

CONFIDENTIAL

Press Conference #148

Executive Offices of the White House

October 5, 1934, 4.15 P. M.

Q Mr. President, is there anything you can say on the progress of the Housing Administration so far?

THE PRESIDENT: We talked about that the other day and I got a letter here from Mr. Moffett that gives a great many figures. I don't believe you all want the figures. Do you see any reason, Steve, why we should not take this letter out to the Press Room and use the figures if the Press wants to?

MR. EARLY: I don't see any reason why not.

THE PRESIDENT: It is a two and a half page letter. If you want the figures you can have them. Here are some of the high spots: Moffett sent out contracts to all types of financial institutions, 23,300 institutions, and a little over 8,000 have accepted the contracts -- in other words, about 35 per cent. The average amount of existing loans made is \$443. and the average amount of the makers' income is \$2711. The average maturity of the loans is twenty-six months. The loans have been made in forty-eight states.

Moffett then goes on to say that the banks generally are unfamiliar with the Personal Credit Installment Payment Plan and we (F. H. A.) are required to carry on an extensive educational campaign.

(Reading) "The American Bankers Association have provided us with liaison officers for every state in the Union, who are helping us to carry on the educational program. New banks are accepting our contracts at the rate of approximately fifty per day. Loans reported each day show an increase of forty per cent over the corresponding day of the previous week, Considering the short period of time we have been operating, I think we have made rapid progress and, to my mind, the success of the operation will equal our most optimistic expectations. The pro-

position is dependent on the public individuals' willingness to purchase, and the private financial institutions' willingness to lend. The operation has shown a steady, natural growth since its inception, and will gather momentum as the educational and community campaigns increase."

Then he quotes a telegram which I cannot give you the name of the sender because it would be advertising a private company. It is addressed to him and says that a countrywide survey of the progress of the private housing program has just been completed and the results of this survey prove that "you should be gratified with the excellent work your organization has done.

"I find business encouraged because Government is stimulating the flow of private capital by means of this Act. Business will accept the opportunity to assist you in employing private initiative to stimulate business and employment. My field reports indicate that although a great many banks have qualified, many are reluctant to furnish money. Although this presents an important problem, I am not greatly discouraged by this fact and it is anticipated that, at the outset, because of lack of understanding some banks would not be willing to embrace these new ideas until thoroughly educated. (Laughter) As to their profit possibilities, several bankers have informed me personally that they have found this new business profitable.

"As you have been informed, we have organized a credit corporation and applied for the privilege of lending money to home owners to make improvements under the provisions of the National Housing Act. We are supplying credit facilities to those communities where such facilities are not now available.

"Time payments: In the light of our experience with time payment financing before the passage of the National Housing Act, it showed only two per cent loss on such loans and to offer this plan on a nationwide basis is not only a sound business move but also a delightful contribution toward attaining the objectives of the Act. Our analysis shows that no other industry has a greater potential market than the building industry,"

et cetera and so on, the rest being about their own company. That particular company believes that the goal of stimulating a billion, five hundred million dollars' worth of business in the next fourteen months is an entirely possible achievement.

So much for that. This letter of Jimmy Moffett's, Steve will take it out and you can read it.

Q Mr. President, on September twenty-fourth there was a Proclamation by which the processing tax on sugar from Hawaii will go into the general treasury instead of the treasury of the Territory. Will you throw a little light on that?

THE PRESIDENT: I wish I could. I do not know enough about the details of the plan.

Q It came out today when the State Department --

THE PRESIDENT (interposing): I do not know. It is an accounting proposition, I take it.

Q In view of the apparent ease with which prisoners are escaping from jails, having in mind this recent Richmond break, is the Department of Justice doing anything to try to counteract that?

THE PRESIDENT: I took that up with the Attorney General as soon as that Richmond jail escape occurred and asked him what the general policy was. Of course the Richmond Jail was a city or state institution. He wrote me this (indicating memorandum) and gave it to me today. On account of the poor conditions prevailing in many of the jails throughout the country, the Department of Justice, partly for its own protection and partly to stimulate improvement in such jails, make it a rule not to place Federal prisoners in institutions which as a result of examination do not measure up to a required standard.

(Reading) "I think you might be interested to know that the Richmond jail did not come up to the Federal standards and in August, 1933 the United States Marshal was instructed to remove the Federal prisoners therefrom and to make no further commitments of any type of Federal prisoners to that jail."

That was the jail from which two desperate prisoners sentenced to death recently escaped and the prisoners were not Federal prisoners.

In other words, we are trying to improve the standard of city and county and state jails throughout the country.

Q Bigger and better! (Laughter)

Q As a result of your conversations with Ambassador Davis are you at all optimistic as to any possibility of achieving disarmament?

THE PRESIDENT: That was close to an "if" question. (Laughter)

Q I wonder if we will concentrate on limitation rather than actual disarmament.

THE PRESIDENT: I don't think you had better concentrate on anything. In other words, as I have said before -- this part has to be off the record -- we are very, very sincere in hoping that we are going to get a new Naval treaty next year. The more that is said by Government officials and the more that is said by the Press at this time, the more difficult, frankly, it becomes for these conferees -- I suppose they should be called "conversationalists" rather than conferees -- the more difficult it becomes for them to come to an agreement. That is why I am trying to say nothing about it and I hope very much that you good people won't do too much guessing or stating that our delegation is going to do this or that. What we are trying to do is to get an agreement and the less we talk about it, the more chance we have to encourage a reduction in Naval armaments.

It is not much of a secret that we are seeking to carry out the language of the Washington Treaty, the preamble of the London Treaty that has the whereas clauses in it that state as the objective of all of these conferences a progressive reduction in Naval armaments as being a very great contribution to modern civilization. I think it is worth noting that the Washington Treaty of 1922 was the very first voluntary step that nations took towards limitation or reduction of

armaments. Previous steps such as the Versailles Treaty could not properly be called a voluntary step. The disarmament of the Versailles Treaty was felt to be imposed by a number of the nations concerned.

What we are trying to do is to carry out the spirit of the previous conferences and seek a continuation of progressive reduction. I don't think it is possible to go any further than that without making it difficult, more difficult for the British delegates, the Japanese delegates and the American delegates -- they are not delegates, that is the wrong word to use -- to sit in a friendly way around the table and get somewhere. Of course things are not in the least bit helped -- this is off the record entirely -- by the kind of statement that was made by our old friend Billy Mitchell the other day at that hearing. Billy Mitchell would be a much more useful person to this country if he would not talk that way.

Q Do you not personally think that we would have to give a little way on such things as our existing ratios if we hope to get the Japs to agree to anything?

THE PRESIDENT: That is entirely speculative.

Q We are not taking an adamant stand on that?

THE PRESIDENT: I think the only way you can put it, the only thing I can say that is truthful, is that we are trying to carry out the objectives and purposes we have been seeking since 1922. I cannot go any further than that.

Q Can you tell us, sir, who may be the next Chief of Staff?

THE PRESIDENT: Fred (Mr. Essary), I won't know that until some time -- I think until about the first of November.

Q Mr. President, is there any change in the Government's price policies?

THE PRESIDENT: Price policies?

Q Yes, sir; as reflected in the NRA Codes?

THE PRESIDENT: The only thing I can do is to ask you to read what I said on Sunday night. That is about all there is we can say at the present time.

Q Mr. President, are you taking any personal interest in the dumping of Japanese Nationals in Arizona? (Laughter)

THE PRESIDENT: I decline to incriminate myself under advice of counsel. (Laughter) I put in a plea of not guilty. (Laughter)

Q Mr. President, what do you think of this idea of a permanent transportation coordinator or a Cabinet Transportation Department?

