

## CONFIDENTIAL

Press Conference #162

At the Newspapermen's Cottage on Georgia Warm Springs  
Foundation, Warm Springs, Georgia

December 4, 1934, 3.00 P. M.

(The President had come down to visit the newspapermen in their cottage. No notice had been given to the office, consequently the first few minutes of the Press Conference were not recorded. It is understood that the President stated to the press that the Bankhead Bill, provided Congress voted for it, would be retained and that he would recommend to the Congress, at its next session, the exemption from the act of those farmers making two bales of cotton or less.)

THE PRESIDENT: -- And in spite of  $5\frac{1}{2}$  cent cotton, our exports were diminishing. This is the answer to Anderson Clayton, only don't say that I said it. Yet, in spite of that surplus of cotton and that price, foreign production of cotton in India, Brazil and other places was increasing. Therefore, cheap cotton not only means starvation for the cotton grower but it does not in any way guarantee increased exports or the stopping of a foreign growth of cotton. I think that is the thing that ought to be emphasized and emphasized and emphasized.

Now, just as long as we have  $13\frac{1}{4}$  million bales' carryover, obviously the price wasn't going to go up. In 1933, when we used the plow-under method, instead of an even greater crop than 1932, which we would have had, we cut the carryover to  $11\frac{3}{4}$  million bales. Rex, check me if I am telling any awful lies here.

MR. TUGWELL: I probably would not know it, Mr. President.

THE PRESIDENT: In 1934, when we used acreage restrictions and the Bankhead Tax Bill, we reduced it still further to  $10\frac{1}{2}$  million bales -- that is this year.

Q Ten and a half million bales?

THE PRESIDENT: Ten and a half million. That was before this crop came in. That was before the crop. We hope that by August, 1935, by continuing

the present reduction methods -- not "reduction", call it restriction methods -- that the carryover will only be  $8\frac{3}{4}$  million bales.

All of which means that if we have patience and keep on doing like we are doing, we will get back to about a 4-million bale surplus.

Q When, Mr. President?

THE PRESIDENT: In a couple of years after 1935. In other words, about three more crops.

Q Do you consider that a normal surplus?

THE PRESIDENT: That should be a normal surplus unless -- I am glad you asked the question -- unless one of two things should happen. One would be in the event that foreign demands should be greater by reason of their giving up their synthetic processes, which does not look likely. I told you about the wood pulp process they started in Italy and the one they have in Germany. The other is if increased buying power in this country creates a greater demand. We hope that the latter is not only possible but probable.

In other words, it is the same old story, that if every man in this country should wear two shirts a week, it will do an enormous amount to increase cotton consumption. Unfortunately, there are too many men in this country who cannot afford to wear two shirts a week. I am not looking at you, Fred (Mr. Storm). (Laughter)

Q (Mr. Storm) I was just thinking of having my laundry sent out. With all these barbed-wire clotheslines around here, we will need ten shirts a week.

Q Did you say clotheslines or fences? (Laughter)

Q Mr. President, do you favor retention of the Bankhead excise?

THE PRESIDENT: I think undoubtedly it is far and away the best thing for us to do, to continue with the plan of controlled production in order

to reduce the surplus which is still too much, too large, until it gets to a controllable size. There you have the picture of that three years' constant decline in the surplus. Suppose we took off the restriction, there are two things which would happen. People would plant everything, including the land under the house, and your surplus would go right up again. It would come right straight back and you would get infinitely lower prices for the cotton. The second thing which would happen if we do not go on with this control, the money which the Government has advanced on a total of about nine million bales, if the price of cotton goes down, we are going to have the same terrific loss to the Government that happened in the case of the Farm Board of the previous Administration. The Government is going to be left with nine million bales on its hands.

MR. McINTYRE: Is this off the record?

THE PRESIDENT: This is not for quotation, it is background. You saw what happened with the old Farm Board. The Government undertook to buy surplus and buy surplus and buy surplus so that the surplus of both wheat and cotton just came into the hands of the Government on a declining price-scale so that the Government was left with it and had to take a tremendous loss. The only thing to do is to keep the price up and if the price is kept up the Government will be able to get back what it gave.

Q Under the other, the farmer would also lose?

THE PRESIDENT: Oh, yes.

Q On the exemption, would that exemption be the usual certificate they give now?

THE PRESIDENT: No, I don't know.

Q I have heard that the farmers when they have any excess certificates left,

just pass them along to someone else.

THE PRESIDENT: Yes, the Administration will have to work that out.

Q Do you know how much production is involved in the one and two bales?

THE PRESIDENT: Roughly 700,000 bales of which probably the majority are already in on the plan. At a very rough guess it probably means only a deduction of between 200,000 and 300,000 bales, if that. It is a drop in the bucket.

Q Do you know how many farmers will be affected by that?

THE PRESIDENT: Roughly, 600,000.

Q One other question that shows a great deal of ignorance but I will be darned if I can recall the message. You spoke of a parity price last year of about 13 cents and parity today is about  $15\frac{1}{2}$  cents. How does that come about?

THE PRESIDENT: Through the increase of outside things. The parity of farmers' prices of the things he sells to the things he buys. Take the relationship of 1900 and this year. Now of course, if the other things go up, his have to go up too but his are going up faster than what he has to pay for the things he buys. Is that correct, Rex?

MR. TUGWELL: Yes, I think the parity is 15 cents or a little over.

THE PRESIDENT: Yes,  $15\frac{1}{2}$  and I think it was about 13.

Q If you do reduce the surplus to 4 million bales on the present program, does that mean a corresponding increase in price?

THE PRESIDENT: I am glad you mentioned that, Stevie (Mr. Stephenson).

What we are seeking is not 20-cent cotton or 25-cent cotton. The objective is a parity price. Now, we have gone from  $5\frac{1}{2}$ -cent cotton to  $12\frac{1}{2}$ -cent cotton and we hope we can get it higher but nobody has an idea and no sensible person in the south thinks we ought to have immediately 20 or 25 cent cotton.

If we can maintain something pretty close to parity for three or four years more all through the cotton-raising area, and all through this country, it is going to do more for the south than has been done at any time before in our lifetime.

Q This broad principle applies also to the wheat growers and others who are under crop restriction?

THE PRESIDENT: Yes.

Q Is there any thought of extending the Bankhead process to any other commodities?

THE PRESIDENT: No.

Q What is this we hear that you did to General Farley down there in the pool today?

THE PRESIDENT: Did you see the bumps on his head? Those are not bumps of wisdom. (Laughter) Stevie, who was it named the mules?

Q We named them here, one "Tug" and the other "Hop". (Laughter)

THE PRESIDENT: Well, I wish we were not going away.

Q We wish the same.

Q The thing we are looking forward to now is Miami.

THE PRESIDENT: Yes.

Q What are the prospects of Florida this year?

THE PRESIDENT: I don't know; it depends on the Congress. You know what happened last year when I went away.

Q Any other news?

THE PRESIDENT: I have been going around with Carp (Arthur Carpenter) and Duncan Leverett and a man we have hired to clean blackjack out of the woods and showing them how to do it.

Q What is that?

THE PRESIDENT: That is jack oak. We had a demonstration on about an acre

and I showed them what trees to take out and what to leave in.

MR. McINTYRE: Senator (Mr. Young), don't you think you ought to tip the President off on this CCC Camp?

THE PRESIDENT: When do we get down there?

MR. McINTYRE: You ought to get down there tomorrow before we leave. The Senator made a speech there yesterday.

THE PRESIDENT: Did he, really?

MR. McINTYRE: He made a great hit with them. He prayed for a continuation of this program indefinitely. You get him to tell you about it, It was No. 17-A.

THE PRESIDENT: What was that?

Q (Mr. Young) Character building.

Q He said, "We are aiming to build men all through, not only through this depression but all through, to carry the country forward."

Q The Senator addressed the Manchester Kiwanis Club about ten days ago.

THE PRESIDENT: We heard about it.

The only lucky thing is that old man Sherman came through about thirty miles north of here -- if he had come through this section, he would never have come through alive.

Q Is this blackjack bad oak?

THE PRESIDENT: Yes, bad oak. It is scrub oak.

Q It keeps the others from growing?

THE PRESIDENT: Yes.

Q Is there anything to say about relief or the budget?

THE PRESIDENT: January third.

Q Any guess will be a wrong guess? (Laughter)

THE PRESIDENT: I think that is true. We are no further ahead than we were two days ago and that is not very far.

Q Any engagements when you get back Thursday?

THE PRESIDENT: I do not think so. I probably will be exploring the new offices.

Q We have a couple of couches in ours and I understand it is going to help us a lot.

THE PRESIDENT: They are going to make you pay for your new telephones?

Q We always had ours anyhow.

Q We had a meeting of the Board of Governors today and formally replied.

THE PRESIDENT: Don't you think you ought to let them phone back to Warm Springs on us?

MR. McINTYRE: We only have \$25,000 for entertainment.

