

**CONFIDENTIAL**

Press Conference #142,  
In the Study of the President's Home  
at Hyde Park, N. Y.,  
September 7, 1934, 4.15 P. M.

(Senator McAdoo was present at the Press Conference)

Q He (Senator McAdoo) told us he would tell all.

Q He said he would tell all if he were free to do so but, of course, everybody who ever sees the President is free to do so.

THE PRESIDENT: Then what he said was perfectly true.

Q We have an important matter to take up before the Conference. We have a return game scheduled on Sunday (return game at Lowell Thomas'). Will we be able to play or are you having a busy day?

Q We were a little curious whether General Johnson would be here Monday?

THE PRESIDENT: He is coming Monday or Tuesday.

Q Will you be able to ride over?

THE PRESIDENT: I think I have somebody coming over on Sunday -- only neighbors, no visitors.

Q We will be safe?

THE PRESIDENT: Absolutely.

Q We are hoping it may be called off.

Q Just immediate neighbors or Hyde Park?

THE PRESIDENT: Just a few people from up the river and around here.

Q In connection with Johnson's (General Johnson) visit, who else is coming with him?

THE PRESIDENT: Nobody I know of.

Q Not Richberg?

THE PRESIDENT: No.

Q Is there anything you can tell us about Senator McAdoo's visit?

THE PRESIDENT: We talked about everything, including the kitchen stove.

Q How is the kitchen stove?

Q His kitchen stove or yours?

THE PRESIDENT: It is becoming an electric stove very rapidly.

Q That comes under the housing program?

THE PRESIDENT: Yes.

What we are trying to do is to build up the business of the private companies. That is off the record. (Laughter)

Q Mr. President, is there anything you can tell us in connection with the textile strike? Have you received any word?

THE PRESIDENT: I don't know a thing. I have not had a word today.

Q Mr. President, anything you can tell us about California -- what Senator McAdoo thinks about it, perhaps?

THE PRESIDENT: He has not been back for so long that he did not mention anything firsthand.

Q We will be glad to have a secondhand view.

MR. MCINTYRE: If you get out soon enough you can ask him (indicating Senator McAdoo).

Q Did Mr. Cheney (Nelson Cheney), Mr. Pierre Flandin or Louis Donham know anything?

THE PRESIDENT: Talked about everything including the kitchen stove.

Q His name is Wallace (Donham).

THE PRESIDENT: I saw them together and separately.

Q Who is he (Mr. Donham)?

THE PRESIDENT: He is Dean of the Harvard School of Business.

Q What was on Straus' (Mr. Percy Straus) chest?

THE PRESIDENT: Nothing. I just asked them all sorts of questions and

they asked me all sorts of questions. We talked over general things.

In other words, nine out of ten of these people who come up, I am asking them questions: "What do you think about this and that?" They are being sent for to give me their points of view on all kinds of things, no particular subject. It is just to get their points of view.

Q All of them have been traveling and making observations?

(The President indicated in the affirmative.)

Q Donham is quite a fellow.

THE PRESIDENT: There will be quite a number of them over the next month or two.

Q We can almost mimeograph a lead and fill in the blank spaces.

THE PRESIDENT: Yes, you can almost mimeograph a lead and fill in the blank spaces.

Q When Mayor LaGuardia was here he indicated that a new formula for Federal relief in large cities was being drawn up. Anything you can tell us about that?

THE PRESIDENT: I don't know; I cannot tell you what that meant.

Q We didn't either but we assumed that it would probably be a continuation of CWA during the winter.

THE PRESIDENT: No, I do not think we have been talking about it at all.

Q In that connection, there is a story carried by the United Press today out of Springfield, Illinois, saying that the Federal Government is going to take over all the relief to relieve the situation?

THE PRESIDENT: It is the Springfield situation? That is a U. P. story.

Q (Mr. Stephenson of the A. P.) Yes, it is a U. P. story.

Q (Mr. Storm of the U. P. ) It is our turn to get it today. (Laughter)

Q Mr. Donham (Wallace Donham) is quite a gentleman. Is there anything in particular?

THE PRESIDENT: No, I suppose we talked about thirty or forty different items we are all interested in.

Q He isn't under consideration for any Federal appointment?

THE PRESIDENT: No. None of these people is under consideration for anything except I am pumping them dry to get their views.

Q Any comment on the munitions investigation that is going on down in Washington? There seems to be --

THE PRESIDENT (interposing): The only thing is that which you have already had out of Washington -- I announced it last June -- that any data they wanted from the Government, the Government would be only too glad to give to them. In other words, we would cooperate in every way possible with the Senate Committee. I think he announced that himself down there.

Q Have you given any thought, outside of the impending visit of Mr. Johnson, to your temporary reorganization plans for NRA?

THE PRESIDENT: Not any more than I have been doing every day for the last three months. I give a certain amount of thought to it every day. Nothing out of the ordinary.

Q Have you received any reports or any data from Washington?

THE PRESIDENT: Nothing for about a week. Of course I get reports all the time in the way of suggestions and recommendations. There isn't anything. I couldn't write a story if I tried. None of those reports and recommendations are news.

Q Has the program for reorganization taken any fairly definite shape yet that you can talk about?

THE PRESIDENT: I haven't got to that point yet but things are sort of shaping up. Certain aspects are becoming in my mind more and more clear. Now, as I think I told you before, the ultimate shaping up

is legislation for the next Congress. So it is not exactly a spot news story and it is very difficult to write it as a dope story because no program has been determined on and we are looking at all kinds of permanent administration. The trouble is that if I were to give you an example it would give that particular thing undue prominence in a very big program. That is why it is so difficult to do. There are a lot of things, like child labor. You cannot alleviate that unless you talk about minimum wages and hours of work, also the old-age pension and the interpretation of 7A. You have to have the individual authorities getting together and exchanging views. Then, how far can you go on the exchange of views before running afoul of the anti-trust law -- price fixing and things of that kind. You might say they all have an equal value in the entire picture and we are considering them all.

Q While you are shaping that legislation, are you likely to have anybody from the Navy come up and talk, or from the Army?

THE PRESIDENT: No.

Q Mr. President, do you expect that you will get an NRA reorganization, a temporary one, well under way during this month or October, or are you going to wait until shortly before Congress?

THE PRESIDENT: There I think you can probably make a fairly good guess on that. If I were writing the story I would say that there will undoubtedly be a recommendation to the Congress for permanent legislation. It does not matter whether it goes up in January or does not go up until March, but something will have to be done before Congress adjourns that would be permanent legislation in the sense that it would at least tide over for one year. In other words, we

are feeling our way on all of these steps. You cannot at this time say that the permanent form of NRA is going to be A, B, C or D. Child labor and collective bargaining, the collective principle of bargaining, are examples of those things which should have a permanent position in American life. Now, those things will have to be taken up by Congress, otherwise the whole thing will have to be renewed for another year.

Then you come to the borderline, it is partly administrative and partly a question of whether the thing has worked or not. If it has not worked, should it be modified or abandoned, such as price fixing. That is one of the items on which there is a question mark. We all know that. It runs afoul of the Sherman Anti-Trust Law and other things.

Then, on the administrative end, it is probably that there will be certain temporary changes in the purely administrative set-up which is more a matter of detail than anything else, before the legislation of the next Session goes into effect. Again we are feeling our way, feeling our way towards the ultimate goal. What we do may not be permanent; it may be changed a half dozen times. There have been changes in the past, quite a number of them. There probably will be more as we work towards a simplification of the whole procedure.

Q You are not including price-fixing policy and price posting, things of that sort, in the category of things that might be changed? After all, you don't need new legislation to change that.

THE PRESIDENT: They might be modified in the meantime. We are trying it out. After all they were put in there to try out. But those things, as I said, are pretty vague and I would not go so far as to say that they are going to be done, because I don't know. They are among the

things that are open for discussion and have been right along; very much so.

Q On administrative set-ups, will there be a change in that in the near future, say by the first of October?

THE PRESIDENT: Now you are getting too definite. I don't know. That is the trouble, you haven't a spot news story. You have an interpretative long-range story. I cannot tell you what will be done because I don't know. But we are working, gradually towards a simplification of NRA, throwing overboard or modifying the things that were not working -- putting in eventually through perhaps a process of several changes a machinery that would seem to work better, with a more permanent and more simplified organization. It is hard to say anything categorically about it.

Q Then there will be, in effect, no particular unit in NRA which will be affected but, rather, a series of steps in the NRA, very gradually, as they appear workable?

THE PRESIDENT: Then again, suppose we decide this time that certain things in all the codes that require man power to administer should be either modified or abandoned. Obviously, you have to modify your administration machinery by abolishing or consolidating personnel.