THE PRESIDENT: Well, you know, as I think I said about a week ago, there have been suggestions for new Cabinet officers for at least half a dozen things. They wanted a Cabinet officer for a new Department of Recreation the other day -- I have forgotten --

Q (interposing) Golf player?

THE PRESIDENT: Recreation, and of course from time to time there are lots and lots of new ideas that creep up.

Q Have you received a report of the Mississippi Valley Committee from Secretary Ickes?

THE PRESIDENT: I have it here on my desk in two huge volumes and I have not opened it yet.

Q You have not looked at it?

THE PRESIDENT: I have not looked at it.

Q Have you a report that a group of industrial leaders are coming down to see you tonight or tomorrow from New York?

THE PRESIDENT: I do not know. I see one or two industrial leaders or bankers every day of my life.

Q This is to be a group.

THE PRESIDENT: I am still pretty husky and will take on all comers. Steve (Mr. Early), do you know anything about it?

MR. EARLY: No, sir.

Q Has any consideration been given to public works appropriations or possible enlargement of the program?

THE PRESIDENT: No.

Q There is quite a lot of speculation going on about it now.

THE PRESIDENT: Again, off the record, for your own information, as you know the method of handling unemployment divides up, so far as the activities we have undertaken are concerned, roughly into three groups. One is CCC camps, one the public works and the other is Harry Hopkins' relief organization which again divides itself into the CWA type of work and the grocery-store order or home relief. Naturally we have been considering and will continue to consider until the fourth of January -- the second or third of January -- the general problem of unemployment, as to how unemployment should be met. Of course public works is one of the methods of meeting unemployment. Now, that is literally as far as we have got. We are discussing the whole subject at the present time rather than in subdivisions of methods. Probably we won't get into the subdivision-of-methods conversations until somewhere around the middle of November. We are looking at it first as a broad picture of unemployment as a whole.

Q The New York power authorities, the trustees, are coming down to visit TVA in the hope of bringing to the Northeast the same law?

THE PRESIDENT: Frank Walsh, who is Chairman of the New York Power Authority, came to see me about three or four weeks ago at Hyde Park and told me that they are very much interested in what the TVA is trying

to do and also what this new board that is studying the general plan for large Federal public works -- I have forgotten the name of it, the planning board or something like that --

Q National Resources?

THE PRESIDENT: That's it, National Resources Board, what they are doing. So I told Frank Walsh that I would be delighted if he would look at the work of the TVA and furthermore I would be very glad if he would sit in at meetings of the National Resources Board without becoming actually a member because there is a local question that if he were to become a member he might forfeit the chairmanship of the New York Power Authority.

Q In that connection, how do the voluntary reductions which have been made by the privately-owned utilities affect that general situation? For instance, the PWA loans for municipal plants?

THE PRESIDENT: The only thing that has come to me was a statement by -- I couldn't even tell you who it was -- but it was the people who put in certain similar although perhaps not identical rate reductions in the territory near Tupelo. They had exactly the same experience as the TVA people had had in greatly increased consumption of electricity and I am told that they are very well satisfied with the experiment.

Q Referring to the TVA again, is there any intention of divorcing the power venture of the St. Lawrence Treaty from navigation in order to get the treaty through at the coming Session?

THE PRESIDENT: No.

Q The treaty will be submitted in the same form?

THE PRESIDENT: It ties together. I will have to make the rest of the answer off the record because we haven't, as far as I know, said anything to Canada about it at the present time. It is possible we might talk with

Canada about certain rather minor modifications of the treaty as it was submitted last year to the Senate but the general principle will remain. You will remember the one question raised about American workmen on the American operation of the project. That is a thing that can be cleared up very easily. I have said that before so you can make it background.

Q The Chicago diversion is a point there; have you considered that matter?

THE PRESIDENT: Yes. I have considered it quite finally some time ago.

Q How about the appointment of a Governor on the Federal Reserve Board?

THE PRESIDENT: No, I haven't thought of it at all nor the RFC vacancies.

Q Is there anything you can say as to how this country might mitigate the effects of its silver program on China?

THE PRESIDENT: I cannot talk about that. The Secretary of State has talked to the Chinese Minister. What the status of those conversations is I don't know.

Q Thank you, Mr. President.

(The Press Conference adjourned at 4.28 P. M.)

CONFIDENTIAL

Press Conference #149,
Executive Offices of the White House,
October 10, 1934, 10.40 A. M.

Q Good morning, Mr. President.

THE PRESIDENT: Well, I came across yesterday, Count (Rudolph de Zappe).

Q (Mr. de Zappe) Thank you; that was very nice.

THE PRESIDENT: I told Steve (Mr. Early) not to release it until he got hold of you.

Q (Mr. de Zappe) That is very kind; thank you.

MR. DONALDSON: All in.

THE PRESIDENT: I have just been going over the schedule for Roanoke and Williamsburg with Steve (Mr. Early). We will leave here a week from Friday and get to Williamsburg Saturday morning. We get all through about a quarter past one and then I am going to motor over to Yorktown, get aboard the SEQUOIA and cruise leisurely back to Washington. Steve and I just wanted to suggest to you who are going with us, that being Saturday afternoon and nothing to do for the next thirty-six hours, that old Point Comfort and Virginia Beach are quite close to Williamsburg in case you want a week end. We abandon the train at Williamsburg and there is no way of getting home.

Q Could you run the SEQUOIA down to Virginia Beach for us? (Laughter)

THE PRESIDENT: I will try to do that and we will put the lid on as soon as we leave Williamsburg.

Q Are you going to Hyde Park again?

THE PRESIDENT: What happened on that was that we were going to attend the dedication of the Theodore Roosevelt Memorial on the twenty-seventh of October in New York -- that is the new front on the Natural Museum (Museum of Natural History), but yesterday Professor Henry Fairfield

Osborn, the President Emeritus of the Museum, sent word to us that because there had been a good deal of delay in completing the work on the Memorial, they had decided to put off the dedication for at least six months. So I am not going to New York on the twenty-seventh but, as I always prefer to vote in person instead of by mail, we are going to Hyde Park probably the Saturday before election and stay over Election Day for three days. We are not taking any White House staff with us. I think we will put the lid on completely.

Q Have you any fresh advices this morning as to the situation in Europe?

THE PRESIDENT: I have not. I just got down here this moment. I haven't heard a thing.

Q Will you announce the appointment of the administrator to Archives soon, or the Archivist or the Archivist?

THE PRESIDENT: I don't know; I have always said Archivist but do not know whether it is right. I have not looked it up.

Q It will be announced today?

THE PRESIDENT: Yes, today.

Q Anything you can tell us about your NRA plans after the visit of the new Board?

THE PRESIDENT: No, no announcement. It will be an evolutionary process.

Q In his comments in Chicago on the Budget, was Richberg speaking for the Administration?

THE PRESIDENT: I did not read his comments on the Budget so I cannot tell you.

Q Have you done anything about a successor for Garrison in the Labor Relations Board?

THE PRESIDENT: I think so and I think it will come out either today or tomorrow. No, I am wrong -- cancel that; that is another board.

(Laughter)

Q What board is that?

THE PRESIDENT: That is the Cotton Textile Board, in the place of Judge Stacey. Steve (Mr. Early) says that is still doubtful so do not say anything about it, but that is the one I had in mind.

Q Mr. President, it has been some time since you said anything on prices. Have you any comment? Do you still wish higher prices?

THE PRESIDENT: Yes. I cannot tell you the exact numbers of dollars and cents. Let us put this as background, so that you can use it for background if you wish.