Q I am for it and-so are several others.

THE PRESIDENT: Last year Mac telephoned daily down to Warm Springs for about two weeks.

MR. McINTYRE: There were a lot of things we did not clean up when we left here.

THE PRESIDENT: It only lasted two weeks; he forgot at the end of that time.

Q They checked up on it when he got back and he had a lot of explaining to do.

(The President's attention was called to the fact that the Prenosil family was present)

THE PRESIDENT: Yes, I know both of them. Billy wishes to get that cotton story to the financial paper and the A. P. in New York. It is very important.

Q (Mr. Stephenson) You had better come over and check on us, Bill.

Q Is there any chance of giving the corn planters the same break you are giving the cotton planters?

THE PRESIDENT: Did you see the price of corn? Has the corn-hog program

been announced?

MR. TUGWELL: It has been announced.

Q Are you taking up with Tugwell the price of cattle?

THE PRESIDENT: I have.

Q What did he report?

THE PRESIDENT: Dr. Hoke knows more about cattle down here than either one of us. He says we will have to cut out raising cattle on the top of a mountain or else plant trees. I can't get any decent pasturage up there.

MR. TUGWELL: I saw cows grazing on fruit land. It was the first time in my life.

Q Do you have to buy feed?

THE PRESIDENT: I have enough feed to carry them over but I haven't enough fattening stuff. They can live up there but I cannot fatten them and as long as I do not, I cannot get a decent price.

MR. TUGWELL: Can't you let them get their growth up there and then bring them down and fatten them?

THE PRESIDENT: Yes; I have a lot of land on the other side, I have about 400 acres, but I will have to revamp the farm somehow.

Q It is bad enough for Tug and Hop as it is. (Laughter)

MR. TUGWELL: Yes, they live on very little.

THE PRESIDENT: They come high in the beginning but after that they do not cost much.

Q That is true too.

Q Speaking of the mules, are they fractious?

THE PRESIDENT: Their names sound fractious, don't they?

MR. McINTYRE: They are broken as a team.

THE PRESIDENT: They are a good-looking pair of mules, though. (Laughter)

Q Have you decided on your radio speech that you talked about just before

you left Washington?

THE PRESIDENT: No, I have no idea. Somewhere between the tenth and the twentieth.

Q Are you making a speech at the Camp (CCC Camp) tomorrow morning?

THE PRESIDENT: I do not believe so.

MR. McINTYRE: When is the best time to go?

THE PRESIDENT: Arrange it for about quarter of eleven, just before I go to the pool.

Q Thank you, Mr. President.

## CONFIDENTIAL

Press Conference #163,  
Executive Offices of the White House,  
December 7, 1934, 4.00 P. M.

THE PRESIDENT: How do you like it? (Referring to the new White House offices)

Q One thing missing; we haven't any flowers in our room.

MR. McINTYRE: Nor a public phone either.

THE PRESIDENT: I told them that in Warm Springs. This (referring to the President's office) is going to look all right as soon as we get pictures hung.

Q It does not look much larger?

THE PRESIDENT: It is two feet wider and two feet longer. Isn't that nice up there, that ceiling?

Q I would like to get one of those (referring to the seal) myself.

THE PRESIDENT: Did you find everything all well when you got back?

Q (Mr. Young) Yes, sir.

THE PRESIDENT: Is there room in the back? Can you see?

Q There must be 300 here.

MR. DONALDSON: All in.

THE PRESIDENT: It does not look to me as though there is as much room as there used to be. I was just saying to Senator Young that this room is two feet longer and two feet wider than the old room but it does not seem to be so. Every inch is taken. Next time we build a new one we will add a few feet.

I do not think there is any news at all. I have been trying to orient myself since we got back and I don't believe there is any news you have not got.

Q Have you set the date for your radio talk yet?

THE PRESIDENT: I have not thought of it. It is sometime between now and Christmas.

Q Do you share Ambassador Bingham's views that a great opportunity exists at the present time for Anglo-American cooperation?

THE PRESIDENT: Where did you get that?

Q He expressed that in his speech in London last week.

THE PRESIDENT: I will have to get a copy of it. (Laughter)

Q One of the Press Associations today is carrying a story to the effect that you will ask for \$4,000,000,000 next year as a general fund in which everything will appear for your various emergency agencies.

THE PRESIDENT: Down at Warm Springs, Russell (Mr. Young) and I invented a ditty, the first verse of which goes like this: "There will be an announcement on that on January third." And the second verse goes like this -- we are very good at it together -- "If you guess now, the chances are ten to one you will be wrong."

Q That still holds?

THE PRESIDENT: That still holds. And then we invented another phrase down there -- you might just as well become familiar with it -- "S. C. S." and I am going to use that a great deal. It means "Sewing Circle Story." Next!

Q Can you tell us anything of your talk with Senator La Follette and Governor La Follette today?

THE PRESIDENT: Nothing in particular. We talked about a lot of things, including the general problem of relief and public works and the general problem of everything that goes with it. We were just surveying it from every angle.

Q I have a new question to ask: There has been pending in the Senate since 1931 a treaty for the preservation of the beauty of Niagara Falls and

within the last year there have been two big slides up there and, really, the people on the Niagara frontier are concerned about it. Canada did ratify the treaty but our Government never did, the Foreign Relations Committee turning it down. I am wondering if anybody did anything about it?

THE PRESIDENT: I will have to check on that; I did not know there was a treaty.

Q The operating companies -- there was a provision that the power companies would get 10 per cent more water.

THE PRESIDENT: I remember that when I was Governor. Didn't I write a letter opposing it?

Q I do not know.

THE PRESIDENT: I think I did on the ground that if there was any more water to be taken, the power companies should pay for it. As I remember it, they were going to get the additional water for nothing and I think, as Governor of the State of New York, I wrote a letter of opposition to it on that ground.

Q That would be sound opposition but I wondered, on the larger thing, whether there was anything done on the preservation?

THE PRESIDENT: I think something should be done. It is a brand new thought. I think I will take it up. It is a grand question. As I understand it from geologists, the question is whether you can eat your cake and have it -- in other words, whether you can have enough water go over the Falls and, at the same time, prevent the crest of the Falls receding year by year. They have been doing it at the rate of several thousand years and, at the present rate, they will be getting back to Lake Erie well after we are dead. It is a question. And another suggestion that was made was that the Falls should be turned on every so

often for the benefit of sightseers and then turned off again. But I am glad you told me about it. I will take that up and find out where it is.

Q Can you tell us for what purpose you are sending Ambassador Gibson to Europe?

THE PRESIDENT: Sending whom?

Q Hugh Gibson.

THE PRESIDENT: I am not sending him to Europe. I did not know he was going until he told me he had a small boy over there who was sick. He is over in the mountains and Hugh is going over.

Q I was just wondering whether you had asked him to go over?

THE PRESIDENT: No, he is going over to see his boy; nothing official in it.

Q Can you tell us whether General MacArthur will be Chief of Staff after the fifteenth?

THE PRESIDENT: I cannot.

Q Can we induce you to comment on the naval negotiations?

THE PRESIDENT: No. I think that as things stand you know about as much as I do. You read Norman Davis' speech and Cordell Hull talked to you off the record on it yesterday. I do not think there is any more can be said on it now.

Q Any background on the situation in the Balkans?

THE PRESIDENT: Again, off the record, I did not know anything until I read the first edition of the Star. I talked to the Secretary of State and he has been telegraphing to various people of ours in the embassies and legations. We have not heard a word yet. Maybe the wires are down.

Q Have you received any report on the automobile industry?

THE PRESIDENT: No.

Q Mr. President, did your statement at Warm Springs constitute a further

endorsement of the Bankhead act?

THE PRESIDENT: I did not say it constituted an endorsement of the Bankhead act. What I did do was to give them some figures that they could use down there -- the boys down there -- with the statement that if the Bankhead act continued and was extended, I would recommend to the Congress a provision to take care of the small crop grower. If I were writing the story I would say that it was not an endorsement but does show the Administration is in favor of extending the Bankhead act. In other words, it is not an official endorsement or anything else, but we are in favor of it because we do not know any better method of handling the situation.

Of course, that statement down there was made after a long telephone call -- this is background -- with the Secretary of Agriculture and we had a complete and absolute meeting of the minds on it. Therefore, do not write a story that there was dissension between the Secretary of Agriculture and the President, because there is not.

Q Thank you, Mr. President.

(The Press Conference adjourned at 4.10 P. M.)

CONFIDENTIAL  
Press Conference #164,  
Executive Offices of the White House,  
December 12, 1934, 10.30 A. M.

THE PRESIDENT: I have got a lot of news this morning.

Q How about this survey you are going to make by the Treasury Department --  
this survey of the taxes (of the District of Columbia)?

THE PRESIDENT: We are starting on it. I do not know whether they have  
actually started but they have orders to do it.