Q Mr. President, one more question on relief: Is there any chance that Louisiana or some of those other states whose legislatures failed to make any appropriation will be cut off by the Federal Government?

THE PRESIDENT: I don't know. You will have to ask Harry Hopkins that. I think in most of those states they have taken care of their share legally where they have not had legislative appropriations.

Q In Louisiana, I believe, the Legislature has not done anything?

THE PRESIDENT: Louisiana is, at the present moment -- I will say it off the

record -- a horrible example.

Q Did you see the reports from New Orleans where Huey (Senator Long) has moved in 3,000 National Guardsmen into New Orleans in order to enforce the laws passed by the special session of the Legislature?

THE PRESIDENT: Three thousand -- God!

Q Do you think the Constitution has been violated there?

THE PRESIDENT: We had a very funny thing. Some of those people -- this is off the record entirely -- asked an opinion as to when the Constitution was violated. I got the Attorney General's office to write an opinion, and, of course, there isn't anything to be done on the situation as it exists today, not a thing. There isn't a precedent in history for it.

Q There probably wouldn't be a precedent before Election Day -- I mean if they were to have any interference with the balloting.

THE PRESIDENT: Again, it is a primary election.

Q The Federal laws do not cover a primary?

THE PRESIDENT: No, in no shape, manner or form. We are all sorts of tied up and, of course, Huey Long knows it.

I do not believe there is any news except a few people coming tomorrow.

I had Monsieur Flandin, Minister of Public Works (France), he and his wife and daughter came in to lunch, and we talked about everything relating to the United States and France except public works.

Q Did you talk about the debt?

THE PRESIDENT: No -- this has got to be off the record -- we spent most of the lunch hour talking about Germany.

Q What is the situation there?

THE PRESIDENT: Off the record, the French are not very happy.

Q Are they worried?

THE PRESIDENT: Oh, yes.

Q Why?

THE PRESIDENT: What they are afraid of -- we will have to keep this entirely off the record; you know I cannot talk foreign affairs about so-called friendly nations. The situation, -- all those fellows that have been coming back -- really what they are afraid of in Germany is that the German economic situation is breaking down. In fact, as it is they have no gold, no foreign exchange, they cannot buy materials on the outside. What are they going to do to keep the factories going? They are turning out synthetic rubber, gasoline, synthetic cattle and horse fodder -- perfectly amazing -- and employing all those people to turn out synthetic substitutes for everything.

He (Mr. Flandin) says that a thing like that cannot go on, that you cannot use synthetic rubber and synthetic food for everybody and that it is bound to break down of its own weight. The question is, when?

Then, they are afraid in France that when the thing does get to the point of closing down their factories, with already a very large unemployment list, then one or two things will happen: Either they will have chaos inside of Germany, with all of these fellows fighting among themselves -- we got one report the other day from Dodd (Ambassador Dodd in Germany) describing how Hitler's Secret Service was being followed by Goebel's Secret Service, which was being followed by Reichswehr's Secret Service, which was being followed by the Gestapo, all of them following each other around -- or else that the leaders over there, to retain their power, will start to march on something, to walk across the border. I suppose the easiest way would be to toss a coin to see which border they will have to walk across to retain the

present regime in power and the whole of Europe is scared pink of something like that.

Q How can they get the money to buy the bullets to shoot at people?

THE PRESIDENT: Of course the French say they have an awful lot of it on hand. The French are convinced. They say big guns are the easiest thing in the world. When you are casting a stern tubing for a ship, for the shaft tubing, it is almost exactly the same process as casting the tube of a gun, of a 14-inch gun. It is exactly the same thing. You cast two and put one over in the corner. The French are convinced that they have all the small artillery, the 75's and the 155's, according to the French, and the French -- this did not take place today so don't think it is Flandin -- the French are perfectly sure that the Germans have more machine guns than the French Army. And they are also perfectly sure that they have as many airplanes available as France has.

Another lovely story is that the school children -- this is one of the silly ones, but it may be true; we do know that every factory worker in Germany works with a gas mask in a bag above his bench and every once in a while a whistle blows twice and everybody puts on his gas mask. I tell you the silly things because we get them all the time and only a few get printed.

The school children in Germany are now going through an educational process. They have a box of matches and the head of the match is impregnated with the particular smell of the poisonous gases used in the World War. They gather around in the classroom and the children light a match and that is gas No. 3. They train them in knowing those different smells. It sounds crazy but we know there is a lot of that stuff going on. There are seven different smells and you have on the

gas mask seven different slides, each one against a different type of gas.

Then there is the story of the professor of foreign languages at Bryn Mawr, who went over there last fall and visited a German professor in Stuttgart. She went to his house -- she had stayed with him before. His family and workmen were working down in the basement. She said, "What is all this work that is going on?" "I am carrying out the orders of the Government. I am putting a bomb proof in the cellar. We are all doing it." She said, "What are you doing it for?" "We get a remission of half year's taxes if we prepare against airplane attack. They are doing it in France." She said, "They are doing it in France?" "Oh, yes; the papers say so. The English are doing it and they are doing it in the United States along the whole Atlantic Seaboard."

She said, "I have not been home for two months but I am sure I have not seen it." "You do not know. We know. Our Government tells us."

Now, there is a professor who swallows the whole thing, hook, line and sinker.

And then the little boy came down at night to say his prayers, his age eight or nine years, and he kneeled down at his mother's knee and said his prayers and ended up in good German, like a good German boy, and he said, "Dear God, please permit it that I shall die with a French bullet in my heart."

You get that sort of thing and that is what has got the French scared when ninety per cent of the German people are thinking and talking that way. If I were a Frenchman, I would be scared too. There are only 40 million Frenchmen and there are 70 million Germans.

Q When is this war going to start?

THE PRESIDENT: I said last winter on that that as long as they are talking

war in Europe there won't be a war.

Q They might talk themselves into one, don't you think?

THE PRESIDENT: They are all saying there won't be a war.

Q Isn't Italy going to collapse?

THE PRESIDENT: No; they have \$240,000,000. of gold left.

Q It is decreasing, though.

THE PRESIDENT: Oh, yes. Those things aren't so hot.

Q Pretty bad in France?

THE PRESIDENT: Harry Hopkins talked to you about Italy?

Q I wasn't there.

Q He did.

THE PRESIDENT: He thought Italy was much worse off than any of the stories we have been getting would indicate because he said out in the country the average family did not have enough money for spaghetti. I said, "What do they do?" He said, "I think most of them are using wheat chaff which they boil into soup."

Q How much did the French Minister say about France's unemployment, economically?

THE PRESIDENT: He said they were not as well off as last year but still not serious. I think he said something like three or four hundred thousand. Of course, the French are very conservative. They do not put a man down as unemployed unless he really is, and we do.

Q Do those reports coming to you indicate there is a general slight recession in world business, that is, abroad as well as at home in the last month or two?

THE PRESIDENT: Oh, undoubtedly, of course. England, we know, is off and I do not know whether Italy and Germany have gone off but they are coming to an end of their resources, which is just about as serious. They

have not got any foreign exchange to buy their raw materials with and, of course, France is a little off from last year, but not as much off as they were in the last three or four months. Our foreign trade is the only one that has gone up. We have gone up pretty well on foreign trade.

Q And imports reduced?

THE PRESIDENT: Imports reduced but exports up.

MR. McINTYRE: Everything you said since talking about NRA is off the record?

THE PRESIDENT: Yes, everything is in the family. It is just to get a general picture. But the general world picture is not as good today as it was a year ago. There is no question about that.

Q In that connection, while we are talking unemployment here, off the record, I wonder if you would not tell us your own reactions to this big program of taking over idle factories and lands and putting men to work on "production for use"?

THE PRESIDENT: Absolutely off the record. To be quite frank, I have never read the entire program. I know he (Upton Sinclair) has a State-wide program which, in all probability, is impossible, absolutely impossible, on a scale anything like that. Now, on the other hand, there is real merit and real possibility in the community plan based on the same principle, where you have your scrip or whatever you call it a purely local matter. The simplest thing I know is where you can get two families, one making shoes and clothes and socks, everything that a person wears, and the other family making everything that a person can eat. There you have a perfectly economic proposition. Those two families can swap both food and clothing. That is obvious. You can extend that, as they have been doing in Ohio, to a community basis. There are a number of these experiments which are working awfully well

in Ohio. There are something like 200,000 people in the State of Ohio who are working in these community cooperatives and there is a certain amount of exchange between cooperatives. They have the entire support of the mayors and the business men in these smaller towns in Ohio. By trial and error during the past year -- they have made mistakes -- the thing is succeeding and they won't give them up in this kind of period for anything. They are taking care of 200,000 people and they are reducing their relief costs by doing that something like 65 or 70 per cent.