Over a year ago, after consulting with almost everybody in the world, industry and agriculture and finance, mortgagees, farm credit, etc., everybody was agreed and I think it was pretty nearly unanimous that there ought to be a rise in prices, a very substantial rise in prices, in order to relieve the general debtor-creditor situation. It has been at least a year ago.

I don't know whether I talked on the record or off the record to the crowd but what I did point out at that time was something along this line: That in the Spring of 1933 -- well, let us go back further, in 1929 before the crash, the total of the assets of the United States, the asset column was away over, way above the total of the liability column. On that basis a great many debts had been created. But, from the standpoint of values, according to those prices, the asset column was, taking your pick, anywhere from-seventy-five to a hundred and fifty million dollars higher than the liability column. Now, mind you, this is simply repeating what I said over a year ago.

After 1929 the country was confronted with the simple fact that the asset column, in terms of values and prices, was constantly sliding down and the debt column, the liability column, was remain-

ing constant, with the net result, as practically all the figures checked up, that by March 1933 the asset column had sunk down until it was actually lower than the liability column.

Obviously, at that time there were three methods of procedure. This is awfully old stuff, but it holds good today just as it did at that time. In order to bring those columns into a proper relationship so that the assets were greater than the liabilities, so that we would be back in the black again, we could have had many suggestions made that we could cut the debt column, the liability column, by some rule of thumb procedure. The idea would be that if some fellow owed a thousand dollars by reason of some kind of debt, tell him that he only owed five hundred dollars. Cut the debt structure of the country. Of course that was thrown out as being impossible under our Constitution and law.

The second possibility was to make a very definite attempt to raise the asset column by increasing values. We accepted that, but we also used a part of the third method, which was to do both things at the same time; in other words, to raise values so that the asset column would increase, and at the same time cut down the debt column through various legal methods such, for example, as the Farm Credit organization which materially reduced interest rates to farmers. Of course, interest is a liability as well as principal so that helped to cut down the debt column. Then the loans to home owners, the refinancing of home loans through the various methods that were allowed, that also was a method of cutting down the debt column. The bill that allowed a corporation to go through a new form of receivership was a third method, and there were quite a lot of other methods of cutting down, in a perfectly legal way, the liability column of the

United States.

Now, to go back to the question of prices. We have raised them. It depends on whose figures you take. I won't give you the figures because immediately you get into the argumentative stage; but the fact remains that the values in the United States have advanced very, very materially.

The net result is that the asset column of the United States has gone up a great deal and the debt column has gone down a little bit. We don't think that the asset column has gone up enough yet, and it ought to go up some more.

Now, obviously, I cannot put that in figures of percentage or dollars and cents or indexes. Perhaps you will remember that I have been very, very careful never to accept the theory of the Press that we were seeking 1926 values although it has been very, very often said that that was the definite Administration policy. Of course, I have never said such a thing in my life. Some 1926 values are all right, some 1925 or 1924 values are all right. In the case of farm products, we have by common consent on the farm organizations at that meeting which they held here in the Spring of 1933, they all agreed that we would base what we call "parity" on the average of 1909 to 1914 prices.

In other words, there are a great many factors and you cannot be didactic and take one year for everything.

Of course, obviously, when I say that we want increased prices, it is only fair to put the other side of the picture. We don't want one-way prices or values. That is equally important.

Taking it by and large, the progress on prices and values, considering the comparative shortness of the time, has been pretty substantial, and it will go a little further and that is about as far as

-- 6
118

you can go.

Then, of course, there is one other factor in the situation. You haven't asked me this question but it is really on the same general subject, so I might just as well talk to you now. When I was in Newport, somebody brought on board a copy of the dear old Boston Transcript, which I love to see because it reminds me of my childhood days. It has changed very little and it is a splendid paper and always has been. On the financial page there was about a half column head, "Historic events", and "Historic events" consisted of listing the highs and lows of commodity prices of various kinds from 1920, I think, to 1934. Well, I read it, and I said to myself, "There must be something wrong with our finances and business to allow a condition such as shown in those highs and lows." The ordinary layman would say that if there were a rise or a fall of 25% in the price of something that he was interested in, it would be a pretty substantial change. And if it was a 50% rise or fall he would say that it is a whale of a change and he would get a little worried in the ordinary course of things. And yet, if you take the highs and the lows from 1920 to 1934 you will find that the changes were not 25% and not 50%, but they were 500% and 800% and a thousand per cent. It is perfectly amazing and it is well worth looking into the thing to see what the highs and lows have been just in the past few years.

How can anybody plan ahead, how can you have stabilization if prices vary 500 and 700 and 1000%? Look at the range of cotton, look at the range of wheat, look at the range of butter, look at the range of cattle, and so forth and so on. Take any 15 or 20 or 30 different articles in general use and you will find that the range has been, as I say, anywhere between 500 and 1000% just over a little period of

fourteen years.

What we are seeking, obviously for the good of my old friend the average individual, is to prevent fluctuations of that kind. Not "fluctuations", of course not, but fluctuations of that kind in the days to come. Wheat, for example, sold at 36¢ a bushel and then at \$2.04 a bushel. Copper was selling at 5¢ a pound and at 32¢ a pound. Butter was selling at 15¢ a pound and 72¢ a pound. Those are not accurate figures but just to give you an example.

That is why we are very definitely trying to raise the price level some more, I don't say how much more and when we get it there to try to keep it within reasonable bounds for a reasonable length of time.

I think that covers that question pretty well.

Q Any immediate plans for doing that?

THE PRESIDENT: No, it has just been the policy of the Administration for about a year and a half.

Q When you do get it high enough, how do you propose to stabilize? What would the machinery be that you will use?

THE PRESIDENT: The only way I can answer that is that we are learning every day. In other words, we cannot say we are going to do this on the 30th of next month and that on the 30th of the following month we are going to do thus and so. There has been a good deal of study given in the late months to the question not only of raising prices but when they get up there to prevent them from going through the roof. We are getting interested in that phase as the price level goes up.

Q Would it have anything to do with the control of gold and the dollar?

THE PRESIDENT: I don't know. I am not enough of an expert on that.

(Laughter) It might be a factor.

Q Richberg, in one of his reports, said that between June, 1933, and 1934 there was a drop of 10% in wages. With the increase in prices, is it reasonable to suppose that this drop would be affected?

THE PRESIDENT: It certainly ought to. You mean real wages, actually dollars and cents?

Q The relationship between dollar volume --

THE PRESIDENT (interposing): Let's put it a little more clearly. Suppose prices went up 10%. The dollar wages of labor certainly ought to go up at least 10%. I think that is the easiest way of putting it.

Q You spoke a moment ago of the liability column coming down and the asset column going up. Have they passed each other, in your judgment?

THE PRESIDENT: I don't know, but I should say, offhand, that they have. In other words, this is again subject to any number of kinds of figures, depending on the person who figures them. But I should say, offhand, that a year and a half ago the liabilities of the country very definitely exceeded the assets of the country and I am inclined to think that today we see the assets up a little bit above the liabilities, but not sufficiently.

Q Mr. President, do you feel yet that the prices have yet reached the point where you could begin to put some sort of a brake on the upward speed? You say you want to keep on raising them, but at some point you will want to slow the process down.

THE PRESIDENT: Well, you cannot very well slow down a process that is crawling.

Q As you approach the thing, you have to gradually stop it?

THE PRESIDENT: Yes, but that is for the future.

Q Comptroller General McCarl -- I mean, the Comptroller of the Currency, Mr. O'Connor, has been a very frequent visitor up here and we have

frequent rumors that he is going to resign his job. Can you comment on that?