Q (Mr. Storm, who had come in behind the others) It is pretty bad when you  
have to make that end run out there.

MR. DONALDSON: All in.

THE PRESIDENT: Lots of news today.

No. 1, I have sent a letter to the Secretary of War directing that  
General Douglas MacArthur be retained as Chief of Staff until his suc-  
cessor has been appointed. I am doing this in order to obtain the  
benefit of General MacArthur's experience in handling War Department  
legislation in the coming session. I cannot give you any date because  
I have no more idea than you have when that work up on the Hill will be  
finished. Of course, obviously, sometime before the end of Congress.

Q That order to keep him on -- that is an Order?

THE PRESIDENT: Yes.

Q We assume from that that General MacArthur will not have an appointment  
for four years more?

THE PRESIDENT: That is right.

Q Does this necessitate a new Executive Order?

THE PRESIDENT: The other was not an Order, it was a letter to the Secretary  
of War. The letter says:

(Reading) "My dear Mr. Secretary:

I desire you to issue the necessary order to the effect that Douglas MacArthur will continue as Chief of Staff until his successor has been appointed."

That is all.

I signed an Executive Order setting up the Federal Prison Industries, Inc., as authorized by the Act of June 23, 1934. This is a long step in the right direction. This board, among other things, will determine to what manner and to what extent industrial operations shall be carried on in Federal penal institutions. It is a board of five, one representing industry, one representing labor, one representing agriculture, one representing retailers and consumers and one representing the Attorney General.

That particular statute was the result of being able to iron out a conflict of long standing between people who run the prisons, the industries and organized labor. This was agreed to by everybody last spring and the people going on are Sanford Bates -- Steve (Mr. Early) will give you the Order -- Thomas A. Rickert, John D. Miller, Dr. M. L. Brittain of Georgia Tech. and Sam A. Lewisohn of New York.

Q Mr. President, is it time to ask you a question? You indicated that you had ordered this survey of the local tax situation. Will that be out in time to give it to the Appropriations Committee?

THE PRESIDENT: Yes; that is what is intended.

And now, number three, is a very short one and principally for Washington, D. C. I think it is my fault. I think I gave Clark Howell the wrong impression about the aviation field for Washington. I had been studying the thing with a good deal of care and there had been a report, I think, either from the National Capital Park Planning Board or from the Interior Department in favor of a new field on the other

side of the river, opposite Haines Point. And good old Clark came in the other day with his Commission and they talked about a field and they were talking about the Haines Point field and I was talking about the one on the Virginia side.

As a matter of fact, I don't think there is any possibility of using the park at Haines Point. It is not the proper place for it, it is too close to the city, and it also destroys the park. We are still studying the Gravelly Point site. There is nothing decided on it yet but I think you can say that at the present time the Gravelly Point site looks like the best bet.

Now, most important of all, I am having a meeting at 2 o'clock today with -- you had better take these names down because I haven't any copies -- with Secretary Hull, Secretary Morgenthau, Secretary Dern, General MacArthur, Secretary Wallace, Secretary Swanson and Harry Roosevelt, Secretary Perkins, Coordinator Eastman, George Peek and Bernard M. Baruch and General Johnson. (Laughter)

Now I have got you all intrigued. Isn't that a funny combination?

Q Is it for tea? (Laughter)

THE PRESIDENT: It all goes back and is a long story. Those of us who served in the World War know that we got into the war in a great hurry. We had never been in a war on such a scale in our National history and, as a result of it, we muddled through the war and did a lot of things we should not have done.

After the war was over, there was a very large sentiment in the country for so ordering things by law that if we should unfortunately get into another war, we would eliminate some of the very great faults of the World War.

One of the principal students of that particular problem was Mr.

Baruch. He and General Johnson worked very hard for a good many years on the possibility of legislation which, in a broad sense, could be legislation to take the profit out of war.

Probably no two people have done more work on that subject than Baruch and Johnson. There were a number of Congressional hearings of various kinds, I don't recall just what they were, but I think both Baruch and Johnson did appear before the Senate and House Committees and the whole subject was pretty thoroughly canvassed. Nothing was ever done about it. There was no legislation passed.

We have decided that the time has come when legislation to take the profit out of war should be enacted. We are meeting this afternoon in order to discuss such legislation. It is with the idea that some time, fairly early in the session, I will be able to send a message to the Congress on this general subject.

Everybody in the country knows what munitions profits and other profits meant during the World War. Not only our country, but the world as a whole, is pretty thoroughly alive to these profits of munitions makers in time of war and in time of peace.

Gerald Nye's investigation has helped very materially in making people conscious of it and there is another reason for doing it now and that is that the world is at peace and there does not seem to be any war that is pending. That is another reason why it is an opportune time to take the subject up.

I imagine that we will discuss the whole range of the subject. In other words, not merely the financial side of it but also the economic side of it, bearing in mind that as a result of the last war, the World War, a good many things happened that, perhaps, headed us for the unfortunate ten-year period that succeeded the war such as overproduction,

enormous salaries, enormous personal profits and a complete lack of coordination in our economic system.

Then there is the other phase of it which might be called the personnel phase of it. During the World War we did more than in any other war to mobilize the human beings in the United States, and we did a very good job, on the whole. But, as a result of what might be called "unequal" mobilization -- well, for example, the whole bonus question is in good part the result of unequal mobilization of human beings during the war.

So this conference is going to take up both sides of the broad problem of how the United States would run a war if we were to get into one. I regard it as one of the very important things that will be laid before the Congress this winter.

Q What do you mean by unequal mobilization?

THE PRESIDENT: Well, just for a very simple example, the boys in the trenches got paid a dollar a day and the boy who was working in the munitions plant in Bridgeport got perhaps \$8 or \$10 a day. Naturally, the boy in the trenches, when he came back, asked for an equalization, which was the origin of the bonus.

Q Does that mean taking the profits out of our own war or taking the profits out of munitions?

THE PRESIDENT: That is an entirely different subject and perhaps you had better treat that question as not having been asked, because I don't want to spoil a good story. A little bit later on I do think that I will have something to tell you with respect to the position of the United States as a neutral in the event of war between other nations, but I am not ready for it yet. Treat it as off the record.

Q Would there be any possibility of this country entertaining conversations

with other countries so that other countries might do the same as we do for themselves?

THE PRESIDENT: I hadn't thought of that. Perhaps the force of example might be good.

Q Could we put quotation marks on that, "since the time has come to take the profits out of war"?

THE PRESIDENT: Yes.

Q Would the question of compulsory military training come up in connection with this broad plan you speak of?

THE PRESIDENT: Oh, no. No, that won't come up. Steve (Mr. Early) suggests that because there are a good many new faces, just to reiterate the old rule about quotes and also to say what "background" means and what "off the record" means. Will you explain it to everybody who does not know?

Q That sentence I gave is okay?

THE PRESIDENT: That sentence is all right.

Q The Nye Committee is running pretty low in funds and there seems to be some discussion --

THE PRESIDENT: (interposing) I thought you said, "fun". (Laughter)

Q And I was wondering if you have any idea of recommending that their supply of money be added to when Congress opens for a continuation of the inquiry.

THE PRESIDENT: No, I never recommend anything with respect to Senatorial Committees.

Q We could not describe this as preparedness, as discussed before the World War?

THE PRESIDENT: No. Really it would be of service if you all would leave out any suggestion of this being a question of preparedness. It is a question of permanent national legislation looking to an event which

we hope will never happen, and I am bringing it up because there isn't any cloud on the horizon at the present time.

Q You have a complete report on this line as a result of the report of the War Planning Commission. Will that serve as a basis?

THE PRESIDENT: I don't know that.

Q They studied it here for about two years and brought out a very exhaustive report.

THE PRESIDENT: I have got to confess, off the record, that I never heard of it.

Q Have you any idea as to how this should be done, whether it should be done through an excess profits tax or --

THE PRESIDENT: I have no idea at all. We are having our first talk at two o'clock today.

Q Mr. President, can you tell us about water resources and land utilization? We understand you have the reports.

THE PRESIDENT: The National Resources Board report is not ready yet. I understand it is to be released tomorrow for Monday morning papers. That will give you about a three-day opportunity to read it.

Q Mr. President, the Supreme Court yesterday made some observations about the fact that Executive Orders had not been made public. Are you looking into that?

THE PRESIDENT: Yes. There is no reason why I should not go into that. It brought up a very nice question.

The Supreme Court discovered something of great importance and that is that there has never been any machinery in the Government for the publication of Executive Orders and similar orders. I am now looking into the question.

It has always been the custom in the past for Executive Orders to be kept on file here in the White House and another file to be open

to anybody's inspection in the State Department, but there has never been any medium, any vehicle, for the publication of Executive Orders or, even, of proclamations.

Obviously, in view of the Supreme Court's calling our attention to the fact, it is a thing we should do something about. There is no secrecy with respect to Executive Orders of any kind, whether they be from the White House or the NRA or the AAA or any other source. A great many of them are not of sufficient interest for the Press to publish them in full and, at the same time, I don't want to start a Government newspaper in order to publish them.