I said to Sinclair the other day, "That is perfectly fine if you can do it on a perfectly small community basis." But what happens to the needs for United States cash that a family has got to have? Suppose one of these families in Ohio wants a postage stamp? You cannot take two cents in scrip to a postmaster. He has to have real cash. That is why they are trying, on the Ohio plan, to employ them for cash a portion of the time, that being the percentage of relief money or public works money that goes into it. But it has to be very little, one day a week instead of four days a week because, with one day a week for actual cash, the average family can supply the cash needs that cannot be bought for scrip. Then there are things like the rent where the landlord won't take scrip. How are they going to pay the rent? Well, they have to work that out on a community basis. They are trying out this exchange of work plan which tides over a large portion of their immediate human needs, making the cost of relief infinitely less. It cuts it way down. But I do not think it is a possible thing to put it on a State-wide basis.

I said to Sinclair the other day, "Suppose the landlord gets paid in this scrip, what does the landlord do with the scrip?"

"Oh," said Sinclair, "He would pay the State taxes,"

I said, "What would the State do with the scrip, use it to employ the workers on the highway?" I said, "The difficulty there is how would you set up for the State of California an absolutely different currency system? You would have the two side by side and it won't work."

I think probably, if Sinclair has any sense in him, he will modify at least in practice this perfectly wild-eyed scheme of his and carry it on as a community experiment. It will do a lot of good work that way.

Q May I ask your reaction to the opposition advanced to the community plan? The general reasoning is that even today these men have shoes and something resembling clothing on their backs manufactured by private industry at a profit and the minute you start putting these men to work for their own needs, the demand for products of private industry falls off and you have increased unemployment.

THE PRESIDENT: Well, let us take shoes, for instance. As I understand it some of these hides that have come off the cattle, about two-thirds or three-quarters of them, instead of being dumped on the market, are going to be sold so much a month for a year. The shoe manufacturers are perfectly happy about that. The other quarter they are going to take and divide in half and give half the hides to the present shoe companies on such a basis that the present shoe companies with these orders plus what they have will be insured full-time production. That will apply to every going shoe concern in this country. The other quarter of the hides will be used by the workers unemployed in idle plants to make shoes for the unemployed.

Now the question is, would they use shoes anyway? No. They would use shoes only to the extent that they would make one pair of shoes last through the entire year. This way they will use two pairs of shoes.

Now let us take other needs such as mattresses. There you have a problem of people who haven't got mattresses. Around Warm Springs, taking that as an example, if you went to every house, negro and white, within ten square miles you will find that one family out of four has a mattress. Now, that is an amazing statement but you take in North Dakota farmhouses -- I don't know but I think it was the Devils Lake section -- we have had surveys made and about half the families haven't mattresses, and those are nice-looking farmhouses.

Q What do they use?

THE PRESIDENT: Corn husks and quilts and old rags and things like that.

Q How are they coming with this experiment down in Warm Springs on a new brand of liquor?

Q I hope you can put one of those new mattresses in my bed down there.

(Laughter)

THE PRESIDENT: But through the South I could not tell you how many million families absolutely lack mattresses. Now those people are not going to buy from mattress manufacturers. There are 18,000 people working in mattress factories in the United States and that is very nearly the normal. Hopkins is giving those people enough work to give them employment at full time for one year to come. Every mattress factory in this country is guaranteed work for a year to come and, in addition to that, we are taking 200,000 bales of cotton and putting people to work on that and making mattresses to go in homes that never have had them before.

Now, if people get accustomed to mattresses in homes that never had them before, they are going to buy mattresses if they have the money.

Q How about stockings?

THE PRESIDENT: You know what Perkins (Secretary Perkins) said in the South.

Q I see how you can follow -- the objections to the scrip when you extend it beyond the community, but once you get into the manufacture of goods, in that case you have to go beyond scrip?

THE PRESIDENT: That is a different thing. On this Ohio thing they are keeping it in the community entirely.

Q They are keeping the scrip there, but if you are going to manufacture goods, as Sinclair (Upton Sinclair) is proposing to do with idle factories, you haven't the factories to distribute it properly.

THE PRESIDENT: His thought is to make of California a complete economic unit and not go all around it. You can't do it. The scrip would circulate inside there and nowhere else in the world. It is too damned big.

Q Thank you, Mr. President; it was very nice of you.

Q I have one query I have to put. It probably will be answered off the record. My boss has been bombarded with queries as to whether you will ask for taxes or wait until the Committee would make its report?

THE PRESIDENT: I have not heard a word. By the way, has Ingersoll accepted?

Q Yes, he has. LaGuardia announced that this morning.

THE PRESIDENT: No, I haven't heard a word, Charlie (Mr. Hurd). (Referring to taxes)

Q On that story the other day, the boss said that was based on some work being done by the Ways and Means Committee down there, where they are doing it unofficially.

THE PRESIDENT: But they do not every year appoint a special committee to look into new forms of taxation. I guess there was nothing in it. They might invent taxes that would bring in three billion dollars. It is just survey.

## CONFIDENTIAL

Press Conference #143,  
In the President's Study at Hyde Park, N. Y.,  
September 12, 1934, 10.30 A. M.

THE PRESIDENT: How is everybody? I want to offer congratulations on Charles' (Mr. Hurd) very excellent editorial (in the Poughkeepsie paper).  
(Laughter)

I did not see yesterday's. Who wrote it?

Q Brother McCaffery.

THE PRESIDENT: He did! Good. I will have to dig him up.

Q I thought it was a very strong pro-Administration editorial.

THE PRESIDENT: I do not think there is any news. Do you know of anything?

MR. McINTYRE: That Straus matter.

THE PRESIDENT: Oh, yes. The only difficulty about giving out the letter is that I have not got to it yet. I have not had time. Look, why don't I dictate a little letter accepting his resignation with regrets and send it down? (Dictation)

My dear Nathan:

I am indeed sorry to have your resignation as State Director of the National Emergency Council. I fully understand the reasons which make it necessary at this time but I hope that you will come back to help the Government later on.

Very sincerely yours,

MR. McINTYRE: I will give out the text of the two letters.

Q Is there anything to add to the NRA set-up as Secretary Early explained to us yesterday?

THE PRESIDENT: No, except that I would not, in the least bit, be categorical about any of it. Of course, it is still in the study stage, and personal animus does not enter into it at all.

How we will take the NRA and divide it up into three parts, I don't know. You cannot say categorically that three component parts will be made up out of NRA.

Q That is the word I was looking for all day yesterday, "component".

THE PRESIDENT: We are working on the theory that you got all right, that the easiest way to divide the functions is the normal Government way, into three branches, the policy branch, the judicial branch and the executive branch. If we do go ahead on that general broad plan, how we will tie them in, I don't know. In other words, I don't believe you would be on the right track if you said that NRA itself is going to continue as NRA with three functions. I will give you a simple illustration: When you come down to enforcement, what we are trying to avoid as a general proposition is having too many departments. That is going back to the old method of having eleven departments of the Federal Government, each having its own law department. We had the same thing in Albany when Al Smith reorganized the State government. There were 122 departments in the State government and, as I remember it, there were somewhere around forty legal divisions in those departments. What he did was to reorganize those departments down to eighteen and cut down the legal departments and put them all into the Attorney General's office with the exception of one or two that were in special fields.

So, with the legal end of NRA, on enforcement, what I would like to do would be to work out a method by which the enforcement would be where it properly belongs, under the Department of Justice, but not so separated from NRA or its activities that they would not know what was going on at all times. What we would do would be to give the

responsibility to some organization, possibly a new division in the Department of Justice. If something like that were done it would mean that probably a good part of the personnel now doing enforcement work would be transferred.

Q Then this legal department of the NRA, as you were thinking of it, would actually be in the Department of Justice entirely?

THE PRESIDENT: The responsibility for determining on prosecutions would rest with the Attorney General. I can give you -- and this has to be off the record because there is no use dragging it up again; just so you will understand what it is about, but off the record -- you will remember last December or in the early Winter some of the legal people in Public Works -- I mean the Oil Administration -- decided on a method of settling the California oil trouble and they worked out what might be called an agreement with the oil operators. They had the approval of 97% of the oil operators. They were going gaily ahead with it and they did not know that the Attorney General and the District Attorney were prosecuting an actual case and had obtained indictments covering one of the practices which the oil administrators' agreement actually legalized. There you had a case where there were two branches of the Government, one was legalizing an operation by approval and agreement, and the other one was prosecuting in the courts for the violation of that particular practice.