THE PRESIDENT: I do not know a thing about it. We have been trying to get as many banks as we can, before the Congress meets, completely cleared up. I cannot tell you the exact figures but I think of the nonlicensed banks there were last January somewhere around 650 and they are now down to 36, as I remember the figures. We are trying to get every one of them cleaned up with this new method that Jesse Jones has been working on. We are trying to get every single bank cleaned up by the first of January, if we can, one way or the other.

Q There are just 36 Federal receivers in charge of banks?

THE PRESIDENT: Oh, my, no. A bank which is definitely in receivership, with a definite method of working out its deposits is not listed in that. In other words, it might be a bank which has ~~got~~ to the point where there is nothing for it to do except to complete the receivership. But that is a decision made. These 36 that I am talking about, as I understand it, are banks which are in process of making a final determination.

Q Have you had a chance to look over the Mississippi Valley Committee's report?

THE PRESIDENT: I took it down on Sunday with me and I did not read it.

CONFIDENTIAL
Press Conference #150,
Executive Offices of the White House,
October 12, 1934, 4.10 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: Steve (Mr. Early) reminds me that this is our 150th Conference. I congratulate you on your powers of endurance.

Q The same to you, sir.

THE PRESIDENT: I think the only news I have is that I signed today the Executive Order establishing the 36-hour week in the cotton garment manufacturing industry, effective on December first.

(Reading)

" The action was taken on recommendation --"

I might as well read it in case there is any question --

(Reading)

"-- of a special impartial committee which had been created under an agreement with the industry that the findings would be accepted as final.

"Under the order, not only will the work week be shortened from the present 40 hours, but weekly wages will be kept at the present total, and piece rates will be increased by ten per cent.

"In addition the order provides:

"1. That a committee of three shall be appointed by the National Industrial Recovery Board to investigate and report by December 1, 1934 on the competition faced by this industry from prison labor and sheltered workshops;

"2. That the existing impartial committee of three be authorized to continue investigation and to report by November 15 on the protests of the sheep-lined and leather garment subdivision of the cotton garment industry; and

"3. That the Recovery Board, on or before January 15, 1935, report to the President on the opera-

tion of provisions in the cotton garment code which govern the granting of exceptions and exemptions. The latter was based on a recommendation of the committee that exemptions should be allowed sparingly and only for good cause since 'anything resembling wholesale exemptions would undermine the Code and the splendid enforcement results which the Code Authority, as now set up, is accomplishing.'

"Today's order grew out of a provision in this code requiring that a study be made of its labor provisions in operation. Hearings were conducted in June at the instance of two competitive industries, dress manufacturing and the men's clothing industry. They resulted in approval by the President on August 21 of an order immediately shortening the work week to 36 hours. On representations of the Cotton Garment Code Authority this order was stayed until October 15 to allow for a new review of the facts.

"The President directed the National Industrial Recovery Board to name a committee of three neutral persons. The Board named Willard E. Hotchkiss, president of Armour Institute of Technology, chairman of NRA's General Code Authority; W. Jett Lauck, prominent Washington labor attorney; and Donald M. Nelson, official of Sears, Roebuck and Company, a member of NRA's Industrial Advisory Board.

"This committee's report and recommendations signed by all three, were approved and adopted in full by the President's order.

"The reason for making the order effective on December 1 was that this would give the industry time to prepare for the change and would not break into the middle of its fall production schedule.

"Furthermore, the committee pointed out, increase of the piece rates would require establishment by the code authority of machinery for the filing of these rates.

"The committee expressed the opinion that the increase in labor costs would not cause any great increase in the price of merchandise, but that this probably would amount to no more than a five cent jump in the cost of a 49 cent work shirt.

"Shortening the work hours was deemed especially desirable by the committee in view of the fact that competing industries, such as dress and men's clothing

manufacturers, are already on the 36 hour week with generally higher wage scales.

"The code authority of the cotton garment industry was commended for 'earnest and well directed effort' at enforcement of labor provisions of its code."

Put it on the mimeograph.

Q In that connection, can you give us a little more on the wage angle? Did you say that weekly wages would be kept at the present total?

THE PRESIDENT: Yes.

Q Will there be any change in the wage rates?

THE PRESIDENT: Well, they get the same pay for thirty-six hours that they were getting for forty hours, after the first of December.

Q That in effect is a raise in the hourly rate, which I suppose is made up in the piece work by that specific increase?

THE PRESIDENT: Yes.

Q This cuts the Garment Code down to thirty-six hours. What is the next move? Do you look for a step of this kind in any of these other fields?

THE PRESIDENT: I do not know. You cannot figure out any general rule on it. These things come up from time to time.

Q I wondered if there are any more coming?

THE PRESIDENT: I don't know.

Q Pleading my own ignorance, wherein does this Order differ from the August twenty-seventh (August twenty-first?) one?

THE PRESIDENT: It does not differ from it except in requiring further study of certain items like sheep-lined garments and things like that and deferring it until the first of December.

Q Is there any import competition?

THE PRESIDENT: On these things? I don't know.

Q In this connection, would you comment on the resolutions by the American Federation of Labor for a 30-hour week?

THE PRESIDENT: No. To tell you the honest truth, I have not read them except what I read in the headlines.

Q Have Secretaries Hull and Morgenthau agreed on what to tell the Chinese?

THE PRESIDENT: Yes. (Laughter)

Q Can you tell us?

THE PRESIDENT: I think they will be ready to -- there is no reason why it should not be made public after they have talked with the Chinese Minister and have made arrangements so that when it does come out it will come out simultaneously both in China and here.

Q Will it satisfy the Chinese?

THE PRESIDENT: I do not know. (Laughter)

Q Is there anything you can tell us about the conflict between the National Labor Relations Board and the Department of Justice as to what should be done legally with reference to the Houde case? (The Houde Company had declined to abide by a ruling of the Labor Relations Board.)

THE PRESIDENT: I have not done a single thing. I never talked with anybody about it. I did not know there was a conflict.

Q In the Houde case, the Labor Relations Board held there was a violation and ordered the Blue Eagle removed, also the majority recommended that the Department of Justice prosecute civilly

but not criminally and yesterday Mr. Cummings made it apparent they were not going to prosecute legally.

THE PRESIDENT: I don't know -- I did not know anything about it.

I knew the decision in the Houde case but did not know the other thing.

Q The Committee on Economic Security made a statement today stating that they had divided their work into eleven different phases of the social investigation and there are reports that the program is going to be limited because of difficulties in financing. Is that correct?

THE PRESIDENT: That is a new one on me. We gave them a generous allowance when the thing was set up.

Q I do not know about the Committee itself but the difficulties of which I speak are those of financing any unemployment or insurance or old age pension plan.

THE PRESIDENT: You mean the problem of how they are to finance? Of course that is one of the problems they are to meet, to tell you how to finance it.

Q Mr. President, a group of us talked with Richberg today and got the definite impression for the first time that there will be no judicial organization as such within the N. R. A. but that these functions for carrying out code enforcement and other matters of that sort will be exercised by the Federal Trade Commission, the Department of Justice, as they are now, but with probably some simplification of procedure. Can you give us any idea as to how that procedure will be simplified?

THE PRESIDENT: I cannot tell you the details because we do not know

the details of it yet. I think, Charlie (Mr. Hurd), that it is a mistake to use the word "judicial" in this connection. In other words, it is a perfectly natural error to make because about a month ago I talked about the examination of N. R. A. in regard to three functions, the executive function, the judicial function and the legislative function -- that is, policy making -- and I also explained that the judicial function, as a function, which is a matter of pure theory and not of organization, automatically divided itself into three parts: One portion of the judicial function related to the settlement of disputes between industry and labor. Of course we have made very distinct progress on that by setting up certain boards having quasi-judicial functions. Then the second component part of the function is the setting up of adequate quasi-judicial machinery to settle disputes between one manufacturer and the other. The third component part of the judicial function relates to enforcement but it is not fair to refer to that as judicial because it is only one out of three parts. I think I would use the words "enforcement of codes" as being the more correct term.

