which reads as follows -- and then it quoted Article 7-A which, as you know, is very short. Then it goes on to say, "Our surprise is based on the fact, which every Englishman knows, that its principle has been accepted in England since" -- when was the general strike?

Q 1926.

THE PRESIDENT: " -- since 1926, and the acceptance of the principles of 7-A since that time has prevented any serious labor difficulties in the British Isles, and therefore, perhaps, it is interesting to note that conservative old England has been for so many years several steps ahead of so-called radical young America in its dealing with social problems and labor problems." I wish you (addressing Lord Illiffe, who was attending the Press Conference) could talk to these good people and tell them something about how you have worked out some of your labor problems, except that you are just about three jumps ahead of us.

LORD ILLIFFE: (Joint owner of the London Telegraph and other papers) Of course, labor has had its experiences in England for a very much longer time than it has in the United States, has it not?

THE PRESIDENT: Taking it by and large, yes.

LORD ILLIFFE: We have a responsible union system now but, as you know, we have had very considerable troubles. But I think the same thing is going to apply to the United States. You have unions here that

have only just begun to feel their power and when a man gets power at first he does not know how to use it, but he does after a bit. I am perfectly certain it is going to turn out right in the end.

THE PRESIDENT: Some of our unions are going to work out really well.

LORD ILLIFFE: The result of the general strike in England in 1926, I think, is that it gave unions a greater feeling of responsibility than they felt before. They really thought that it was possible for them to do anything and they did not consider the interest of the Nation as a whole. Before 1926 they played their own hand; after 1926 they realized that they have to consider the general good of the public. In the United States, as soon as they realize that, you will find that the union system works all right.

In these days, when you have organized capital you have to have organized labor, and each side has to realize its responsibility for the public good as a whole.

Q Does England recognize the principle of collective bargaining?

LORD ILLIFFE: Oh, yes; it does.

THE PRESIDENT: Did the bill pass the present House of Commons that was pending away back in June before I went off on my trip? It was a bill which would give the government enforcement authority in the case of agreements which had been made in any particular industry between labor and capital. As I recall it, there was some bill pending of that kind and it was a government measure.

LORD ILLIFFE: I don't remember it. Was it just recently?

THE PRESIDENT: It was in June before I went on my trip.

LORD ILLIFFE: I don't remember that. You mean to enforce agreements that have been arrived at voluntarily between capital and labor, that they should be enforced by government?

THE PRESIDENT: Yes.

LORD ILLIFFE: I don't remember that.

THE PRESIDENT: There was something of that kind. I saw it in a newspaper story. It might not have been entirely accurate.

One thing -- and this is off the record completely, just conversation between us -- thinking people are beginning to realize certain elements in the situation. This brings in California again, but I have to keep it off the record because there is no use talking about things like that out loud.

In the San Francisco strike a lot of people completely lost their heads and telegraphed me, "For God's sake come back; turn the ship around." Stephenson and Roddan and Fred (Storm) would not let me turn the ship around. They insisted on Hawaii. Everybody demanded that I sail into San Francisco Bay, all flags flying and guns double shotted, and end the strike. They went completely off the handle.

Well, I kept in pretty close touch, which I would not admit to the Three Musketeers. It appeared very clear to me that just as soon as there was talk about a general strike, there were probably two elements bringing about that general strike. One was the hot-headed young leaders who had had no experience in organized labor whatsoever and said that the only thing to do was to have a general strike, and, on the other side was this combination out there on the Coast of people like the editor of the Los Angeles Times, for instance, who was praying for a general strike. In other words, there was the old, conservative crowd just hoping that there would be a general strike, being clever enough to know that a general strike always fails. Hence there was a great deal of encouragement for a general strike.

That is why I have to say this off the record because, if you put me in court, I could not prove it from the legal point, but it was there. For instance, this Hearst man operated among some of the newspapers in San Francisco and along the Coast, and they all agreed to work together, all the editors of all the papers, for a general objective, and the objective was to encourage the general strike. That is the fact, as I say, although I could not produce legal proof of it in court. But the fact remains that they did discuss and encourage it among themselves. In other words, they baited the other fellow into it, not by offering him money but by baiting him into it.