At any rate, we are looking into it to see what can be done.

Q Have you any thought of bringing Joe Broderick down here for an official post?

THE PRESIDENT: I haven't given any thought to it.

Q He resigned yesterday.

THE PRESIDENT: Did he? I didn't know that.

Q Did you say the Executive Orders can be found in the State Department?

THE PRESIDENT: They are open to everybody, but there is no method for what the law calls publication at the present time. There isn't any official publication.

Q Recently the State Department has been posting them on the Bulletin Board in the Press Room.

Q Thank you, Mr. President.

(The Press Conference adjourned at 10.40 A. M.)

## CONFIDENTIAL

Press Conference #165,  
Executive Offices of the White House,  
December 14, 1934, 4.05 P. M.

MR. DONALDSON: All in.

THE PRESIDENT: There are two good reasons why there is no news today: The first is that I talked myself out on Wednesday, and the other is that Steve (Mr. Early) has gone duck hunting and said that I could not give you anything.

Q Have you anybody in mind to replace Mr. Farrell (Patrick J. Farrell) on the Interstate Commerce Commission?

THE PRESIDENT: No.

Q His term expires this year?

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

Q Can you tell us whether you discussed the cotton barter deal with Germany lately?

THE PRESIDENT: No, not yet.

Q Do you intend to fill the two places on the Federal Tariff Commission?

THE PRESIDENT: I have not thought of it at all.

Q Anything you can tell us about Conboy's (Martin Conboy) visit this morning?

THE PRESIDENT: No -- yes, I can. I can tell you this, that Martin Conboy reminded me that he had said that he wanted very much to stay (as District Attorney in New York) only for a year and that the year would be up in January and that he still held to that but that if I could not find anybody to take his place at the end of the year, he would be entirely willing to stay on for a month or two until I found somebody. So that is entirely satisfactory.

Q During the crime conference there were several suggestions of better coordination on the part of police organizations and there was an indication that a step of that sort might be under consideration. Can you tell us or express your views on general coordination of the various police departments and investigative agencies?

THE PRESIDENT: I could not because I have not done anything but read the headlines and I have not had a chance to talk to them about that yet.

Q Is there a plan like that in consideration?

THE PRESIDENT: Coordinating?

Q Yes, and centralization?

THE PRESIDENT: I would not put it that way. Yes, coordination of work but I would not call it centralization.

Q No centralization of control or anything like that?

THE PRESIDENT: No.

Q Ambassador Dodd is returning from Germany and the rumor is that he is coming back permanently?

THE PRESIDENT: I sincerely hope not. I think he is coming home for the Christmas holidays and that is all.

Q William Green (President of the American Federation of Labor) told us this morning about the recommendations of labor on NRA. One of those was a recommendation that Government supervision be continued in the new setup over industry. I was wondering if you would care to comment on that?

THE PRESIDENT: That is pretty vague. I do not know what you mean.

Q What I think he means is that under the new NRA, the Government would continue to administer the relations over industry somewhat as it is doing now.

THE PRESIDENT: You mean on the labor end of things?

Q Yes.

THE PRESIDENT: Well, I do not think there is any question about that. We put our hand to the plow and undoubtedly, with respect to all of these labor problems, there is going to continue to be a great deal of interest and participation in them by Government. In other words, the country is certainly not going to abandon the very great steps that have been taken during the past year and a half -- child labor, working conditions, minimum wages, et cetera. I do not think anybody would suggest that they be thrown out of the window.

Q Have you found any way to persuade the bankers and insurance companies to cooperate with the Federal Housing Administration under Title II?

THE PRESIDENT: Is that the one that requires additional state laws?

Q In some instances. Mr. Sloan in New York indicated that the Administration is not pleased -- rather, that there had been lack of cooperation on the part of bankers.

THE PRESIDENT: Not that I know of. The only phase I know of is that Jimmy Moffett has sent me a letter and I am preparing a letter now to the governors, I think of the forty-four states that have legislatures meeting, sending them all Jimmy Moffett's recommendations in regard to removing certain restrictions on that type of loan which now exist by virtue of state law. Just to give you an example, a great many states confine the amount of a loan to 50 per cent of the value. The State of New York last August, in a special session, passed what Moffett said is the proper kind of amended statute. I am sending that letter to the governors and, after they have had a chance to get it, I will give you copies of it.

Q Have you any comment to make on the resolution of Clay Williams that Green (President Green of the A. F. of L.) presented to you today?

(Laughter)

Q In view of the action of the principal European nations in defaulting outright, do you hope there will be any resumption of payments under existing agreements?

THE PRESIDENT: I certainly do. (Laughter)

Q Mr. President, can you tell us anything about your conference with the utility men yesterday and Mr. Carlisle today?

THE PRESIDENT: Well, it is very difficult. It is such a tremendous subject. I should say that probably there are two things that should be properly said. The first is that the talks were entirely amicable and that there was a disposition to work together rather than at cross purposes by running into court on every possible occasion. The other thing is that I made perfectly clear that on the general utility problem it is largely a question of fact and the fact relates to how much capital is necessary to provide the generation of electricity and its transmission and its distribution, and that when you arrive, if it is a possible thing to do, at a meeting of the minds on those figures, it is a comparatively simple thing to say what the net earnings should be and what rate is necessary to produce those net earnings.

Now, of course, the corollary of it is that if existing capital is far and away above those figures, it is just unfortunate.

Q Well, Mr. President, in those calculations would you produce the actual or the reproduction cost?

THE PRESIDENT: Now, you are getting into details which are matters for discussion. I will give you an example, however. If you take reproduction costs in a period of rising prices, say during the 1920's, are you going to allow recapitalization each year and if the prices go up without, at the same time, saying that in a period of decreasing prices, declining prices, that you are going to decrease your capitalization?

Nobody has ever been willing to admit that among the old line power crowd. They say the rule works one way and not both ways. Of course the prudent investment theory is the one that most people should come to in this country, there is no question about that.

Q The Supreme Court hasn't?

THE PRESIDENT: Hasn't got to it yet. (Laughter)

Q Did they agree with your statement?

THE PRESIDENT: No, but they thought it was worth talking about. They did not advocate it. In fact, quite a number of them have said, quite frankly, that if there is water in utility companies, there ought to be cooperation in squeezing it out, and they have been quite frank in saying so. In other words, I think we are getting somewhere. If you can squeeze water out by common consent, it would be a great thing.

Q Did they discuss TVA and your proposal to extend TVA all over the country?

THE PRESIDENT: When did I say that?

Q I think you said something down in the Tennessee Valley district that eventually that yardstick will be applied everywhere in the Union.

THE PRESIDENT: That wasn't what I said. You had better read the language.

Q In that same connection, I noticed you said that they were pretty much agreed that they would not run to court, that there was a disposition to work together rather than to run to court in every controversy. With respect to that, did you discuss the pending court fight of the Edison Electrical Institute?

THE PRESIDENT: Yes, and the people I talked to, I gathered they were not in the least bit in favor of it. That was my impression because they told me they had nothing to do with the suits brought in the Tennessee Valley. They disclaimed any connection with them.

Q I take it you did discuss squeezing the water out of stocks?

THE PRESIDENT: I did not put it just like that. You know, I am a rough fellow, but I did not. (Laughter)

Q To return to the debts, may I ask on what you base your hope that the payments might be made?

THE PRESIDENT: Now, now. (Laughter)

Q Has any progress been made since Wednesday to take the profits out of war?

THE PRESIDENT: Not yet. We are getting on all right.

Q Mr. President, what will be the next step in the endeavor to take the profits out of war?

THE PRESIDENT: Well, I suppose the Committee will talk it over in the course of the next couple of weeks and come back here and talk to various people in the House and Senate and try to arrive at something that everybody will agree on.

Q Can you tell us anything on O'Connor (Comptroller of the Currency)?

THE PRESIDENT: What?

Q The Comptroller of the Currency?

THE PRESIDENT: Oh, no; we just talked generally about the examination of banks; that is all.

Q Anything on the question of his leaving?

THE PRESIDENT: No.

CONFIDENTIAL  
Press Conference #166,  
Executive Offices of the White House,  
December 19, 1934, 10.35 A. M.

MR. DONALDSON: All in.

THE PRESIDENT: I do not believe there is going to be any news much before the third of January.

Q How about your radio speech?

THE PRESIDENT: Well, what happened on the radio speech was what you would call one of those things. So many things came in when I got back that I never got around to preparing it. I never found a minute to prepare it. It is still possible but improbable. You know, in preparing a Message there is a tremendous volume of stuff that comes in. You have to sort it and then the position I am in, quite frankly, at the present time, is trying to determine how much should go into the Message and whether there is enough outside of it that ought to be talked about separately. I have not just got to it.

Q You probably would have what you would have said in reduced form?