That is a very good illustration of how we have to prevent the crossing of wires.

Q In that connection, in relation to the Policy Board, as far as you have gone now is it your idea that the Policy Board should be created or consist solely of men in the NRA or would some of its members be from outside agencies to coordinate the work of the NRA with the other

### Recovery Administration?

**THE PRESIDENT:** Put it that way; it is all right. I would say that probably a majority of them would come from outside the NRA.

**Q** Mr. President, your suggestion that the principle of collective bargaining was here to stay raises another question in view of the National Relations Board ruling with respect to majority rule. That differed a little bit with the settlement on a proportional basis in the automobile strike. Does that indicate any change in your views?

**THE PRESIDENT:** Those are pure details as I see it. Those are things that have to be worked out and depend on the industry.

**Q** Any further information on the textile strike?

**THE PRESIDENT:** I have not heard a thing, Fred (Mr. Storm).

**Q** On the forthcoming investigation of the ocean mail contracts, in the event any iniquities are shown in those contracts, will it be the policy of the Administration to cut off all help?

**THE PRESIDENT:** My policy is to continue helping the Merchant Marine. I think it might be made clear that this Post Office Department investigation does relate primarily to the post office end of it. They will, for instance, bring out how much would be the commercial cost of carrying that many pounds of freight in a completely safe way. In other words -- I do not know what you call it; special freight is what it comes down to -- that would give approximately the proportion that the subsidy bears to the total amount that is now being paid. As I think I said last year, off the record, I am very, very much in favor of calling a subsidy a subsidy. If it is a subsidy, let's call it a subsidy.

**Q** And you do favor a subsidy?

**THE PRESIDENT:** Just the same way -- and this has to be off the record --

I am not at all certain we would not be justified in calling, using the word "subsidy" for the large loss that the Federal Post Office makes today in carrying newspapers and magazines. (Laughter)

Q That is off the record. (Laughter)

THE PRESIDENT: That is off the record. (Laughter) I am a rough fellow.

It all depends on whose baby has the measles.

Q That is right. (Laughter)

Q Did you happen to see yesterday Dave Lawrence's column out of Washington?

THE PRESIDENT: I did not get my Sun last night and that is the only one that carried it.

Q As a matter of fact, it was a very interesting column. He quoted the text of the British Collective Bargaining Law, showing that while it does grant to labor virtually everything that we have granted to labor under 7 (a), it does impose on labor very rigid restrictions which we have never attempted to impose.

MR. McINTYRE: They did that years ago.

THE PRESIDENT: Years ago and, as I was saying the other day, that was evolutionary and that was twenty-five years ahead of us.

Q It sounded like a good law, the way it ran.

THE PRESIDENT: I wish Dave Lawrence, who has lots of facilities for looking up things, would look up the bill that I asked Lord Iliffé about the other day, because I think there was something done in this Parliament or the one previous.

Q Dave (Mr. Lawrence) got the data, did he not?

Q He said it was enacted in 1927.

THE PRESIDENT: In other words, it gave the British Government, in a sense, enforcing power after an agreement was made.

Q That is perfectly true. It also prevented mass picketing on the grounds

grounds that it was certainly designed to intimidate a worker who wanted to remain at his post. There were also certain restrictions on the rights of labor to strike.

THE PRESIDENT: Well, it is working pretty well; that is the answer and of course they have much more responsible leadership than we have at the present time.

Q We have an inquiry whether or not the Militia General had been selected?

THE PRESIDENT: Does the Chamber of Commerce want one?

Q As a matter of fact, the Chamber of Commerce called me up. (Laughter)  
I think they have a candidate.

THE PRESIDENT: The War Department, as I understand it, said that they did not think they needed one.

Q I think that is true but they seem to think that it was brought up again.

THE PRESIDENT: I do not think it carries any increase of pay.

Q No pay at all. Just somebody who wants to be a general.

THE PRESIDENT: I think you can give them the low-down that if the War Department does not think they need a general, I won't appoint one, either for social or political purposes.

Q Getting back to ocean mail, you do favor a subsidy?

THE PRESIDENT: Oh, we have to have some kind of a subsidy, let us call it that, if we are going to maintain a reasonably large number of sea-going ships on foreign routes. Obviously the American ships, which cost anywhere from 25 to 50% more to build and a good deal more to operate because of our shipping laws, the seamen's laws, cannot compete with other ships in foreign commerce unless they get some assistance from somewhere.

Then, of course, there are other things which -- oh, I don't know, I think you can use it because we were all appalled by that Morro

Castle catastrophe -- I am inclined to think that there will be a rather definite effort made by the next Congress to eliminate wood construction on passenger-carrying vessels of all kinds.

Q This is getting on page one, watch out.

Q How about tapestries and decorations?

THE PRESIDENT: There you face the question, which would you rather be on, which would you rather do, cross the ocean or go to sea on a vessel that has a Louis Quinze dining room and a Roman bath and so forth, highly decorated in inflammable woodwork, or would you rather go to sea on a ship with modern steel, vanadium steel construction, which can be made perfectly pleasant to look at but it is not as luxurious but at the same time would not burn up? I would prefer to go on the ship which did not have the Louis Quinze dining room. Almost everything today can be constructed out of fireproof materials, including the tapestries and including rugs. We had a long session at the dinner table last night and the boys tried to get me. They said, "How about things like sofa pillows, you certainly cannot make those out of things that cannot burn up," and they thought they had me. I said, "Haven't you ever heard of asbestos wool?"

Q Isn't that pretty broad, to use that on passenger vessels?

THE PRESIDENT: Well, why not?

Q Would that include these river ships?

THE PRESIDENT: Why not? My Lord, we have had perfectly terrible disasters with river boats and Long Island Sound boats. They killed hundreds of people. There was the Slocum and there was a terrible disaster before that on Long Island Sound which killed six or seven hundred people.

Q Such a law would apply to ships hereafter built?

THE PRESIDENT: Yes.

Q Are there any ships built now that are supposed to be fireproof?

THE PRESIDENT: I do not know, Stevie (Mr. Stephenson). There are some ships pretty nearly fireproof. Well, take the cruisers we were on. They were not difficult to live on.

Q I have only one suggestion: Do not apply this steel wool to the mattresses.

THE PRESIDENT: I think this will be a serious question for Congress to take up.

Q Will you favor it?

THE PRESIDENT: I will leave it up to the Congress for a while.

Q You will not oppose? (Laughter)

Q Is there any possibility that the Department of Justice will be called upon to investigate the origin of this fire (on the Morro Castle)?

THE PRESIDENT: If they have anything to go on, certainly.

Q You will leave that up to Conboy (Martin Conboy, District Attorney in New York)?

Q On that Department of Justice investigation, would they wait for a report from Conboy?

THE PRESIDENT: That I do not know. I do not know how it would originate. If it were a thing for J. Edgar Hoover's Bureau and if there was enough to go on, undoubtedly they would move.

Q As soon as this is printed, Hoover will start moving. (Laughter)

THE PRESIDENT: As a matter of fact, and this has to be off the record, I have not seen enough in the paper yet to do anything about an explosive on board.

Q The officers claimed that. They claimed also that there was another fire on the last voyage down in the hold and while it was being put out they found a lot of burnt paper in the cargo as though that paper had been there and ignited.

On this voyage, in this locker, there was some kerosene and gaso-  
line.

Q I think some of the engineers, regarding that earlier fire, said it was  
of accidental origin, that they had traced a cigarette butt on down  
through a crevice.

Q If it was proved, it was said the ship's company is not liable to any  
damages. So Mr. Brisbane says, and he is always right.

Q I never heard of him. (Laughter)

THE PRESIDENT: He is not entirely right. I used to be an admiralty lawyer  
and he was not. The company is not liable if it can be shown that it  
exercised reasonable care to prevent the setting of the fire.

Q That is the law in everything, isn't it? (Laughter)

Q The company is going to have a hard time proving that.

THE PRESIDENT: Arthur Brisbane -- of course he sounds like a million  
dollars but he always keeps beside him Ridpath's History of the World.  
(Laughter)

Q Is Mr. Richberg coming up today?

THE PRESIDENT: After lunch.

Q Is he going to stay overnight?

THE PRESIDENT: No.

Q Just a short time on NRA?

THE PRESIDENT: Nothing to do with NRA. It is on Executive Council and  
Emergency Council and these reports he has been editing.

Q Will he go back on NRA or continue along on this thing?

THE PRESIDENT: That I do not know. He gets through the first of October,  
I think.

Q Anything from a Dutchess County angle, particularly? The NOURMAHAL is  
here now, I understand -- is it here now?

