

CONFIDENTIAL

Press Conference #175,
Executive Offices of the White House,
January 16, 1935, 10.45 A. M.

Q Good morning, Mr. President.

THE PRESIDENT: Good morning.

Q A lot of news this morning, Mr. President?

THE PRESIDENT: I do not think there is any. I have been trying to do an editorial job for you people. It is a perfect nuisance. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I have got to delay this summary of the Message on security for a couple of hours because I just happened to pick up a thing that does not state it quite right on one of the pages with regard to old age security. It sounds ambiguous, as if it is going to bust the Government -- it is not sufficiently explained that it would only bust the Government if we did not do something. So it will be a couple of hours before I get it to you. I have to rewrite a paragraph to make it clear exactly what the thing is. The Message will go up tomorrow at the opening of Congress and it will be fairly short, about three pages. And with it there will be a very short Message, one page, going up on the World Court. In fact, there it is (showing the Message).

I do not think there is any other news.

Q Is Mayor LaGuardia having a conference with you today?

THE PRESIDENT: I do not think so. Wait until I look at my list.

MR. McINTYRE: No, sir; he is not.

Q Have you the report of the Post Office Department on ocean-mail contracts?

THE PRESIDENT: I do not think so; I think they are coming.

MR. McINTYRE: No, sir; Jim (Mr. Farley) said this morning any time in the next two or three days.

THE PRESIDENT: Any time in the next two or three days.

Q Mr. President, will you please say something about your proposed trip to California? (Laughter)

THE PRESIDENT: Only that hope springs eternal.

Q It surely does with us.

Q Does Senator Copeland's version have your specific approval?

THE PRESIDENT: I do not know what his version is. You mean the bill he has introduced?

Q Yes.

THE PRESIDENT: I have not seen it.

Q Will the Administration back any pure food and drug legislation?

THE PRESIDENT: That would be a tall order. I do not know; I hope it will be satisfactory -- any one that is satisfactory, any one that puts some real teeth to correct certain existing abuses. That is what we are after.

Q Do you have plans, has the Administration plans for food and drug legislation?

THE PRESIDENT: I think Senator Copeland is handling the thing all right. I do not think there is any story. As far as I know, the bill is all right; I have not read it.

Q Has it been necessary to resort to contracts for some phases of the work relief program for next year?

THE PRESIDENT: No, I hope not.

Q On the highways, for instance, there is some thought that it would be impracticable to handle that?

THE PRESIDENT: No. It is a very difficult thing to be didactic on. For instance, you take the building of a highway by a state that hasn't its own machinery: it is perfectly possible that they might hire machinery and hire the superintendents from a private company, but that would be

only a very small percentage of the cost or of the labor, and then put the people who are on the relief rolls actually to work on the job. That seems to be a pretty practical thing to do in a great many cases, that is to hire the overhead and hire the machinery to do it. In a sense, that is a contract because you use the contractor's organization at the top.

Q Can you tell us of any pending probability of change in the Philippine independence program as a result of the visit of Quezon and Governor Murphy?

THE PRESIDENT: I have not heard a word about it. Governor Murphy is coming here in about a month.

Q Would it be impertinent to say that you sent for him?

THE PRESIDENT: Yes and no. I think I wrote him last summer -- I wrote a personal letter saying that he had not had a holiday for a while and did he think it would be a good idea to come here this winter. He said, yes, it would be a good time to come in January, so we telegraphed him to come ahead in January.

Q Is the St. Lawrence Waterway Treaty to be modified before being submitted to the Senate?

THE PRESIDENT: I cannot tell you anything at the present time.

Q Do you expect Murphy to continue after the independence act takes effect?

THE PRESIDENT: Oh, yes; just talking to us and taking a little holiday.

Q The prices seem to be fluctuating pretty considerably as a result of speculation on the gold clause. Are there any observations by you on that?

THE PRESIDENT: No. It would not be proper for me to make any observations on those things pending the decision by the Supreme Court.

Q It has been intimated in some of the dispatches this morning that the stabilization fund was being used to keep the dollar down.

THE PRESIDENT: You had better ask the Treasury that question. You won't get

anything out of them. (Laughter)

Q Will you say anything about the Townsend Bill at all?

THE PRESIDENT: What?

Q The Townsend Bill that is being brought up before the Congress tomorrow?

THE PRESIDENT: Senator Townsend?

Q The Townsend Bill which is being brought up before Congress tomorrow?

THE PRESIDENT: That is a bill.

Q Anything about the conversation at the end of last week about the War Profits Committee work?

THE PRESIDENT: Oh, just continued, that is all.

Q Have they submitted a report yet?

THE PRESIDENT: No.

Q Will you consider calling a conference of state and Federal tax authorities to discuss the allocation of state and Federal taxes?

THE PRESIDENT: You mean the conflict of taxes?

Q Yes.