THE PRESIDENT: What is that?

Q You will try to include what you would have said in your radio talk in your Message?

THE PRESIDENT: If it is still possible, I may work something out on the air, but it is improbable.

Q There has been a lot said about the new policy of abandoning the freedom of the seas. Can you tell us something about it?

THE PRESIDENT: No; that is newspaper talk.

Q In that respect, so much has been said about this question of neutrality in the papers. Could you tell us what your objective is?

THE PRESIDENT: The objective is neutrality, which has always been difficult to retain in the past. Some of you older people who were here in 1914, 1915 and 1916 and the first few months of 1917 know exactly the difficulty of retaining neutrality.

Q Mr. President, there has been a screwworm epidemic in the Southeast.

THE PRESIDENT: What?

Q A screwworm. Georgia is very much alarmed and it is also said that Warm Springs has been attacked. I wonder if they will get help from the FERA?

THE PRESIDENT: What is that?

Q Screwworm. They say it has gone up as far as --

THE PRESIDENT (interposing): What does it affect?

Q Animals -- cows and horses.

Q It works in itself and spreads through the flesh. It is very bad.

THE PRESIDENT: My Lord! I hope it does not attack the two mules. (Laughter)

Q It affects all warm-blooded animals. (Laughter)

THE PRESIDENT: Both sexes? (Laughter)

Q You put creosote on it.

THE PRESIDENT: Well, we will have to get hold of Tug and Hop and go after it.

It is partly agriculture and partly relief. I wish somebody would tell me something more about it. I will look into it. I never heard of it.

Q I beg your pardon. (Laughter)

Q We are very much interested in following out the story that came up here from New York City with relation to LaGuardia, the Power Commission of New York and the naval officers at New York with respect to the power plant at the Navy Yard up there. Is anything going forward on it today?

THE PRESIDENT: Only that they are coming in. I think it is a mistake to talk about it from the general utilities end of things. It is a per-

fectly simple question. Well, let us illustrate: Away back when I was in the Navy Department, we did put up a powerhouse because we found we could save money by putting up our own powerhouse. If you were starting a factory in New York City, one of the things you would ask your engineers would be, "Is it cheaper for us to make our own power or buy it from the New York Edison Company?" That is all there is to it. The Navy, I think, has at the present time a study which either is being made or has been completed in regard to additional power for Federal purposes and the question is, "Is it cheaper for the Federal Government to make power for its own use or buy it?" Now, the City of New York is apparently up against the same question. It is merely a question of whether it will be cheaper for the city to make its own power or buy it.

Q Does that mean having it in yards in the Navy?

THE PRESIDENT: No, just the New York yard.

Q I thought they already had it?

THE PRESIDENT: Yes, but they need more power and the thing has been going on for some months. As a matter of fact, I did not know it until Floyd Carlisle told me that the Navy had not paid its power bill since July and then I looked into it.

Q Why is that?

THE PRESIDENT: As to whether the price is excessive.

Q Do you happen to know of any kick or protest on the part of the Government against rates here in this city? The Navy makes its own power at the Navy Yard in the capital.

THE PRESIDENT: We buy some.

Q We buy two-thirds and make one-third.

THE PRESIDENT: The only thing I heard was last year some suggestion that we give up the Navy Yard power plant and we looked into it and decided it

was cheaper.

Q Does that mean that the local rate is lower?

THE PRESIDENT: Somewhat.

Q It is very low here.

THE PRESIDENT: Yes.

Q Can you tell us something about the Nicaraguan Canal?

THE PRESIDENT: Only that when I was a very small boy, about 1890, my father was very much interested in it and my mother still has in a safe deposit box enough stock in that old Nicaraguan Canal Company to paper a whole room.

Q You ought to be in favor of it then.

THE PRESIDENT: That has gone. (Laughter)

Q Does the statement of Mr. McCarter represent the attitude of all the public utility men you have talked with?

THE PRESIDENT: I should say no.

Q On that same subject, if you find from your talk today that it might be cheaper for New York City to manufacture its own power, would the Federal Government help them perhaps with PWA funds?

THE PRESIDENT: If it is a legitimate self-sustaining project, it certainly would be considered.

Q Has Carlisle taken a more conciliatory attitude?

THE PRESIDENT: That is getting into very tricky ground, talking about conciliatory.

Q Do you have any other Federal yardsticks definitely in mind?

THE PRESIDENT: Other than what?

Q Muscle Shoals, Boulder and St. Lawrence?

THE PRESIDENT: No.

Q Can you tell us whether the reports are correct that the cotton barter deal

with Germany has bogged down?

THE PRESIDENT: Still in the discussion stage.

Q Can you tell us whether the State Department has advised you that as it stands now it is in conflict with our most-favored-nation treaty policy?

THE PRESIDENT: I could not answer the question because I have a long memo and have not read it yet. I don't know. It is in the basket.

Q There is a report this morning that Senators Costigan and Wagner are contemplating a bill for a billion dollars more fund for the Home Owners' Loan Corporation?

THE PRESIDENT: No. That is still in the study stage by the Credit Agency Committee. You know there is that subcommittee of the Emergency Council that is composed of the heads of the different credit agencies. They have not reported yet.

Q Can you tell us anything about the naval situation?

THE PRESIDENT: That will have to come from London.

Q Will you comment on the Japanese Privy Council's action in renouncing the London-Washington Treaty?

THE PRESIDENT: We have not been advised of any action.

Q I am very much concerned about a report that you are planning to tear down the Library of Congress.

THE PRESIDENT: I do not know where that came from. It shows how terribly careful you have to be about making remarks. I was driving back from the Navy Yard with somebody and we were driving past the Library of Congress and I said, "I feel that that building is entirely out of keeping with the Capitol, the Senate and House Office Buildings and the Supreme Court." That is as far as I have gone. I never said another thing, but somebody took it up.

Q Was it Lynn (Architect of the Capitol) you said it to?

THE PRESIDENT: No; that is all I ever said.

Q You have not given any directions?

THE PRESIDENT: No, none at all.

Q Before you decide on that, will you give us an opportunity to present a case for preserving American and Italian architecture?

THE PRESIDENT: Would you include the old Post Office building? (Laughter)  
You know, there is a lot in it. Why should we make everything --

Q (interposing): How about the State, War and Navy building?

THE PRESIDENT: I have lived in it for a number of years.

Q What is going to be done about the State, War and Navy building?

THE PRESIDENT: Nothing is going to be done. As a matter of fact, we are not going to rebuild any buildings at the present time because, as a matter of fact we cannot spare the space. We need every available space, so that all the talk about rebuilding any building for a number of years is silly. We need the floor space and the money for other purposes.

Q Does that hold good about the change down in the Library of Congress?

THE PRESIDENT: Of course, unless Congress itself decides on that action.

Q The old Post Office building will stand?

THE PRESIDENT: We need the space; it has got to stand.

Q In that connection, the Secretary of War recommended the construction of a new War Department building as distinguished from the present building?

THE PRESIDENT: Only this: Of course, the one thing which I will always go down on my knees and ask forgiveness for was my plea for the Navy and Munitions building during the war. I was responsible for it and I am terribly sorry I made them so permanent. Eventually they have got to be taken out of the Park.

In regard to what building we will build next, the War Department or something else, we do not know yet. It is a simple problem. We need

a lot more space and we will undoubtedly build new buildings with the objective of getting more floor space. What department will get the new building, nobody knows. But, whatever department gets a new building, the present department space will have to be retained temporarily.

Q Are you familiar with the row over the location of the new building that the War Department will have? One school of thought was for extending it out along Pennsylvania Avenue to Nineteenth Street?

THE PRESIDENT: It is not going along Pennsylvania Avenue; it is going along the Mall.

Q Can you tell us anything about steel labor negotiations -- background or any other way?

THE PRESIDENT: You had the story yesterday and they are still talking about it. There were three points to the agreement and I think the papers carried that this morning. It is more a question of a formula of words than anything else.

Q On this building problem, do you expect there will be more Government employees in Washington during the coming year?

THE PRESIDENT: I hope not.

Q Can you tell us about your talk with Eastman on the railroad question?

THE PRESIDENT: It is still in the conversation stage; nothing definite on it.

Q On steel, on this formula, are you hopeful of an agreement there?

THE PRESIDENT: I hope so, yes.

Q Very soon?

THE PRESIDENT: The quicker the better. There is no specific date on it.

Q Reverting to the Messages to the Congress, is it your plan to have a cover-all Message or send individual Messages later on?

THE PRESIDENT: Long before I even went to Albany, I was appalled and I think most people were appalled by the length and detail of all Presidential

and Governors' Messages. I started the practice in Albany of cutting the Message from an average of about 5,000 words down to about 2500. The same way here, my general thought is on Messages to the Congress that they should talk about principles and objectives, the larger ones, just the way I did last year. If you read last year's Message, you will get a good line on what type of Message it will be this year. And then, when you come down to the details of legislation, they go into Special Messages. Again, I am going to try to keep it as short as I possibly can.