The general strike started and immediately the strikers, being young, did the silly thing of saying to the inhabitants, "You cannot eat in that restaurant, but you can eat in that restaurant." Naturally, the public resented it.

Of course they learn by things of that kind. They have got to go through the actual processes, actual examples, and not interference from the Federal Government or the President or the United States troops. People will learn from a certain number of examples. We have to conduct the country and essentially to conduct labor to their responsibility.

LORD ILIFFE: We realized in England that there would be a general strike on before 1926, but, until the thing occurred, we were frightened of it. But I am inclined to agree that no general strike can succeed and that it did a lot towards making the labor element realize its responsibility in Great Britain.

THE PRESIDENT: As a matter of fact, this textile strike, off the record, would not have occurred at all if it had not been for a gentleman named Norman Thomas. He is an idealist but, when it comes down to practical

things, he is not there at all. There is nothing. He got up and made a speech in this meeting, a meeting which was completely in hand, well in hand. They were not going to go out on the third of September until he made a speech and then they forced the thing on McMahon and others. It was against their will because these unfortunate textile people in the meeting did not realize what McMahon and the leaders knew, that there was a six-weeks supply of cotton goods on hand, on the shelves, and the people running the factories were perfectly delighted.

LORD ILLIFFE: They wanted their stocks used up?

THE PRESIDENT: Yes.

Q Mr. President, would it be possible for us to use this interview with Lord Illiffe, and bring in the fact that you questioned him a little bit about English labor conditions?

THE PRESIDENT: Submitting it to him first, submitting it to the editor.

I don't know that there is anything pending. I am nearly cleaned up. I was terribly far behind.

Q Mr. President, would you care to make any comment on the decline in Government bonds and the effect on new financing?

THE PRESIDENT: I didn't know that they had any.

Q There are five new lows.

THE PRESIDENT: What did it amount to?

Q Just a little bit below par.

THE PRESIDENT: No, the only comment would have to be off the record. It is regarding the attitude of certain newspapers and therefore I want to make it off the record. But it is an interesting thing, the number of people who have come to me, not in political life or government life at all, and said -- readers of these papers -- "Why are

people trying to destroy the credit of their own Government?" Now, that is the fact. Why are newspapers trying to destroy the credit of their own Government? It is just one of those things. It is a little bit like that front page of the Sun that came out two weeks ago Saturday that I wrote to Will Dewart (N. Y. Sun) about. The average layman, reading that sort of thing, says, "My God, is the Government going to have trouble in financing a small amount of $1,700,000,000 on September 15th and October 15th?" That is the impression he would gain from reading the financial pages and the front pages. And, of course, there is nothing to be done about it. You cannot do anything against it, that would be silly.

Some day I am going to read to you, off the record, my letter to Bill Dewart which he got two weeks ago and to which he has not replied. If I do say so, I think it is good.

Q I should think it would be. (Laughter)

THE PRESIDENT: There is one line which you cannot use because I am going to use it later on, and that was that I would have to amend what I said in my Inaugural Address when I said that the greatest thing that America has to fear is fear itself. I would now say that there is a greater thing that America needs to fear, and that is those who seek to instill fear into the American people.

Q A number of the papers have been carrying stories recently to the effect that the budget would not be balanced.

THE PRESIDENT: Oh, Stevie, (Mr. Stephenson) send this damn' thing down to your office in Washington.

Q (Mr. Stephenson) What date line is that?

THE PRESIDENT: Send it down. $500,000,000 -- this is off the record -- it is an A. P. story that a five hundred million dollar tax bill is

planned. It is an assertion -- a lie. It says that the Administration is to ask new relief from Congress. Paragraph one, lead, "A five hundred million dollar tax bill is one of the chores to be asked of Congress in January." That is a lie. It says that it is also reported to it that they are going to ask for relief and for other purposes. Of course we are going to ask for relief, et cetera. Tell your office in Washington that that is the kind of thing --

Q (Mr. Stephenson) I will take this so you won't see it again. (Laughter)

THE PRESIDENT: Otherwise we are feeling very well this morning.

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