THE PRESIDENT: I do not think so. I have some people coming in this afternoon to talk to me about some additional water storage for the Hyde Park Fire Department.

Q By the way, Mr. Tugwell was up here yesterday?

THE PRESIDENT: Yes.

Q What did he want?

THE PRESIDENT: Just to say goodbye.

Q He is going to Europe?

THE PRESIDENT: He was awfully worried.

MR. McINTYRE: Some of the dope stories had him going away yesterday.

Q Where is he going?

THE PRESIDENT: He is going to this Rome conference. What time does the ship sail?

Q We don't know.

THE PRESIDENT: Then I might tell you boys what he is worried about. Don't, for the love of Pete, use it. Don't telephone it to New York. You can use it after he actually sails. On this Hawaiian sugar suit, with respect to the quota for Hawaii, attacking it on the grounds that it is unconstitutional, the suit apparently has been filed. Henry Wallace was going back to Washington the other night from New York and when he passed through Baltimore at 4.30 A. M., a hand came into his berth and shook him roughly and said, "Here is a subpoena." Rex said that apparently it was the first time, since Henry Wallace is a perfectly mild man, the first time he completely lost his temper and he lost his temper all day. Rex is scared perfectly pink that on the way to his boat today somebody is going to slap a subpoena on him and he and his wife will have to give up the European trip. So be kind to him and don't flash it down because it may put ideas into their heads.

Q Would you care to comment on the criticism by Mr. Law of the American Bankers Association that the reason the bankers cannot extend their loans is because the Federal examiners come along and mark them "slow" if it is not backed 100% by liquid collateral?

THE PRESIDENT: There is something in it, no question. Morgenthau has a committee at work on it. I think they are leaving Washington today. They are to go into that whole method on the methods employed by the Federal bank examiners. The story on that end will break from Washington. Nelson Cheney was down here the other day. He is State Senator from out near Buffalo and is the President of a little local bank. What he said was the same thing, that the small banks are all complaining that the Federal examiners throw out what they consider perfectly good loans. I think, if the Poughkeepsie papers want a story on that, they ought to go and see the Poughkeepsie Trust Company and ask them what their experience was.

I think I can give you a typical case. It was not a Poughkeepsie case, and although it was a bank not very far from here, it was not in this County. It is typical of what the Federal bank examiners are apt to do. They are operating under the old rules when there were much fewer national banks and when the country banks were state banks. In this particular case a man had started a very small clothing business. He had made good at it and he wanted to go into a little larger store and he needed eight hundred dollars in cash. He had always made money and this was a sort of family business. He went to the bank and told them that he needed eight hundred dollars. The bank said yes, they would give him the money if he could get two endorsers. He got two endorsers, one a man worth half a million dollars and one a lawyer in this town, on the type of John Mack, and they both went on

his note. Of course the bank let him have the eight hundred dollars. Then the Federal examiner came along and said, "It is out."

In this county, this was not a trust company case, the bank had loaned three thousand dollars on this farm. It was a farm which I happen to know very well, and if you gave me the job of selling it, I could get \$6,000 for it without any question inside of a couple of weeks, and if you gave me a couple of months I would probably get \$8,000. There was \$3,000 loaned on this farm. Well, the owner of the farm had paid his interest right along but he had not paid down on the mortgage for three years. Because of conditions he was darned lucky to be able to pay the interest. The Federal bank examiner came along and said that it was out because he had not paid anything down on the mortgage. Yet, if the bank had foreclosed, it would have been able to get about \$6,000 for that farm.

Q Is it up to the judgment of the bank examiners themselves, their individual judgment, or do they have rules?

THE PRESIDENT: You can only have general rules.

Q You think they have been too severe?

THE PRESIDENT: I don't think they have used the rule of reason in a great many cases. You have the same thing on the Coast and the same kick on it out there. You see, one of their rules is that unless the amount of the debt has been paid down so much each year, without fail, they have to throw it out. Now I say that anybody who has been able to pay the interest in the last three or four years is pretty lucky.

Q In other words, they are just following the rules out of the window.

THE PRESIDENT: Yes.

Q What is Morgenthau going to do?

THE PRESIDENT: He has a committee at work on it and they are checking the whole thing. I don't know what their report is going to be, so I won't

even make a suggestion.

Q Mr. President, on this same line, when Walsh (Frank P. Walsh, of the New York Power Authority) came back from talking to you last week, he handed out a printed statement which had in it a sentence to the effect that the reactionary interests were fighting the recovery program all along the line. Would you care to make any comment on that?

THE PRESIDENT: It sounds like Mark Sullivan. (Laughter)

Q Farley (Postmaster General Farley) told us yesterday, remembering what you said about politics in the relief work, he said it had been reported to him that there was a lot of politics through Republican control of relief, that they were using it for politics. He said he had heard a lot of complaints about it. I thought he might have taken it up with you?

THE PRESIDENT: I think there are probably just as much Democratic politics in it as there are Republican. It depends on what state, what county and what town, and who the leader is.

Q May we say that?

THE PRESIDENT: I think so. The one difficulty in the administration of relief has been, in a great many cases, the inefficiency of the local person who was responsible for picking out the people who want to go on relief. That is a personal equation and every week that goes by we try more and more to eliminate, to get rid of the people who are using it for either personal purposes or political purposes or any other purposes. Sometimes we catch a fellow who is grafting, but the purpose is to get the right people in the smaller units of government, in towns, villages, counties and cities.

Q Thank you, Mr. President.

Q Did you hear anything about the Maine results?

THE PRESIDENT: Maine? Maine? I think she sank in -- (Laughter)

Q Somebody must have raised it. (Laughter)

Q It looks that way.

Q By the way, do you happen to know what ship Mr. Tugwell is sailing on today?

THE PRESIDENT: I wouldn't tell you if I knew. (Laughter)

Q I only wanted to check up on what time he is leaving. We have to know.

Q Make it morning release.

THE PRESIDENT: Either the MANHATTAN or the WASHINGTON.

Q They got plenty of news for the afternoon. Why not make it a morning release? They have plenty for the afternoon.

THE PRESIDENT: Why couldn't you hold it for morning release?

Q Because we want it for the afternoon. (Laughter)

Q What is the Rome conference?

THE PRESIDENT: It is the International Agricultural Institute.

MR. MCINTYRE: The Institute of Agriculture.

THE PRESIDENT: That is the International Institute of Agriculture and it is an organization that was started a great many years ago by some very famous American.

Q Luden.

THE PRESIDENT: By a man named Luden, who was one of our great experts on agriculture about thirty-five or thirty years ago, wasn't it, Ernest?

MR. LINDLEY: I think so.

THE PRESIDENT: It antedated the League of Nations by years and years. It was the first effort in the world to have a central organization which would be fact-finding and interchange information of all kinds on some particular thing. On agriculture, they undertook to find out what the crop production would be, et cetera, and Luden started this thing and

I think it was after his death that the thing sort of began to die and the Italian Government got interested and kept it going. It is only in the past year, since I started the Wheat Conference and the general interchange of information on world surpluses that the thing seems to have taken a new lease on life. Also, we did not subscribe to it for years and I got through an appropriation of \$50,000. a year ago so we are now members in good standing and we are sending Tugwell over there. We are sending, also, MacMurray, who is our Minister to one of the Baltic States down there, and he is the American delegate to the Wheat Conference, and also Bingham is a member of the Wheat Conference. Tugwell is going to London to keep in touch with the wheat situation, and then, with Bingham and MacMurray he is going down to Rome. We are very much interested in the success of the Institute.

Q Will there be any new efforts for world wheat control?

THE PRESIDENT: Well, it is going on.

## CONFIDENTIAL

Press Conference #144,  
In the President's Study at Hyde Park, N. Y.,  
September 21, 1934, 10.30 A. M.

THE PRESIDENT: What is the news?

Q - That is what we are here for.

THE PRESIDENT: It is another dull day.

Q Oh, say it isn't so.

THE PRESIDENT: I don't think I have a blessed thing.

Q What was the mayors' conference like?

THE PRESIDENT: They talked to me about the general subject of relief.

Q Do they have a plan?

THE PRESIDENT: I do not know, unless they have drawn one in the last  
twenty-four hours.

Q Are you seeing them this morning?

THE PRESIDENT: They are here now.

Q Who besides Mayor LaGuardia?

THE PRESIDENT: I do not know.

Q More for our own benefit than for publication, any idea as to when we  
leave for Washington?

THE PRESIDENT: I think probably Tuesday night, so far as I can tell now,  
but I might put it off until Wednesday night because they are still  
working on the elevator down there.

Q Do you suppose you could persuade them to keep on working until Saturday?