Q Do you recall the length last year?

THE PRESIDENT: Do you remember last year? About 3,000 or 3500. Better check on that.

Q Gene Black died this morning.

THE PRESIDENT: I know. It is too bad. I am awfully sorry about that. He was a grand fellow. And, off the record -- this has got to be off the record -- I always loved Gene Black because he would come in and I would say, "Don't you think we had better do this? I have made up my mind." And he would answer, "Now, Boss, just let me present the other side of the case to you." And he would do it in five minutes and, at the end of that time, he would say, "Now, listen: I have told you the other side of the case; I am a good soldier; I will do whatever you want."

It is really a great shock because I think he was one of the last men I thought would go quickly. He seemed to be in good health. I saw him at Warm Springs.

Q Getting back to power, have you had presented to you any detailed figures on the amount of water which should be taken out of utility stocks?

THE PRESIDENT: No. Of course, as a matter of fact on that, there is one thing -- I think you had better keep this off the record; well, no, you

can use it for background. There has been a general -- I won't say an effort, because perhaps that is rough, but perhaps we have fallen into the error, which is perhaps a more polite way of putting it, of lumping utility securities. There have been stories written about the insurance companies and the savings banks which, of course, hold utility securities.

But, if you begin to analyze, taking the savings banks of this country, the bonds that they hold are in almost all cases underlying bonds of operating companies, and the overwhelming proportion, 98 or 99% of those bonds are as sound as a government bond, absolutely all right.

Where there is water, it is not in the financial structure of the operating companies, it is in the financial structure of what you and I call the holding companies, where it is first, or second, or third, or fourth, or fifth, or sixth or seventh.

Therefore, it is beclouding the issue to lump all utility stocks and bonds into the same category. As I say, I am not saying it has been deliberately done; I think it is just one of those slips that people are apt to fall into.

Q Does the same thing apply to railroads?

THE PRESIDENT: No. In the general railroad picture there are very, very few of what you and I would call "holding companies". There are a few, but comparatively few. Most of the railroads have built up their capital structure through a policy which I think most of them wish now they had never pursued, which was of not building up sinking funds or amortization funds and when the bonded indebtedness came due, instead of paying off, they have refunded it, which resulted in the original construction cost of a large proportion of the railroads in this country being still part of the structure after 75 or 100 years. It has never been paid off.

Q Insurance companies hold the same type of stocks and bonds as banks?

- THE PRESIDENT: A great number of them -- underlying securities.

(The Press Conference adjourned at 10.50 A. M.)

## CONFIDENTIAL

Press Conference #167,  
Executive Offices of the White House,  
December 21, 1934, 4.05 P. M.

Q (Mr. Storm) What is in the bottle, Mr. President?

THE PRESIDENT: I will tell you about that. (Laughter) I wish there was something in it -- it would be worth money today if there were.

MR. DONALDSON: All in.

THE PRESIDENT: There is a unanimous demand in the front row that this (indicating a green and dark brown bottle) be explained. In the first place, there is nothing in it. The Public Works people dug, pulled that out of the York River the other day on the exact site where a British frigate was sunk at the time of the siege of Yorktown. It is a hand-blown bottle, was probably down there 150 years and is an interesting relic of the War of Independence.

I do not think I have anything today at all. Have you anything, Fred?

Q (Mr. Storm) We are not in the market for much (Laughter)

Q Do the prospects of a cotton barter deal with Germany look any better?

THE PRESIDENT: I will talk to you about it Wednesday morning.

Q How about a Christmas story?

THE PRESIDENT: The best Christmas story I know of is to put the lid on about 4.30 today and not take it off until Monday morning.

Q What did you say, Wednesday or Monday morning?

THE PRESIDENT: On Monday there might be news, but I don't know.

Q Are you coming into the office?

THE PRESIDENT: Tomorrow I think I will stay over at the Oval Room (of the White House) and work on Christmas things and packages and the Message.

Q You will put the lid on tomorrow?

THE PRESIDENT: This afternoon. Various (members of my) family begin driving in tomorrow and there won't be much doing on Monday. I don't think I have any appointments at all either for Monday or tomorrow.

Q That reception you had last year to the employees, was that Christmas Day or Christmas Eve?

THE PRESIDENT: Christmas Eve -- they are coming through at twelve o'clock, noon, to shake hands.

Q On the Message to Congress, you are working on that tomorrow?

THE PRESIDENT: Yes. As a matter of fact, the Message to Congress is getting on singularly well. If you want to know how far it has got, I might say that the preliminary rough draft is about three-quarters finished.

Q What was the last thing you wrote, so we can tell how far along? (Laughter)

Q Do you plan to meet with the leaders in a general conference?

THE PRESIDENT: Not a general conference. I will be delighted to see any of them but I have not heard anything of a general conference.

Q In that connection, have you had an opportunity to read the reports submitted by the White Sulphur Conference?

THE PRESIDENT: Not yet. I have it right in the basket to read over the week end, at which time I will read five or six other reports from different organizations. As a matter of fact, every week end I take back to the White House an average of half a dozen reports and suggestions and give them all careful consideration and all fair and equal treatment.

Q Is your mother coming down?

THE PRESIDENT: Yes, either tomorrow afternoon or Sunday.

Q Has the State Department brought to your attention any recent communications from China concerning the silver situation?

THE PRESIDENT: Not very recent. I have not had anything in two weeks;

nothing new.

Q Have you decided to do anything about this agitation for an extra holiday for Government employees?

THE PRESIDENT: Didn't the Executive Order go out about two weeks ago?

Q Yes.

THE PRESIDENT: There won't be any change in that. In other words, the situation is a very simple one. There are a good many departments of the Government that simply cannot be closed for three days. If you once start trying to differentiate as to what office could be closed without interfering with the public business, and which office could be closed, it makes too difficult a problem and the general rule before Christmas and New Years is a half holiday.

The only exceptions to that are the industrial establishments of the Government like the Navy Yard where, obviously, it is practically impossible to put an industrial establishment to work for just four hours.

Q Does your participation in this Community Tree call for a little talk?

Didn't you make one last year for two or three minutes?

THE PRESIDENT: Yes, I think three minutes.

Q The same thing this year?

THE PRESIDENT: Yes, the same thing this year.

Q Any developments in the New York power situation?

THE PRESIDENT: I have not heard a word since the day before yesterday.

Q Can you tell us anything for background with respect to the naval situation in London?

THE PRESIDENT: The only thing I can do would be to talk not for background but off the record on that, and this would have to be off the record because, obviously, there isn't anything that I can say, even as back-

ground. We are all very much disappointed that the conference over there -- they were not conferences but conversations -- did not get any further and we all hope that something will turn up in the course of the next year which will make possible a renewal of the limitation of naval armaments or a new treaty which will continue at an even greater speed the reduction of naval armaments.

I do think this: We should all, as Americans, bear this in mind: That we have done nothing in any way to adopt an antagonistic or hostile attitude. Our whole position has been that every nation is entitled to relative security and we have believed that the two previous treaties did give, in one case three nations and in the other case five nations, relative security which has continued for a good many years, from 1921 down to date. And we wanted a continuance of relative security.

The reason I am speaking especially to the Americans present, and speaking off the record, is that I do want to emphasize that every time that any American talks in belligerent terms, it is merely an invitation to somebody else to speak in more belligerent terms. I have regretted anything said by members of Congress, quite frankly, in regard to what we would do under both circumstances. I regretted reading today that somebody had talked about new naval bases anywhere because, as I say, the more we talk about that, the more we are going to get repercussions from other countries.

I am not speaking about any one particular country. It seems to me that our attitude should be to continue to hope that in the next year or two years, since we have two years, to effectuate something, to get a limitation on naval armaments. In the meantime, we should keep our mouths shut about it no matter what we may have personally thought of in regard to hypothetical conditions. They are too hypothetical to

express them out loud at the present time. Everything that the Administration will do will be along that line of trying not to antagonize by thought, word or deed.

I think that is the easiest way of putting it.

Q Also off the record, is there any reason to believe that with the passage of the year the cause of the present breakdown of negotiations will change?

THE PRESIDENT: I hope so. I hope so.

Q Mr. President, do you think it would do any harm if we were to use for background just that part, that you do hope for a treaty?

THE PRESIDENT: All right, Stevie, as a way out.

(Mr. Early spoke to the President.)

THE PRESIDENT: Steve suggests that we let it be used without attribution to the White House sources of any kind. You use it on your own authority. Is that all right?

Q In that connection and on the same basis, is there anything to say about the McCarran Act, the excluding (feature of the McCarran Act?

THE PRESIDENT: I don't think so; that is not one of the pending questions.

Q It might be a cause of a good deal of feeling?

THE PRESIDENT: There again, if you get into the reasons assigned by every nation for some kind of a change, it is an interminable subject.