As to that, the first thought -- and I think we talked up at Hyde Park about it -- was that we would make every effort to put enforcement into the enforcing branch of Government; in other words, the Department of Justice. But, on further study of it, it becomes perfectly clear -- I suppose the easiest way to put it is this: Perhaps a hundred complaints of failure to live up to codes have come in. Every one of those has to be examined and probably out of one hundred, ninety-five of them

are straightened out without having to resort to the legal machinery of the Government. That would leave, let us say, five of them that would have to be turned over to the Department of Justice. Now, it seems probably better to leave the sifting of those hundred cases in N. R. A. rather than to make the Department of Justice a sifting instead of a prosecuting organization. Therefore, we will leave the investigation, sifting, settlement portion of enforcement in N. R. A.

When, however, you get down to, say, the five cases out of a hundred where you have to start the legal machinery of the Government working, we are trying to work out for that a practical and simple working organization between Justice and N. R. A. and the Federal Trade Commission so that there will be uniformity of policy with respect to all three of those organizations in dealing with actual enforcement cases. As I say, it might be only five out of a hundred -- what the actual details of them are, I do not know. It may be -- just to give you a lead -- that the Department of Justice would send a special Assistant Attorney General to sit with N. R. A. so that he would be familiar with those five cases out of a hundred when they are ripe, and another one over to the Federal Trade Commission to keep in touch with them and see whether the actual enforcement, just to give you an example, would be by the Department of Justice or the Federal Trade Commission.

Q What place has the Labor Relations Board in that judicial setup?

THE PRESIDENT: Well, that is just one of the three operations or parts of the judicial function. It is a separate part; nothing

to do with enforcement.

Q These five cases, then, would be referred jointly to the Justice Department and the Federal Trade Commission or to one individual -- I mean, someone outside -- as to which it has to go to?

THE PRESIDENT: The three decide it.

Q The three -- N. R. A., Federal Trade and Justice?

THE PRESIDENT: Yes. In other words, that is a pure detail of administration. The principal purpose is to have constant watchfulness in order to accomplish quick enforcement in order that we may benefit by the results of such quick enforcement. One of our troubles has been, as you know, that if there was some chiseler somewhere who did not live up to the code, he might make enough money out of chiseling by the six months or a year before they caught him to make it worth while chiseling. Speed is of the essence in this kind of enforcement.

Q In that connection, will some kind of liaison machinery be set up to function between these units?

THE PRESIDENT: Oh, that will be constant. That is the point -- it must be automatic. In other words, every single case that comes to a head immediately is set upon, the same day, by these three organizations.

Q This does clarify one thing: There has been a great deal of question, there has been speculation as to whether some of the Federal Trade Commission or the Department of Justice work will be taken over by N. R. A., and it will not be. There will only be a reference to the established channels?

THE PRESIDENT: Yes.

Q Thank you.

Q The labor boards are acting in violations under the present setup.

I wonder if they will continue in that function?

THE PRESIDENT: What labor functions?

Q The Garrison Board and the N. R. A. will sift the labor complaints

while the N. R. A. sifts trade practices?

THE PRESIDENT: I am merely referring to trade practices.

Q This will not settle such difficulties as the Houde case, which

involves a labor question?

THE PRESIDENT: No, that is a different thing. These are violations

of trade practices we are talking about.

Q Any comment to make on Professor Warren's visit yesterday?

THE PRESIDENT: No. (Laughter) Some of you people got a bum steer yes-

terday -- several bum steers.

Q Mr. President --

THE PRESIDENT: (interposing) One of the best jokes was this: Old Roy Bulkley came in. We talked about Charlie West and Vic Donahy and conditions in Ohio and never mentioned finance or currency or inflation or deflation in any shape, manner or form. However, we gave you a good story so it is all right.

Q In that connection, could we ask this: Will there be any immediate or near future change in the gold policy? (Laughter)

THE PRESIDENT: I am neither a prestidigitator --

Q (interposing) Yes, sir. (Laughter)

THE PRESIDENT: -- nor an astrologist. Let it go at that. (Laughter)

Q In that connection, Senator Bulkley mentioned what he thought might happen, using very particular care to call attention to

the fact that he thought it might happen and not necessarily you. I think that was probably the reason for these stories, and also brought up our question. He did not think there would be any change immediately but he said he would not hesitate to use the power to use that nine cents difference in there if it became necessary, and he thought it might become necessary.

Would you care to comment?

THE PRESIDENT: It was an interesting glimpse into his mind.

Q Mr. President, was it his mind?

THE PRESIDENT: You got a good story out of it, so it is all right.

Q Thank you, Mr. President.

CONFIDENTIAL

Press Conference #151,
Executive Offices of the White House,
October 17, 1934, 10.30 A.M.

THE PRESIDENT: I have not seen you for some time, Fred. You were not covering anything?

Q (Mr. Frederick Storm) I went up (to New York) on a vacation.

THE PRESIDENT: Did you see any of the old crowd?

Q (Mr. Storm) A few of them.

THE PRESIDENT: Most of them were away on the trip (referring to the campaign trip of Governor Lehman).

Q (Mr. Storm) I was very homesick.

THE PRESIDENT: Oh, yes.

Q (Mr. Storm) The objections are starting again.

THE PRESIDENT: To the size?

Q (Mr. Storm) They say they can't see.

THE PRESIDENT: Fred, sit down in that chair. (Laughter)

Q (Mr. Storm) This is great.

THE PRESIDENT: We solved a problem. Nobody could see around Fred Storm so from now on he is the only member of the Press that sits down at the Conference. We put him in a chair. (Laughter)

I do not think there is any news.

Q Mr. President, do you favor Government contributions toward unemployment insurance?

THE PRESIDENT: Oh, gosh, I can't answer that at all. In other words, they are studying it now -- they are working on various plans. One of the plans, for instance, they are working on calls for Government -- no Government contribution but the Government pays for

the overhead for running the plan. I have no idea what recommendation will come out.

Q Mr. President, is the committee from the Roper Council, the Business Advisory Planning Council, that committee on unemployment, working closely with your committee?

THE PRESIDENT: I have no idea. I told them to. (Laughter)

Q Mr. President, there was a story appeared in the paper this morning that a letter has been delivered to the State Department and also to you, requesting the recall of Ambassador Daniels in Mexico because of a speech he made down there last July?

THE PRESIDENT: What has he done?

Q He is supposed to have endorsed the Mexican policy of closing the churches and --

THE PRESIDENT: (interposing) No, I never heard of it. It sounds fishy to me. You had better ask the State Department.

Q Mr. President, it has been some time since we had any general statement on Government policy toward the railroads. Particularly at this time it might be opportune to say something about Government policy on loans. Would you care to mention that?

THE PRESIDENT: I do not think there is anything new on it that is coming up. The only new case is the case of the Minneapolis and something --

Q The Minneapolis and St. Paul?

THE PRESIDENT: That has been in receivership for eleven years and Jones (Mr. Jesse Jones) is trying -- it is obvious they cannot put the road on its feet as an independent operating unit. It would not pay either the banks or the Government to lend them any

money on that basis -- that has been pretty abundantly proved for eleven years -- and in that particular case Jones (Chairman Jesse Jones) is trying to get the nearby railroads to tide it over.

Q I was particularly interested in a Government policy on loans to railroads which are not earning their fixed charges?

THE PRESIDENT: Of course then it becomes a question of security. We have made quite a lot of loans to railroads which are not earning their fixed charges, but the Government has taken what it considered adequate security.