THE PRESIDENT: The only definite appointment I have for next week, which  
is a perfect damned nuisance, is for Mrs. Meloney of the Tribune  
(New York Herald-Tribune). She is pulling off one of her family  
conferences. I think I am supposed to be addressing it by long  
distance.

Q The Herald-Tribune announced that you would do it from Hyde Park on the twenty-seventh of September.

THE PRESIDENT: I think I will have to get back Thursday morning anyway.

Q Have you any other radio speeches? Do you think you will make another report to the country?

THE PRESIDENT: I suppose so; I have not a date in mind. I did it last year about the first of October. I haven't any date in mind and I have not any subject in mind. I really have given it no consideration but we are about due for one.

Q Around the first?

THE PRESIDENT: It may be before the first, or after. You had better say "in the next few weeks."

Q When do you expect to announce the relief setup for the winter, Mr. President?

THE PRESIDENT: Probably the third of January. (Laughter)

Q But what are all these poor people going to do?

THE PRESIDENT: The fourth of January. One (the third of January) is the Annual Message and the other (the fourth of January) is the Budget Message.

Q Can you tell us anything about your talk with Harry Hopkins?

THE PRESIDENT: I did not know he was coming in to see me. When I heard he was here, I asked him to come to the picnic.

Q Will he sit in with you when you talk to the mayors?

THE PRESIDENT: Is he here?

Q Yes, sir.

THE PRESIDENT: I will have him sit in.

Q What was the report that the cities and states will have to bear a larger share?

THE PRESIDENT: Anything you write on relief at the present time will be wrong.

Q That leaves us quite a wide field.

THE PRESIDENT: That is a categorical statement: Anything you write on relief will be wrong. We have not any plan outlined -- we are still in the study period.

Q Can you make any comment on the organization of the railroads in Chicago yesterday to clean house among themselves? To merge --

THE PRESIDENT (interposing): You mean the new association? I do not think it has any idea of cleaning house. I gave out a statement from Washington, didn't I?

MR. McINTYRE: I do not think you did.

THE PRESIDENT: I am supposed to have.

MR. McINTYRE: They have not made any announcement down there, but there will be a statement.

Q It was announced yesterday.

THE PRESIDENT: Whenever the Pelley (J. J. Pelley) announcement comes out, there is waiting in the White House a statement from me to go out.

MR. McINTYRE: I think that is coming out from Joe Eastman. Wasn't that the final decision that Eastman was going to issue the Administration statement?

THE PRESIDENT: But anyway, we talked it over -- everybody knows that and everybody is in sympathy with this thing.

Q When is General Johnson coming down again?

THE PRESIDENT: He isn't, so far as I know.

Q He was coming down before you went back to Washington?

THE PRESIDENT: I do not think so. I do not think I have any particular business except the picnic and -- who is coming today?

MR. McINTYRE: The forestry people.

THE PRESIDENT: Oh, yes, the forestry people are coming today.

Q Any comment on the subject of a central bank? We hear a lot of talk about it lately.

THE PRESIDENT: No comment.

Q Who are the forestry people?

THE PRESIDENT: The people who comment on the experimental crops this year.

Q That is this local thing?

THE PRESIDENT: Yes.

Q I note in the Times (The New York Times) the story that McCarl (the Comptroller General) has ruled against the use of the \$15,000,000?

THE PRESIDENT: Charlie (Mr. Hurd), I think the story -- I won't guarantee it but I think it is all cockeyed. (Laughter)

What happened, as I remember it, is this, and it ought to be checked up because it is just recollection on my part: The original project called for \$15,000,000. It included in it quite a large amount for land purchase and the original proposal of the Department (of Agriculture) was to take out not merely the employment, that is, the wages of the people concerned, from relief, but also to take out for the land to be purchased to put the trees on. McCarl, when he went over that with me about four or five days before we went up on that, said, "I do not think we can take any purchases out of relief money." I said, "I agree with you one hundred per cent."

So, there wasn't any disagreement between us on that item. He said that obviously any money spent for wages for the unemployed is perfectly all right. In other words, I think it is a thing that came up as a result of the discussion in one of the departments, agriculture or relief, as to whether they could get land purchase money out of

relief money.

Q You have land purchase money anyway?

THE PRESIDENT: Yes.

Q Where does that money for land purchase come in? Do you recall offhand?

THE PRESIDENT: I do not. The Greeks had a name for it but I do not recall it. The Greeks bearing gifts.

Q I do remember that.

Q You are going ahead with this timber belt?

THE PRESIDENT: Oh, heavens, no; lots of things have not been decided. There is the method of acquiring the land, whether it will be built along the section lines or not. We are going ahead with the appropriations for tree planting but the thing is very tentative as to the actual details. Oh, we are going ahead with it, sure.

Q I noticed the story said that McCarl had approved \$1,000,000. for this preliminary work. Is that correct?

THE PRESIDENT: Yes, that is correct. Then, of course, the Government departments wanted five (million dollars) for the preliminary work and I cut that to one.

Q The only reason I brought it up was that it did get quite a play.

THE PRESIDENT: I entirely approve of McCarl's stand that you could not buy land out of relief (money).

Q You do not mind if we quote you as saying the Times' story is cockeyed?

THE PRESIDENT: All right, if the A. P. will guarantee to run it. (Laughter)

Q That is safe.

Q I notice Frank Walker is here. Are you trying to make him go to work again?

THE PRESIDENT: I think so.

Q Back at the old job, or have you a new one?

THE PRESIDENT: I don't know; I have not seen him.

Q Do you think they will drop the Bankhead Cotton Act as a result of the opposition?

THE PRESIDENT: I have not heard a word except what I read in the paper about it and the only letter I had was on the constitutional question -- the controversy between two Democratic Senators.

Q Oscar Johnson is reported to have recommended that it be scrapped. He is the AAA Cotton Board manager. I wondered if that would have anything to do with it?

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

MRS. ROOSEVELT: It seems to be sprinkling but it will be sprinkling on and off so it won't do you any harm.

THE PRESIDENT: What is a little rain to us sailormen?

MRS. ROOSEVELT: If it does rain we will have to have it (the picnic) indoors in all three rooms.

Q Mr. President, anything new in the textile situation?

THE PRESIDENT: I don't know a thing.

Q You received no answer from them?

THE PRESIDENT: No, I do not think we have had anything on the textiles.

## CONFIDENTIAL

Press Conference #145  
Executive Offices of the White House,  
September 26, 1934, 10.30 A. M.

THE PRESIDENT: You little know what you escaped last night. We had it all planned on the train. I got Starling (Colonel Starling of the Secret Service) in and we had it all planned. We were going to let you fellows stay asleep and at one minute before midnight we were going to get off the train and go back home and all of you people would have waked up in Washington with no President.

Q And no job. (Laughter)

Q We would be down in Richmond by this time.

THE PRESIDENT: We came very near doing it. You little know what you escaped.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news except the sartorial announcement that I am still wearing a high hat. Otherwise, I do not know a thing.

Q You put a hot one over on us last night.

THE PRESIDENT: What?

Q You gave us a big job up there last night -- General Johnson.

THE PRESIDENT: Why did you have to write so much?

Q Is there any further comment on it?

THE PRESIDENT: No, no further news at all.

Q Can we induce you to comment on the Russian debt situation?

THE PRESIDENT: I have not been in touch with it at all in the last week.

You probably know a lot more than I do.

Q Are you a little disappointed over the results of recognition?

THE PRESIDENT: Oh, no.

Q You did not expect any more?

THE PRESIDENT: Oh, it will be worked out some way.

Q Mr. President, have you put out your answer yet to the Chamber of Commerce?

THE PRESIDENT: To the U. S. Chamber of Commerce? No, I think on that, the U. S. Chamber of Commerce -- I don't know whether to put it as off the record or background -- there are a great many organizations in the United States, probably several hundred that are national in scope similar to the Chamber of Commerce. Of course, obviously, if the President of the United States starts answering questionnaires by all of them, it will create a perfectly impossible situation. The Chamber of Commerce is merely one of many.

I think the only other suggestion I would have is that on reading the questionnaire which they did send to me I am very forcibly reminded of the lawyer who put his question in the form of "Have you stopped beating your wife?"

Q Mr. President, when will you announce the new NRA setup?

THE PRESIDENT: I do not know; I haven't any more idea than you have. I will start taking it up today but we have, as you know, been talking about it for several months. I don't think you can guess any particular day.

Q Who will see you on this?

THE PRESIDENT: Again, as I said at Hyde Park, it will be evolutionary. I could not tell you whether it will be today or next week.