Q Also on the same basis, how are we getting along with Great Britain on this? There has been some discussion that our relations are improved as a result of the strain in every direction.

THE PRESIDENT: I do not think that any human being could write a story one way or the other. They are always what they have been, friendly.

Q Thank you, Mr. President.

THE PRESIDENT: Merry Christmas to you all!

Q (Chorus) The same to you, Mr. President!

## CONFIDENTIAL

Press Conference #168,  
Executive Offices of the White House,  
December 26, 1934, 10.35 A. M.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news. The people whose faces I see seem to have survived in pretty good shape. Stevie (Mr. Stephenson) asked me if I was all right myself. I am extremely well. I did not overeat for the very simple reason that I had to carve the turkey myself and there were so many second helpings that I did not have a chance. Steve (Mr. Early) can prove it.

I do not think there is any news at all. Between now and the opening of Congress there won't be any conferences, as such. Of course, I will be talking to an enormous number of people, various departmental heads, the Director of the Budget, the leaders of the Senate and House, but there are not any regular conferences scheduled as such. It is too big a word.

Q Do you anticipate a larger field of operation for the Electric Home and Farm Authority? The Tennessee Valley subsidiary?

THE PRESIDENT: We are working on that at the present time. There is not much to be said about it because we are still working on it. If we can be helpful to private utilities in setting up some similar method of financing, I think the idea is that we will want to be helpful. But it is still very much in the discussion stage. The whole thought is that if you can buy large blocks of appliances in large quantities and get a reduced rate and if you can finance them at a lower rate than it is customary to finance them, you will get more people to buy them.

Q You are talking about private financing, however?

THE PRESIDENT: Private financing, and a good many of the utilities are doing

a very good job on that work already.

Q Mr. President, is there anything you can tell us about the Federal Trade Commission's steel basing point report?

THE PRESIDENT: No. Have they made a report or are they going to make a report?

Q The Trade Commission has and the NRA has not as yet.

THE PRESIDENT: That was something I have not taken up at all. I knew there was a report due.

Q Can you tell us anything about the billion dollars that Congress is going to be asked for for the HOLC? Many Congressmen are talking about it.

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## CONFIDENTIAL

Press Conference #167,  
Executive Offices of the White House,  
December 21, 1934, 4.05 P. M.

Q (Mr. Storm) What is in the bottle, Mr. President?

THE PRESIDENT: I will tell you about that. (Laughter) I wish there was something in it -- it would be worth money today if there were.

MR. DONALDSON: All in.

THE PRESIDENT: There is a unanimous demand in the front row that this (indicating a green and dark brown bottle) be explained. In the first place, there is nothing in it. The Public Works people dug, pulled that out of the York River the other day on the exact site where a British frigate was sunk at the time of the siege of Yorktown. It is a hand-blown bottle, was probably down there 150 years and is an interesting relic of the War of Independence.

I do not think I have anything today at all. Have you anything, Fred?

Q (Mr. Storm) We are not in the market for much (Laughter)

Q Do the prospects of a cotton barter deal with Germany look any better?

THE PRESIDENT: I will talk to you about it Wednesday morning.

Q How about a Christmas story?

THE PRESIDENT: The best Christmas story I know of is to put the lid on about 4.30 today and not take it off until Monday morning.

Q What did you say, Wednesday or Monday morning?

THE PRESIDENT: On Monday there might be news, but I don't know.

Q Are you coming into the office?

THE PRESIDENT: Tomorrow I think I will stay over at the Oval Room (of the White House) and work on Christmas things and packages and the Message.

Q You will put the lid on tomorrow?

THE PRESIDENT: This afternoon. Various (members of my) family begin driving in tomorrow and there won't be much doing on Monday. I don't think I have any appointments at all either for Monday or tomorrow.

Q That reception you had last year to the employees, was that Christmas Day or Christmas Eve?

THE PRESIDENT: Christmas Eve -- they are coming through at twelve o'clock, noon, to shake hands.

Q On the Message to Congress, you are working on that tomorrow?

THE PRESIDENT: Yes. As a matter of fact, the Message to Congress is getting on singularly well. If you want to know how far it has got, I might say that the preliminary rough draft is about three-quarters finished.

Q What was the last thing you wrote, so we can tell how far along? (Laughter)

Q Do you plan to meet with the leaders in a general conference?

THE PRESIDENT: Not a general conference. I will be delighted to see any of them but I have not heard anything of a general conference.

Q In that connection, have you had an opportunity to read the reports submitted by the White Sulphur Conference?

THE PRESIDENT: Not yet. I have it right in the basket to read over the week end, at which time I will read five or six other reports from different organizations. As a matter of fact, every week end I take back to the White House an average of half a dozen reports and suggestions and give them all careful consideration and all fair and equal treatment.

Q Is your mother coming down?

THE PRESIDENT: Yes, either tomorrow afternoon or Sunday.

Q Has the State Department brought to your attention any recent communications from China concerning the silver situation?

THE PRESIDENT: Not very recent. I have not had anything in two weeks;

nothing new.

Q Have you decided to do anything about this agitation for an extra holiday for Government employees?

THE PRESIDENT: Didn't the Executive Order go out about two weeks ago?

Q Yes.

THE PRESIDENT: There won't be any change in that. In other words, the situation is a very simple one. There are a good many departments of the Government that simply cannot be closed for three days. If you once start trying to differentiate as to what office could be closed without interfering with the public business, and which office could be closed, it makes too difficult a problem and the general rule before Christmas and New Years is a half holiday.

The only exceptions to that are the industrial establishments of the Government like the Navy Yard where, obviously, it is practically impossible to put an industrial establishment to work for just four hours.

Q Does your participation in this Community Tree call for a little talk? Didn't you make one last year for two or three minutes?

THE PRESIDENT: Yes, I think three minutes.

Q The same thing this year?

THE PRESIDENT: Yes, the same thing this year.

Q Any developments in the New York power situation?

THE PRESIDENT: I have not heard a word since the day before yesterday.

Q Can you tell us anything for background with respect to the naval situation in London?

THE PRESIDENT: The only thing I can do would be to talk not for background but off the record on that, and this would have to be off the record because, obviously, there isn't anything that I can say, even as back-

ground. We are all very much disappointed that the conference over there -- they were not conferences but conversations -- did not get any further and we all hope that something will turn up in the course of the next year which will make possible a renewal of the limitation of naval armaments or a new treaty which will continue at an even greater speed the reduction of naval armaments.

I do think this: We should all, as Americans, bear this in mind: That we have done nothing in any way to adopt an antagonistic or hostile attitude. Our whole position has been that every nation is entitled to relative security and we have believed that the two previous treaties did give, in one case three nations and in the other case five nations, relative security which has continued for a good many years, from 1921 down to date. And we wanted a continuance of relative security.

The reason I am speaking especially to the Americans present, and speaking off the record, is that I do want to emphasize that every time that any American talks in belligerent terms, it is merely an invitation to somebody else to speak in more belligerent terms. I have regretted anything said by members of Congress, quite frankly, in regard to what we would do under both circumstances. I regretted reading today that somebody had talked about new naval bases anywhere because, as I say, the more we talk about that, the more we are going to get repercussions from other countries.

I am not speaking about any one particular country. It seems to me that our attitude should be to continue to hope that in the next year or two years, since we have two years, to effectuate something, to get a limitation on naval armaments. In the meantime, we should keep our mouths shut about it no matter what we may have personally thought of in regard to hypothetical conditions. They are too hypothetical to

express them out loud at the present time. Everything that the Administration will do will be along that line of trying not to antagonize by thought, word or deed.

I think that is the easiest way of putting it.

Q Also off the record, is there any reason to believe that with the passage of the year the cause of the present breakdown of negotiations will change?

THE PRESIDENT: I hope so. I hope so.

Q Mr. President, do you think it would do any harm if we were to use for background just that part, that you do hope for a treaty?

THE PRESIDENT: All right, Stevie, as a way out.

(Mr. Early spoke to the President.)

THE PRESIDENT: Steve suggests that we let it be used without attribution to the White House sources of any kind. You use it on your own authority. Is that all right?

Q In that connection and on the same basis, is there anything to say about the McCarran Act, the excluding feature of the McCarran Act?

THE PRESIDENT: I don't think so; that is not one of the pending questions.

Q It might be a cause of a good deal of feeling?

THE PRESIDENT: There again, if you get into the reasons assigned by every nation for some kind of a change, it is an interminable subject.

Q Also on the same basis, how are we getting along with Great Britain on this? There has been some discussion that our relations are improved as a result of the strain in every direction.

THE PRESIDENT: I do not think that any human being could write a story one way or the other. They are always what they have been, friendly.

Q Thank you, Mr. President.

THE PRESIDENT: Merry Christmas to you all!

Q (Chorus) The same to you, Mr. President!