Q A lot of roads are scraping bottom on securities, even?

THE PRESIDENT: Well, that is something that none of us have solved.

Q Was there anything of interest in connection with your conference with Dr. Morgan (Dr. A. E. Morgan, Chairman of T.V.A.) of the T.V.A.?

THE PRESIDENT: No. We went over the general question of what work they are going to undertake next, how much it is going to cost this fiscal year and how much money they will need for the next fiscal year. You might call it a pre-budget survey of their needs for the coming year.

Q Mr. President, would you comment on the fact that in certain states, about twelve I believe, they have a constitutional provision with respect to paupers and that in some of those counties an effort has been made to interpret that as including those on relief, and I think that in one or two counties they have included those in the C.C.C. camps?

THE PRESIDENT: That came up in May a year ago. Also, some people made an effort along that line in 1933, before the Maine election. I-

did not know there were twelve states. Are there as many as that?

Q Yes, sir.

THE PRESIDENT: I think I talked about it quite frankly and freely at that time. Under no possible decent constitution could you regard a person who unfortunately happened to be out of work and willing to work, as a pauper. As a simple, straight answer, I don't believe that any court in the land would classify a person who is unemployed and wanted to work and getting relief -- I don't think any court in the land would classify him as a pauper. Furthermore, anybody suggesting it is suggesting a thoroughly un-American procedure. Let it go at that.

Q Would you define a pauper?

THE PRESIDENT: That is a pretty difficult thing to do, off hand.

Q Look around and describe them. (Laughter)

THE PRESIDENT: I sometimes feel that way myself.

Q Can you tell us anything about your conversation with (Myron) Taylor, as to whether or not the steel situation was discussed?

THE PRESIDENT: I am trying to think of what we discussed. Yes, we talked about the general steel situation, all the phases, how much demand there was going to be for this, that or the other thing.

I think we were pretty thoroughly agreed -- I guess we had better keep this off the record because I cannot tell you about conversations with everybody I have seen. I think we are all in agreement that there has been a great deal of loose talk about heavy industries, the idea that it is possible for them to come back immediately if they got all the money and confidence in the world to come back to where they were in 1929. A very obvious

illustration is given by a very simple question: If you had a lot of money, would you build a skyscraper or office building in New York? You would not, because they are overbuilt. Would you build a new hotel in New York? Obviously not, for the same reason. Or an apartment house, I mean of the Park Avenue type? Again you would not, for the same reason. Well, those were the types of construction which were going on in 1928 and '29. There was a great deal of overbuilding. They will serve most of the communities for a good many years to come.

You can take an example at the other end of the line, Poughkeepsie, New York. They have a couple of new office buildings which are not filled, apartment houses which are not filled. The Nelson House and the other hotels seem to have more than sufficient capacity for people. I won't say anything more, and, as I said, this is all off the record.

Now, let us take structural steel alone. I don't think any of them expect structural steel to go back to what it was in 1928 and 1929, and that is a major heavy industry. I don't think Taylor or Grace or any of them look forward to it in any way.

Take another simple illustration, the big electric companies like G.E. and Westinghouse. They were turning out in 1927 and 1928 and 1929 an enormous volume of heavy machinery, turbines and generators, and during those years almost every power plant in the country equipped itself with modern machinery, not only to take care of the needs of the moment but to take care of 20 or 25% excess needs. These power companies have been running along, and just in this past year the total output has increased and in many cases

it is up to and even above the 1929 level. But they have machinery that will last them five or ten years to come. They don't need any more, and the turbines they turn out today are very nearly the same as in 1928 and 1929 -- very few improvements. That is another item of the so-called heavy industries, and that probably won't pick up very much for the next five or ten years.

Take the case of the famous rails we were talking about last spring. The capacity of the four companies that make steel rails is about four million tons a year and yet the railroads, even if they were not scraping bottom, would probably not need more than about a million tons a year because most of the bigger railroads have pretty good rails, heavy rails, and a good many of them have got it even on their sidings. Probably a million tons or a million and a half tons a year for the next few years would serve their needs even if they had all the money in the world.

Most of these people, like Taylor and others that have been down, are in complete agreement that the heavy industries in all probability -- again speaking in generalities -- would not, as a whole, as a whole, go back to 100% production because there is no need for it. That is why I say there has been an awful lot of loose talk about it, but that people who have analyzed it, like the heads of those companies, will agree entirely with me. They see the picture eye to eye.

That is all off the record because, as I say, that is a conversation with one particular visitor.

Q Could we make it general, that you have discussed things with various businessmen, bankers and what not, and leave the names out? This

is pretty good stuff.

THE PRESIDENT: I think it is better not to, and I will tell you why -- because it is almost impossible to write a story of that kind without scaring people. The reason for that is that there has been a lot of loose writing and loose statements made by economists and others that the only way back to prosperity is to immediately revive the heavy industries, and if you go out with a story -- well, it won't be so good.

As a matter of fact, what we all do believe is that the heavy industries are going to pick up very materially. In certain lines they won't go back to anything like 1929 but, in other lines, they will pick up. And there again, you come to two other questions: The first is, what is a durable goods item? Is a refrigerator? Well, some people classify it as heavy goods and some people don't. The easiest way is to put it in the lighter type of heavy goods. Then there will be a big pickup.

Then the other item is the factor that invention is going on all the time. You have the streamlined trains. The railroad people don't know whether the streamlined train is going to be a success from the operating or the popular point of view. If it is a success and the railroads start on it, it is going to make for a big pickup in a new thing. Again it is one of those things you cannot write about unless you are awfully careful not to either over-encourage people or to scare people, and we don't want to do either.

I think, on the whole, we are getting along pretty well.

Q My request came because Governor Black pointed out to the boys around

here that the pickup in the heavy industries was not as great as might be desired and this is the answer to it.

Q Can you tell us anything about your talk with the bankers?

THE PRESIDENT: What bankers?

Q Governor Black and Reynolds and Governor Harrison.

THE PRESIDENT: Only to make a suggestion and that is this: I have been seeing them and others. Don't try, please, to forecast what I am going to say next Wednesday to the bankers. I not only have not written it but have not the vaguest idea of what I am going to say, and what I don't want to have happen is that I am going to do this or that or the other thing, because you will be getting yourselves out on a limb.

The difficulty is that you get yourselves out on a limb and then you have to come back and say that there was great disappointment because the President did not conform to what I guessed.

(Laughter)

I haven't the faintest idea of what I am going to say to the bankers. It may be a few words of greeting or I may talk to them about something general or something specific, but I have probably a great deal less idea than most of you.

Q There are two more local appointments?

THE PRESIDENT: Right.

Q And also a successor of General MacArthur?

THE PRESIDENT: There is nothing on General MacArthur. There is nothing on the District because I do not know what they are -- there is a judge?

Q Yes, the Municipal Court.

THE PRESIDENT: What is the other?

Q Two judges.

THE PRESIDENT: Steve (Mr. Early), I told you to get me some names at least three weeks ago and you have done nothing about it. (Laughter)

Q Mr. Jones (Chairman Jesse Jones) when he left here yesterday said he thought there was no need of extending the R.F.C. lending powers beyond January thirty-first except as to real estate mortgage and railroad lines. Does that represent your idea?

THE PRESIDENT: I have not talked to him about it at all.

Q You haven't any ideas?

THE PRESIDENT: I have to find out what he is lending money for and find out how much it should be extended.

Q Can you tell us anything with respect to relaxation of foreign exchange restrictions?

THE PRESIDENT: What kind of foreign exchange restrictions?

Q That is general relaxation of the general restrictions which confine the purchase of exchange to commercial transactions and tourists.