Q Have you any appointments with anyone on this topic today -- Mr. Richberg?

THE PRESIDENT: I will probably telephone to various people to talk to me about that and other things. I do not think I have any appointments at all today.

Q Can you tell us when you may see Norman H. Davis?

THE PRESIDENT: He is to be here, I think it is tomorrow. I do not know

yet what date he is going to sail and I will talk with him about the time he is sailing. He is going over -- that we all know. What the steamer will be, I do not know. I think he is due tomorrow.

Q The Textile Union is complaining of the widespread discrimination against textile strikes instead of going back to work Monday.

THE PRESIDENT: I will probably take that up this afternoon.

Q Any possibility of an appointment of the new Board this afternoon?

THE PRESIDENT: I doubt it.

Q In connection with Davis' (Norman H. Davis) visit, have you any new ideas in mind concerning the naval disarmament situation?

THE PRESIDENT: No; just the same thing.

Q Have you anything to say to Secretary Wallace's statement that the Hawaiian Islands were not an integral part of the United States in connection with the suit brought by the Hawaiian sugar planters to test the constitutionality of the Jones Export Act?

THE PRESIDENT: I will bet he is a good lawyer.

Q The Hawaiians seem to think that is in variance with your remarks that the Islands were an integral part of the United States.

THE PRESIDENT: That is a matter that has two phases. We undoubtedly think of Puerto Rico, the Virgin Islands, the Canal Zone, Hawaii, Alaska, speaking in lay terms, as a part of the United States. As to the constitutional side of it, as to whether under the Constitution they are an integral part of the United States as a matter of constitutional law, that is a thing I could not begin to pass on. There are a great many decisions of the Supreme Court and it would take a very careful study of them to express any opinion as to the status of Hawaii in regard to this particular Act. In other words, it is a legal question.

Q Mr. President, how is your railroad program coming along?

THE PRESIDENT: I do not know. I have not heard from Joe Eastman for a couple of weeks. I have not heard anything about it.

Q Mr. President, have you any reactions on the business situation?

THE PRESIDENT: I have not got as many reactions as some of the businessmen have. (Laughter) Nor as many inhibitions.

Q It is football season. May we have something on the football game you once talked about?

THE PRESIDENT: I do not know that you can get anything more except the fact that we still seem to be scoring.

Q What do you think of the RAINBOW (speaking of the sailing races at Newport)?

THE PRESIDENT: Oh, Fred (Mr. Storm), don't ask me that question! (Laughter)  
I wish I had more news for you. I literally haven't a single thing. I am pretty well cleaned up and I suppose there will be a certain amount of news the next couple of days.

Q Thank you, Mr. President.

CONFIDENTIAL  
Press Conference #146  
Executive Offices of the White House  
September 28, 1934, 4.15 P. M.

THE PRESIDENT: What is the news? I don't believe I have got a single thing. Everything is all quiet. I am going to start in tonight or tomorrow and try to put down on paper what I am going to say on Sunday night.

Q What are you going to say, Mr. President?

THE PRESIDENT: That is in line with what happened at a little dinner -- this is off the record -- a little dinner that was held in New York last night. There were about nine or ten very prominent gentlemen in New York and one of them said that he had just had a talk with a very close friend of his who had just finished reading the President's speech which the President was to deliver on Sunday night and that it was a very serious matter because the President was coming out in complete and full endorsement of anything and everything that organized labor might be doing or might do in the future and that he had read this speech. (Laughter) So I see what you people are up against.

Q Mr. President, did the rumor you heard about last night get into print anywhere or was it just a word-of-mouth rumor?

THE PRESIDENT: The Post carried it and it was carried over the news wires too. Of course it was killed before it got here but I understand that it was carried over the wires.

Q Along that line, we have a report from San Francisco that you will send a message to the labor convention at San Francisco, endorsing the 35-hour week.

THE PRESIDENT: I guess that is another one. Don't I generally send just the usual every-year letter to the --

MR. EARLY: The National but not the State Federations.

Q That is the American Federation of Labor?

MR. EARLY: Yes, always.

THE PRESIDENT: I suppose I nearly always send a letter of greetings; that is all.

Q Mr. President, have you taken up with anyone yet the note from China protesting our monetary policy?

THE PRESIDENT: I am going to see Secretary Morgenthau and Secretary Hull about it in the course of the next two or three days.

Q We understand the communication which the Chinese Government has sent us complains that our silver policy is having a detrimental effect on the internal economic situation there. That is, it is making it more difficult for them to send their silver abroad. Was that anticipated by us?

THE PRESIDENT: By Congress?

Q Yes.

THE PRESIDENT: I do not know. I have not seen the note yet.

Q I thought the general impression prevailed here that it would be helpful to rather than hurt China?

THE PRESIDENT: There are three different schools of thought and they are probably all wrong. In other words, it is one of those things where one man's guess is as good as another.

Q On labor: This Order reducing working hours ten per cent in the garment industry going into effect Monday, is there any possibility of a revision of that?

THE PRESIDENT: There is a possibility of a stay in it for two weeks in order that a hearing may be held by a special committee, but that has not yet been finally decided on.

Q Not finally decided whether there will be a stay?

THE PRESIDENT: Yes.

Q Will that hearing be under NRA?

THE PRESIDENT: Well, it will be by one person or two people or three people, whatever it might be, who have not had any part in the particular questions arising up to that time. In other words, it would be an impartial report.

Q You mean a group yet to be named?

THE PRESIDENT: Yes.

Q On the two weeks' stay?

THE PRESIDENT: If it is going to be, it will be a two weeks' stay, but it is still being talked about.

Q Are you considering a judicial section in the reorganization of NRA?

THE PRESIDENT: Fred (Mr. Storm), that is awfully indefinite yet. We have not got to talking on it. We have been merely talking about the theory of separating the judicial functions which are really in three parts, the enforcement end of it, the labor settlements through judicial means and the code practices settlements through judicial means, and that is as far as we have got. I have stated the whole thing there. We have not got ahead of that discussion. The labor settlement is actually in process of going into effect. We have the National Labor Relations Board, the Steel Board, the Textile Board and other boards.

Q Do you have a new chairman for the National Labor Relations Board? There is a story from Wisconsin that Frank, (Glenn Frank of the University of Wisconsin) wanted Garrison (head of the Labor Board) to come back?

THE PRESIDENT: I wanted him to stay.

Q Have you settled the dispute yet?

THE PRESIDENT: Not yet.

Q Concerning the new setup of NRA, can you tell us how you expect the new boards set up to organize down there? It looks like there will be more time tracing things back from one board to the other --

THE PRESIDENT (interposing): I don't believe there will. One of the objectives is to cut red tape and speed up.

Q Can you give us any example as to how that might be effected?

THE PRESIDENT: No, I don't know anything about it.

Q Any appointments to the Governorship of the Federal Reserve Board or the director of the Federal Reserve Board?

THE PRESIDENT: Not yet.

Q When do you intend to meet with Secretary Hull and Secretary Morgenthau?

THE PRESIDENT: Probably not until Monday.

Q Any other countries involved in that silver situation?

THE PRESIDENT: Not that I have heard.

Q Did you discuss the Lindbergh case with the Attorney General?

THE PRESIDENT: Oh, we have had mutual congratulations around the Cabinet table, that is all.

Q Have you seen Norman Davis on naval disarmament yet?

THE PRESIDENT: I talked with him yesterday and he is coming -- I do not know if he is coming back today or next -- he is coming down next Tuesday or Wednesday for a final talk before he goes abroad. He is sailing on the eighth or tenth on the MANHATTAN.

Q Is it pretty well worked out now?

THE PRESIDENT: Oh, yes.

Q Can you tell us anything about the general aspects?

THE PRESIDENT: Again, in this Naval Conference, we will pursue exactly the same methods we pursued heretofore when Davis first went over to the

other side. There won't be any announcement from here of any kind and any announcement will be made by the American delegation over there -- it is not really a delegation -- the American conferees -- because this is not the conference itself. It is merely a perfunctory and informal meeting of the conferees of the three powers.

Q Any statement contemplated this far in advance? It will depend on what the conferees have to say?

THE PRESIDENT: Everybody has the say.

Q Will it be announced here as to who the conferees are to be?

THE PRESIDENT: Yes.

Q Will that be ready this week end?

THE PRESIDENT: Probably not until next Wednesday.

Q Did you discuss in a general way the political situation in Maryland, and Wisconsin, in which the Republican Party seems to be the New Deal Party and the Democratic Party the Conservative Party?

THE PRESIDENT: No. (Laughter) What did they do in Maryland?

Q The Republican Party, in convention, has endorsed the New Deal.