**CONFIDENTIAL**

Press Conference #168,  
Executive Offices of the White House,  
December 26, 1934, 10.35 A. M.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news. The people whose faces I see seem to have survived in pretty good shape. Stevie (Mr. Stephenson) asked me if I was all right myself. I am extremely well. I did not overeat for the very simple reason that I had to carve the turkey myself and there were so many second helpings that I did not have a chance. Steve (Mr. Early) can prove it.

I do not think there is any news at all. Between now and the opening of Congress there won't be any conferences, as such. Of course, I will be talking to an enormous number of people, various departmental heads, the Director of the Budget, the leaders of the Senate and House, but there are not any regular conferences scheduled as such. It is too big a word.

Q Do you anticipate a larger field of operation for the Electric Home and Farm Authority? The Tennessee Valley subsidiary?

THE PRESIDENT: We are working on that at the present time. There is not much to be said about it because we are still working on it. If we can be helpful to private utilities in setting up some similar method of financing, I think the idea is that we will want to be helpful. But it is still very much in the discussion stage. The whole thought is that if you can buy large blocks of appliances in large quantities and get a reduced rate and if you can finance them at a lower rate than it is customary to finance them, you will get more people to buy them.

Q You are talking about private financing, however?

THE PRESIDENT: Private financing, and a good many of the utilities are doing

a very good job on that work already.

Q Mr. President, is there anything you can tell us about the Federal Trade Commission's steel basing point report?

THE PRESIDENT: No. Have they made a report or are they going to make a report?

Q The Trade Commission has and the NRA has not as yet.

THE PRESIDENT: That was something I have not taken up at all. I knew there was a report due.

Q Can you tell us anything about the billion dollars that Congress is going to be asked for for the HOLC? Many Congressmen are talking about it.

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Q When you wrote a letter to the Federal Housing Administration, citing a five per cent basic interest rate on insured mortgages, did you intend that the annual service charges should be added to that interest rate? That they should be imposed in addition?

THE PRESIDENT: I could not tell you the details. As I remember it, they had

a quarter of one per cent to cover something -- I do not remember the details but it was not an annual service charge, as I remember it. I think the whole thing was lumped into an additional percentage in the beginning. Well, the whole thing came out at the time but I do not remember the details.

Q You do not intend that there will be an annual additional charge?

THE PRESIDENT: I had better not tell you because I do not know. My impression was that those were taken up as an additional amount when the law was made but I am not sure.

Q Did you get a chance to look over that committee's report?

THE PRESIDENT: Which one?

Q The White Sulphur Springs Report?

THE PRESIDENT: No; I have not looked at the basket.

Q In the Mississippi Valley Committee's report today, it recommends power development and flood control and in every case the navigation project is recommended to be held up.

THE PRESIDENT: What is that? Is that this one? (Indicating)

MR. EARLY: Yes, sir.

Q In most navigation cases, it recommends it be held up until it has reached a point where the shipping will be able to pay for the cost.

THE PRESIDENT: This particular report, being on a large special subject, was made the field for a special committee under Morris L. Cooke and he, also, was on the National Resources Board. This might also be called the report of a subcommittee of the National Resources Board and any actual work under this report will be tied in with the national program under the National Resources Board report. I could not tell you the details of it.

Q Is the Administration formulating a policy that local states and com-

munities shall bear a part of the navigation control costs? It is in that report.

THE PRESIDENT: I couldn't tell you because I haven't read it. What is that for, floods and things like that?

Q Yes, sir; flood control. Those that benefit should pay part of the cost.

THE PRESIDENT: Of course that brings up a very large subject. Because it is fairly new, we haven't a policy on it yet. We are studying it. If you take city improvements -- in a good many cases in city improvements you charge a portion of the improvement cost to the property that is benefitted. On our large national projects, we have never done it. It does raise a question which has not been raised before.

It is a very large subject as to whether, if you build a national highway and it greatly benefits adjoining property, whether that property should bear some of the cost. And it is the same way with flood control. If you have bottom lands that are inundated every year or every other year or every third year and therefore aren't of very great value, if the Federal Government or the State Government or the County Government makes your land free of floods, ought you not to pay some fair proportion so that you would not be a beneficiary without cost to yourself? It is a very big problem and I think eventually we are going to have a rule of reason on it by which, if you can show that private property is very definitely benefitted by a government project of any kind, it probably ought to bear a reasonable share of the cost of the project.

Q Would that contemplate state improvements, such as the Missouri River going through the State of Missouri and the state paying --

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

Q Last year, you suggested some sort of payment by boats using water highways?

THE PRESIDENT: That we are trying to establish as a principle, making it a very, very small payment. In other words, to establish the principle of paying something toward the cost of government where you are directly benefitted by it. There have been two reports from the War Department already.

Q I understand there is a Civil Service Commission report with respect to covering the emergency employees into civil service. Is there anything progressing on that that you can speak of?

THE PRESIDENT: Only the general effort we are making, where an emergency agency looks to be fairly permanent, to begin giving people who work for that agency, perhaps a small number of them, gradually giving them the same rights of other Government employees. No wholesale business, but gradually working them into the Government service.

Q Did that mean by Executive Order or by examination?

THE PRESIDENT: That I do not know. We haven't got as far as that yet.

Q Have you any numbers of those affected?

THE PRESIDENT: What?

Q How many would it affect; about how many?

THE PRESIDENT: I do not know; I could not tell you the total.

Q A few hundred?

THE PRESIDENT: Oh, I hope more than that.

Q Do you mean that local participation would apply to navigation as well as flood control?

THE PRESIDENT: Navigation is a pretty broad word. For instance, let us take two concrete examples: On the straight navigation end, the vessels that use the lighted channel or the buoy channel get some benefit out of it -- they always have -- and in some cases they pay port dues. But they have never paid for going up the Hudson River, where it costs quite

a lot to maintain the channel, dredging, etc. Any charges there would be very, very small. In other words, it would be so small that it would not affect navigation at all, to speak of.

Q, I meant the development cost.

THE PRESIDENT: On the development end -- I am just thinking out loud now -- suppose you build a new channel from Kingston to Albany. The Government does it. The question is, does Coxsackie and this city of Hudson -- ought they to pay for their own new wharves? I should think, obviously, yes.

Q I mean the development of the channel, not of port facilities.

THE PRESIDENT: Oh, no. I don't think you can charge that against the community.

Q Thank you, Mr. President.

## CONFIDENTIAL

Press Conference #169,  
Executive Offices of the White House,  
December 28, 1934, 4.05 P. M.

Q (Mr. Storm) All right, Henry (Mr. Kannee), I will run you a race.

THE PRESIDENT: How is your shorthand, Fred?

Q (Mr. Storm) Not so good.

THE PRESIDENT: I think you ought to get Kannee to start a shorthand course for the Press. That is one thing I have always been sorry I did not learn.

Q Just one of the lessons would do me.

Q I do not think there are more than thirty in this whole Conference.

THE PRESIDENT: I always regretted I did not learn it in college and I have always said my four boys would learn it, but they have not.

Q We have our own symbols, our own shorthand.

THE PRESIDENT: Right.

MR. DONALDSON: All in.

THE PRESIDENT: No news. (Laughter) I do not know a thing and neither do you.

Q We are not going to ask any either.

THE PRESIDENT: What is that?

Q How are you coming on the Messages, Mr. President?

THE PRESIDENT: Oh, still in the scrap form -- many scraps being gradually glued together.

Q Mr. President, it would be very helpful to us if you could give us a little background on this matter of relief.

THE PRESIDENT: What about it; what has happened?

Q There seems to be a lot about it that isn't so.

THE PRESIDENT: Right you are; never was a truer word spoken.

Q Maybe it is so?

THE PRESIDENT: I said on the third of January but I think probably you won't know until the fourth of January.

Q What do you know?

THE PRESIDENT: I don't know. I talked with various people as to when I am expected to have a Message (on relief) up there and I don't think anybody knows yet. We are waiting until the fourth.

Q Is that because of the delay in the organization of the House?

THE PRESIDENT: The delay in organization. It is a new House. You see, last year they did not have to organize. I do not think there is anything to say about relief. Any guesses will be with the same accuracies and inaccuracies as usual.

Q There is a report today that Mr. Hopkins has announced that they are going to turn back the unemployables to the states on February first and Darrow's outfit is saying that this is going to bring on a plan for old age pension.

THE PRESIDENT: No, I think all of that -- there is nothing particularly new in that. I think the Relief Administration discovered on checking up in the course of the summer that there were quite a lot of cases on relief that had previously been taken care of by local poor funds or churches and charities, et cetera, and we want, in-so far as possible, to get them back to what they always did. I do not think there is anything new in it.

Q Thank you, Mr. President.

THE PRESIDENT: Russell (Mr. Young) says, "Thank you, very much." I do not know what he is thanking me for; I wish I knew some news.

Q Any New Year's resolutions? (Laughter)

Q Must I apologize?

THE PRESIDENT: No; that is grand, perfectly fine.