THE PRESIDENT: Is the Montreal silver market interested? (Laughter)

Q There have been stories -- I think the U.P. carried the story..

Q Anything new on currency expansion?

THE PRESIDENT: No.

Q It seems that the number of people on relief would be larger than last winter. I wonder whether you have worked out any substitute for C.W.A. or any way of handling it?

THE PRESIDENT: Not yet.

Q Did you have a report from Benedict Crowell on N.R.A. compliance?

THE PRESIDENT: No. What is he going to report on?

Q I understand he has made a study and report.

THE PRESIDENT: No.

Q Is it likely that housing will fit into P.W.A. or that consideration will be given to more housing work for P.W.A.?

THE PRESIDENT: I think so, without question. On this question of housing -- well, my good friend, Paul Mallon, reminded me of it. He wrote quite a humorous story in the paper last night, Paul did, in regard to the inconsistency of killing little pigs and at the same time putting people out of farms.

As a matter of fact, I think we ought to make certain things pretty clear about housing. We happened to think of it, not on account of Paul Mallon, but because Harry Hopkins brought several things to tell me about and among them he had two projects to work out. One was down at Red House, West Virginia -- you had better check on that, it may be Red Dock or Red Hook or something like that. They are putting it through and there will be about a hundred and fifty families who are going into these small farms that run about an acre of land apiece -- very small. They are miners that came from neighboring towns where they had been out of work for years and had been on relief for the last two years. In order to save money and to save human beings, they are putting them out on these small farms and giving them a chance to buy them. They hope to get a very small industry to go into this community.

Of course, there is no relationship with that type of development on the one side and the sub-marginal farmer on the other side. What we are trying to do on this project of housing is to save humanity.

The other project was down in Arkansas, where they are putting people on small farms, giving them a little house and a few acres at a cost of fourteen or fifteen hundred dollars. I said to the people who showed me the photographs, when I got through looking at them, that it might be a good place to go because I could own my own home in about fifteen years at about one hundred dollars a year.

Then they are doing a grand thing in the development of suburban settlements in the same way. One purpose is to get rid of relief and the other is to give them a chance -- people who have never had a chance.

So, undoubtedly, the housing program with a great many ramifications -- different types -- will be a part of next year's request on Congress, because it is working.

Q Thank you, Mr. President.

(The Press Conference adjourned at 10.45 A.M.)

CONFIDENTIAL
Press Conference #152,
Executive Offices of the White House,
October 24, 1934, 10.45 A.M.

THE PRESIDENT: Stevie (Mr. Stephenson), you did not know about the
new rule on Fred (Mr. Storm)?

Q (Mr. Stephenson) I heard about it.

THE PRESIDENT: Yes. You must not get any bigger or they will be talk-
ing about you next. The Count (Rudolph de Zapp) and I have passed
the growing stage.

Q Groaning?

THE PRESIDENT: Growing.

Q I am sorry.

THE PRESIDENT: (Indicating a pad with a cellophane top) This is the
most fascinating thing anybody has ever seen. I take this pad
and I write, "I owe you -- let us suppose it is Fred Storm --
\$1,000." and I sign it "F.D.R." Now, Fred thinks that is perfectly
grand and all I do is say, "You want it?" (The President was
writing as he spoke and at the conclusion he handed the pad to
Fred Storm, at the same time pulling a lever which obliterated
the writing) (Laughter)

Q It does not show on the other side?

THE PRESIDENT: Isn't it perfectly amazing?

Q What about the other page?

THE PRESIDENT: It is all right. (Indicating) There is nothing in-
criminating.

MR. DONALDSON: All in.

THE PRESIDENT: I am showing the crowd a little gadget by which you can

write something that you do not want anybody to see and then you lift up the leaf and the writing is gone. It is very useful for politicians.

Q (Mr. Stephenson) For politicians and poker players.

Q Mr. President, have you received a telegram this morning from Upton Sinclair in which he points out to you that he has been grossly misrepresented by the newspapers in California in claiming Administration support for his campaign?

THE PRESIDENT: Not that I know of. Have I had one?

MR. McINTYRE: Yes, there is one.

THE PRESIDENT: Mac says there is one outside. I haven't seen it yet.

Q Earlier he said that while up in Hyde Park he quoted you as saying that if you showed a statement dealing with certain public policies, he was sure to be elected.

THE PRESIDENT: What? I do not know what that is. You have me. That is a little too vague. Did it refer to the Central Valley or something like that?

Q He did not specify.

THE PRESIDENT: I do not know; I have not seen it.

Q No comment at all on the California gubernatorial test?

THE PRESIDENT: No.

Q Would you care to outline your views on the central banking system?

THE PRESIDENT: Who raised that ghost? (Laughter)

Q It has been raised --

THE PRESIDENT: (interposing) I only know what I have read about it in the papers. (Laughter) That is a mean answer.

Q Mr. President, yesterday Olson, Chairman of the Democratic State

Committee in California, said it might be necessary for the Federal Government to step in and prevent disorders at the polls resulting from the attempt to disenfranchise and he intimated that he would ask the Department of Justice to intervene. Has any plea been made to you for any Federal --

THE PRESIDENT: (interposing) No. Of course, as you know, in any national election there come in pleas from half a dozen or a dozen states and I don't know -- I do not think the Federal Government has ever intervened in state elections.

Q Guffey here told us about a week ago that arrangements had been made for supervision by Justice agents in Pennsylvania.

THE PRESIDENT: They have a Senatorial committee on Senatorial campaigns.

Q They told us that this equality demand (on naval disarmament) is a take-it-or-leave-it proposition with them, that if they do not get it at London they will go home and get what they want. Any position --

THE PRESIDENT: (interposing) I have not had any dispatches from the other side from Norman Davis. I do not think they have had any meetings, the American delegation, except that one courtesy call on Sir John Simon. So far as I know, that is the only thing that our people have done.

Q I think there is a meeting with the Japs today.

THE PRESIDENT: Is there?

Q Did you promise Sinclair (Upton Sinclair) you would make a statement at any time?

THE PRESIDENT: No.

Q Ambassador Bingham in London made a speech yesterday in which he

said that stabilization between the United States and Great Britain would be a great thing. Would you say anything on that?

THE PRESIDENT: The only thing I can tell you is off the record because I did not know anything about it until I read the Times (the New York Times). Mac (Mr. McIntyre) called me up at midnight and told me there was a Times report. If I have any connection with it, the thing will be that the President repudiates the Ambassador, or something like that. I know absolutely nothing about it.

Q Does that mean you are going to repudiate? (Laughter)

THE PRESIDENT: No, but if I dignified it by comment in any way, if I even said out loud that I did not know anything about it, somebody would say that I repudiated the Ambassador.

Q Is the appointment of a governor of the Federal Reserve Board imminent?

THE PRESIDENT: I hope so; it is overtime. I do not think anything will be done for a few weeks.

Q How about the Federal Board, the National Labor Relations -- Garrison?

THE PRESIDENT: There again I hope we will get something in the next few weeks.

Q How about the R.F.C.?

THE PRESIDENT: I have not given any consideration to it. I told Joe Robinson before he went abroad that I would not do anything about it until he came back. When he was here the other day we did not have a chance to talk about it.

Q Has Sultan's place been decided upon?

THE PRESIDENT: No.

Q Is he a Democrat, do you happen to know?

THE PRESIDENT: I have no idea at all. I never asked him and I probably won't.

Q What do you think of the idea of building equipment and leasing it to the railroads on cheap terms under P.W.A. arrangements? As it is, they have to put up their family jewels to get a loan. Do you think it would be possible to make some easier arrangements for getting these funds as a possible aid to the industries?