THE PRESIDENT: It is making it sort of unanimous, isn't it?

Q He has been reading the Sun (The Baltimore Sun), I guess.

THE PRESIDENT: Fred (addressing Mr. Essary), I would not stand for it; take him out and drown him.

Q (Mr. Essary) It is understood that Wisconsin reads the Chicago Tribune. (Laughter)

Q Thank you, Mr. President.

Q Did you say what you were going to talk about Sunday night?

THE PRESIDENT: About twenty-two minutes. (Laughter)

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Q (Mr. Lockett) Now people can see you that never have before. Fred Storm is on his vacation.

THE PRESIDENT: That is right too. (Laughter)

I will see if I can find some news in here (looking through a folder) for you.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any particular news. I am seeing Mr. Norman Davis and the Secretary of State at three o'clock this afternoon for a final talk before Mr. Davis sails for London. I am seeing Congressman Byrns in regard to the possibility of stopping at The Hermitage in November on the way to Warm Springs. I don't think I have got any others.

MR. EARLY: None others of news value.

Q Have you given any consideration to the appointment of the Alley Dwelling Commission?

THE PRESIDENT: Yes, I will tell you the exact status of that. The final Order is now being drawn up. The delay was caused by a question over the Civil Service that had to go back and forth a couple of times to the Civil Service Commission and the Attorney General. That is all straightened out and the Order is being drawn up and will be signed probably today or tomorrow.

Q Will be signed and the appointments will be announced?

THE PRESIDENT: Yes.

Q At your last Press Conference you said you thought you usually sent a message of greeting to the A. F. of L. at this convention?

MR. EARLY: Not this year. Miss Perkins went out.

THE PRESIDENT: Miss Perkins went out.

Q Have you given any thought to the successor of Lloyd Garrison?

THE PRESIDENT: No, I have not. We are awfully sorry to lose him. I will have to say this off the record -- no reason you should not know the truth of it -- Glenn Frank said he could not remain Dean (of the University of Wisconsin) and stay in Washington so it sort of put it up to him.

Q Mr. President, on the labor truce proposition, does this involve the acceptance by both sides of arbitration?

THE PRESIDENT: I think probably the easiest thing to do is to read just what I said and not draw any other conclusions. It means just what I said, nothing less and nothing more. I do not think it is useful at this time to try to elaborate because what I said was as clear as I could make it at that time and I cannot prognosticate as to when I will see and when and what we will talk about. I don't know.

Q At your last conference you said you might be able to tell us today who the naval experts would be that were to accompany Mr. Davis.

THE PRESIDENT: I think we will have that by tonight.

Q There is another appointment in the Municipal Court -- in fact, two.

THE PRESIDENT: They keep coming up all the time. Count (Rudolph de Zappe), I have not done a thing. I will have to ask the Attorney General for his selections.

Q The railroad situation seems to be shaping up very fast, particularly from the standpoint of reorganizations. In view of that, do you have in mind sending up railroad legislation early and making it "must" legislation?

THE PRESIDENT: I don't know. I could not say yes or no to that because, frankly, it has not clarified in my own mind sufficiently. At the

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Council meeting yesterday, the Railroad Administrator -- I will see if I can find it here (looking among papers) -- he reported that three important reports -- four important reports are nearing completion. One is the report of the extent to which the various transportation agencies are subsidized by the Government directly or indirectly. The second is a report on wages and working conditions of transportation agencies other than railroads, including a comparison with railroad wages and working conditions. The third is a report on the pooling of railroad freight cars in which it is recommended that all box cars be handled on a pool basis. The fourth is a report on the handling of railroad passenger traffic.

Until we get a little further I am not in a position to say anything yet.

Q Can you tell us what you are doing about finding a successor for Lew Douglas?

THE PRESIDENT: What?

(The question was repeated.)

THE PRESIDENT: Oh, heavens; the matter has not been considered yet. We have a very satisfactory Acting Director of the Budget.

Q He will carry on through the preparation of this year's budget?

THE PRESIDENT: Oh, yes; the budget is coming in a perfectly normal way. It has every year before, in spite of stories.

Q Are your plans for PWA and relief work taking such shape that you care to tell us about them?

THE PRESIDENT: No; that would be absolutely guesswork. I could not write a story on it myself if I were paid for it.

Q Getting back to the labor truce for a moment, has William Green communicated with you? It was said that he would hurry to Washington to

confer with you.

THE PRESIDENT: I do not think we have had anything -- no.

Q Any developments on the Chinese silver situation?

THE PRESIDENT: We had a talk about it the other day, the Secretary of the Treasury, the Secretary of State and I, and I think probably, as with most of these diplomatic matters, you will have to get information from the Secretary of State. I understood he was going to see the Chinese Minister and that is as far as I can say.

Q Any plans for taking up the annual wage question referred to in your speech Sunday night?

THE PRESIDENT: The annual wage thing?

Q Yes, sir.

THE PRESIDENT: You mean the annual wage to Government employees?

Q Insuring workmen an annual income.

THE PRESIDENT: I don't think I mentioned that, did I, in the speech?

Q Yes, sir; you spoke of the inadequacy or possible inadequacy of wage minimums for a given short length of time such as a week or an hour or two, to establish living standards.

THE PRESIDENT: That I merely mentioned as one of the things people are beginning to think about.

Q Would you call it an immediate problem?

THE PRESIDENT: Frankly, I don't know. I just mentioned it as something people are thinking about. As a matter of fact, when I first dictated that speech the other day I had an example which would have made more clear that phase of the wage problem.

Last winter, as you will recall, the automobile workers were down here. They were a pretty young crowd, most of those fellows were about 35 years or along there. I said to one of them, "What are you

getting? What is your hourly wage?" He said, "A dollar and a quarter an hour." I said, "Eight hours?" He said, "Yes, sir." I said, "That is \$10 a day?" He said, "Yes, sir; that is right." I said, "It seems to me that is a pretty good wage. What are you, a machinist?" "Yes, sir." I said, "I think that is a pretty good wage."

Then he said, "Mr. President, that is a pretty good wage, yes, but last year I only worked 65 days. My total gross income was \$650."

I think that particular story emphasizes the thought better than anything else that you can use or I can use as to the reason for thinking in terms of how much a fellow gets by December 31 instead of how much he gets per hour. That is what I was driving at. We are beginning to orient ourselves a little bit differently.

Q Mr. President, you had a request to increase the cattle-buying program in the drought sections?

THE PRESIDENT: To increase?

Q Yes, sir.

THE PRESIDENT: No. I think that most of it is completed. If you will wait a minute I will check up here on the Council report yesterday.

Up to September twenty-fourth, the number of cattle purchased in drought areas totaled 6,074,808. The program contemplates a total purchase of 7,000,000. In other words, it is more than six-sevenths completed -- less than a million still to be purchased. And that was the original program.

Q Mr. President, have you arrived at any decision on filling the RFC vacancy?

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

Q Mr. President, have you had any estimate of the total cost of the drought to the Federal Government?

THE PRESIDENT: Well, we know we have an appropriation of 525 million and,

naturally, we will stay within that. Whether there will be what might be called the aftereffects of the drought next spring, it is much too early to talk about. I doubt it, personally. If there are after-effects, they would probably fall under the heading of relief rather than drought. In other words, they would be families we expect to get back on their feet before next spring and something might happen and they might not get back.

Q Are you satisfied with the way the housing program is going along? Do you think it has been successful so far?

THE PRESIDENT: I think that Moffett is really very much encouraged on the whole with the way it is getting along. One difficulty with the housing program is that the -- a lot of people connected with the financing of it, the private financing of it, have not taken the trouble to read the Act so that it is more a question of education than anything else. There are a lot of building and loan associations and banks which are a little slow in coming along but, on the whole, the pickup is very good. It takes time for them to find the time to read what it is all about and, when they do read it and get it explained to them, they come along. Considering the fact that it has been going a very short time, both Moffett and I believe it is making real progress.

Q In that connection, isn't it true that the Housing Administration is not particularly concerned with banks making loans under its own plan, just so they make loans?

THE PRESIDENT: Yes.

Q So the total number of applications to the Housing Administration or through the Housing Administration would not be a good index?

THE PRESIDENT: Before I attempted that, I would have to find out how many loans any given bank had made on their own plan.

Q Wouldn't the increase in building permits and for operations of that sort from the Bureau of Labor index be a better index over a period?

THE PRESIDENT: Only if you analyzed them. You could not take any table of figures because you might be taking a \$10,000,000. office building.

Q I understand they are broken down into items.

THE PRESIDENT: Are they? Well, that is a helpful suggestion and I hope you are right.

Q Thank you, Mr. President.