THE PRESIDENT: There again it follows too general a question. It depends a little bit on the railroad. We do want to help and we have helped a good deal. We helped on steel rails last year at a pretty low rate of interest. This year, if we help again on steel rails it will be at a lower rate. As I remember, last year it was four and a half per cent. I am inclined to think this year we will be able to cut it down to three and a half per cent.

Q How about security requirements?

THE PRESIDENT: They will have to be adequate; that depends on what security they have.

Q That seems to be the hitch right now; they cannot bring up any more security.

THE PRESIDENT: Yes.

Q Have you anything to say in regard to the oil situation -- the impending price cuts in the mid-continent field?

THE PRESIDENT: No because, frankly, I do not know enough about the details -- they change from day to day. It is a very disturbing situation.

Q Have you given any assurances that the Government is going to prosecute as fully as possible?

THE PRESIDENT: They have sent an attorney down there with several assistants with the thought that if the theory of preventing an enormous surplus is to be carried out we have to have some kind of adequate enforcement, which we have not yet got.

Q Mr. President, have you anything to say about the report from various parts of the country that the Democratic leaders are using the argument that there has been a large Republican leak in contributions in their state?

THE PRESIDENT: It depends entirely on which paper you are writing for.
(Laughter)

Q That is pretty generally.

THE PRESIDENT: Well, you know what politicians are. At various places Democrats will claim certain credits and the Republicans will say, "You are trying to buy the election because you are feeding the people." You pays your money and takes your choice according to the paper you read and the candidate you are listening to.

Q Anything for us (the District of Columbia)?

THE PRESIDENT: Didn't you get something yesterday? Didn't they appoint somebody in the Juvenile Court? I think they appointed a lady, or something.

Q Steve (Mr. Early) has forgotten me entirely.

THE PRESIDENT: Steve (Mr. Early), will you do something about it?

Q On this oil enforcement, do you care to say how that will be brought about? Any specific plan?

THE PRESIDENT: I do not know enough about it. What we are trying to get is enforcement.

Q On your speech tonight, will that be ready soon?

THE PRESIDENT: It hasn't been written.

Q What are you going to say?

THE PRESIDENT: I am cutting out all appointments this afternoon, I am going to start on it at two or three o'clock and when you will get it the Lord only knows.

Q Have you reached any determination on price-fixing and production control policies of the N.R.A.?

THE PRESIDENT: No -- that is too big a subject. I can talk about it for an hour.

Q The N.R.A., about two or three months ago, recommended that all P.W.A. funds be held from the State of Georgia until the State complied with the code requirements on the highway work of its own. I wonder if anything has been done?

THE PRESIDENT: I have not heard a word since a month ago.

Q Any representation made from the White House to the N.R.A., if you remember?

THE PRESIDENT: On the Georgia highways?

Q Yes, sir.

THE PRESIDENT: That was Federal Emergency Relief, wasn't it?

Q No, sir; the State took over the contracts when the contractor there lost his blue Eagle and proceeded to pay the same wages he had been paying. The Policy Committee of the N.R.A. recommended that they receive no further funds until they complied.

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

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #153,
Executive Offices of the White House,
October 26, 1934, 4.10 P.M.

THE PRESIDENT: I will get you one of those big, deep, leather chairs,
if you wish.

Q (Mr. Storm) I find this very nice, Mr. President.

Q (Mr. Stephenson) You are trying to put the opposition to sleep for
us.

Q I see the bankers came up here begging today.

THE PRESIDENT: Yes. Who loaned them the quarter?

Q I did; somebody has to have pity on them.

Q You know the real story on that is that there was a reporter out
there with a quarter.

THE PRESIDENT: That is the real story. When he came in here, I had
the thing off the ticker. It was on the ticker in about three
minutes, well covered.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think I have any news at all. There is a com-
plete vacancy.

Q We will have to see about that.

Q Have you been told about Mr. Davis' report in London from the Japa-
nese?

THE PRESIDENT: Has one come in? I have not seen it, unless it is this
(indicating). There it is; I have just got it. I have not read
it yet.

Q Read it aloud. (Laughter)

Q Have you received the second telegram from Upton Sinclair?

THE PRESIDENT: I don't know. Have I, Mac?

MR. McINTYRE: I do not think so.

Q He makes the statement that every statement made concerning you was in rigid conformity with an understanding with you. Will you please tell us if there was an understanding?

THE PRESIDENT: I cannot take part in any state campaign.

Q Are you going to see Professor Moley any time soon?

THE PRESIDENT: Not that I know of; I haven't any date.

Q Mr. President, can you tell us about your talk with the bankers (Messrs. Hecht, Law and Fleming) this morning?

THE PRESIDENT: Did I see any bankers this morning? Oh, they just came in to start their year, the new officers.

Q Mr. Hecht told us that they came in and offered their services on your all-American team. We asked them what positions they had been assigned and they said that had been left to you. Have you any positions in mind?

THE PRESIDENT: Well, I had hoped to put them out on end. On the other hand, I do not know that they rate being center.

Q Can they carry the ball?

THE PRESIDENT: It is rather difficult. If I called them only a half-back, they would probably be insulted.

Q Do you think they can carry the ball?

THE PRESIDENT: They will all take turns carrying the ball.

Q May I ask one more California question? George Creel said you promised to make another survey of that Central Valley Project. Will you tell us the purpose of another survey?

THE PRESIDENT: Well, the National Resources Board had made a preliminary

survey and I think they were actually engaged last week in making a more detailed survey of it and I think that also brought up the question of the watershed up there. They are going to do that at the same time.

Q Does that mean recommending the project to Congress?

THE PRESIDENT: Well, only in the sense that we are looking them all over. We do not know which ones are going to be listed.

Q The survey will be made by the National Resources Board?

THE PRESIDENT: Just like all their other surveys.

Q Any comment on the action of the Legion with respect to the bonus?

THE PRESIDENT: I had not seen it until three minutes ago when Louis Johnson brought in a copy of the resolution and remarked, off the record, that the headlines in the papers did not exactly describe what they had done. According to him, they "recommended." In other words, Louis Johnson -- this will have to be off the record because you have to get it from Louis Johnson -- told me that in the committee they defeated the language, whatever it was, that "demanded" it and they changed it to "recommend."

Q Mr. President, is there to be a new Comptroller of the Currency?

THE PRESIDENT: Not that I know of. Why, we have a perfectly good Comptroller of the Currency, haven't we?

Q The Comptroller said he had been offered a position as governor of the bank at San Francisco.

THE PRESIDENT: I do not know whether he is going to accept or not.

I do not know whether he has made up his mind.

Q Is that governor or agent?

THE PRESIDENT: Agent.

Q Has he been offered the post?

THE PRESIDENT: So I was told by the Federal Reserve Board but you had better check with them because it only came to me third-hand.

Q Mr. President, would you care to reiterate or give us a little amplification of your present views on the Government ownership of railroads? It is quite a timely topic.

THE PRESIDENT: Didn't we talk about it about a week ago?

Q Last spring we did.

THE PRESIDENT: I do not think there is any more on that that can be said. As you know, there are a number of railroads in a weak position at the present time and we are trying to see them through and that is about as far as we have got. I think it is rather important that the names of the weak railroads should be left out. You know which ones they are, but it is just as well not to talk about it out loud.

Q With the Automobile Code expiring next week, do you know of any steps taken to extend it?

THE PRESIDENT: I do not, but they are working on it. The N.R.B. and the Department of Labor; I think they are both working on it.

Q The N.R.A.?

THE PRESIDENT: Yes.

Q Mr. President, has the Budget reached such stage yet that you can say what the funds will be for public works or relief?

THE PRESIDENT: Oh heavens, no; it won't reach that stage until the first of January.

Q Thank you, Mr. President.