THE PRESIDENT: We are all talking about it. The time has not come to make a decision whether there will be a conference or not. There is a great deal of study and survey, not only here but in various state capitals. We have not got to the conference stage as yet.

Q Any developments in the Moses' situation in New York?

THE PRESIDENT: Not that I know of.

Q Mr. President, can you tell us the nature of your conversation with Secretary Hull and Mr. Peek yesterday?

THE PRESIDENT: I think, for background, there is no reason why they should not say a word or two about that. We started in a year and a half ago on the question of possible international agreements on wheat by which, from year to year, world wheat surpluses would be controlled, with the general

thought that it would stabilize prices that the wheat producer actually got.

As you know, we made pretty fair progress with that -- we ran up, I think, against one or two snags but, on the whole, there seems to be still a logical plan for international cooperation in one of the major crops.

The same general principle applies to cotton and it is being discussed. It is being discussed in a good many countries at the present time. We have not got to any point of calling an international conference or making requests of this, that or the other nation but we are exploring the possibility of international action to control cotton surpluses -- that is, export surpluses -- with the idea of making fair prices, price you can look forward to in the world markets, to the cotton producers all over the world. It is a problem somewhat similar to wheat in the total amount. There are a good many nations growing cotton, darn near as many as are growing wheat. We are very much interested in it and we believe that it is one of those things where we should if possible, in the future, try to get some kind of international agreement.

Q Have we taken it up with any other nations as yet?

THE PRESIDENT: No.

Q Thank you, Mr. President.

CONFIDENTIAL

Press Conference #176,
Executive Offices of the White House,
January 18, 1935, 4.12 P. M.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news. I am probably going to send up sometime next week, if I can get the thing written, a very short Message transmitting the Report of the National Resources Board and the Mississippi Valley Report and possibly one or two other surveys and investigations in regard to national resources, just for the information of the Congress. There isn't any action requested but it is just to explain the general line of operation, not only on the \$4,000,000,000 fund but also on the \$300,000,000 fund which we are hoping, as you know, will ultimately develop into an annual \$500,000,000 fund.

Q On that \$4,000,000,000 fund, are you going to send up a bill or are they going to draft it up there?

THE PRESIDENT: On the what?

Q On the \$4,000,000,000?

THE PRESIDENT: I think they have something drafted.

Q Are you going to send a special Message up there?

THE PRESIDENT: Oh, no. They got that in the Annual Message.

Q Mr. Ickes sent word to the state engineers of the FWA requesting lists of prepared projects that they might work on. Can you tell us whether that indicates that Ickes is handling this fund, or not?

THE PRESIDENT: Oh, no; absolutely nothing on that at all. In fact, it has not been considered for a month. Various agencies are getting local lists of things to be done.

Q Can you tell us anything about the setup to spend that \$4,000,000,000?

THE PRESIDENT: I just said I haven't done a thing or thought about it for a month.

Q Has any decision been reached on the future of the Home Owners' Loan Corporation?

THE PRESIDENT: That is tentative; it is not completed yet. There are certain minor amendments and a request for an additional authorization, the sum not yet determined, to take care of existing worthy applications.

Q There won't be any change in the eligibility requirements?

THE PRESIDENT: No.

Q What is the next step on the Caspar Alcova Project in view of the ruling of the Solicitor (of the Interior Department)?

THE PRESIDENT: I never heard of the ruling.

Q It was on the ticker just before I came over here. There was an argument that Margold had ruled that there were legal obstacles.

THE PRESIDENT: I never heard of it. What were the obstacles?

MR. EARLY: The dam could not be built out of PWA funds. He held that was not within the law.

THE PRESIDENT: We will have to find out about it.

Q Did you receive the Cigarette Code from the NRA Board yet?

THE PRESIDENT: No, not yet.

Q Can you tell us anything about the conference on the CCC today?

THE PRESIDENT: Very little because they handed in a long report that I have not finished reading yet. It related to the extension of the work for another year and increasing the amount of the work. We have not decided how much it would be increased and what we hope to do, of course, is to tie it in with the new development, with the existing development, and carry it out practically along the same lines.

There is one suggestion made of some interest and that is that there

is a shortage in the country of certain experts, for example, foresters, that there are not enough to go around in the United States of graduate foresters, so we have to take the next best thing we can and that is experienced people who are not graduate foresters. What we hope to do on that particular end of the work is to hold an examination which would enable some of these boys who have been at CCC Camps for perhaps a year and have made good in forestry work to take that examination and if they qualify, to graduate into a position of responsibility in the camps. We would not call them foresters, because they would not be qualified for that, but they would assume certain responsibilities that are now carried on by graduate foresters.

Q Anything about your luncheon with Secretary Ickes?

THE PRESIDENT: Usual lists.

Q I have a rather familiar question popping up again: This morning the New York local papers published the text of an Executive Order issued December twenty-sixth, which was interpreted as having given to the Secretary of the Interior authority under which he issued his order that is said to look toward the elimination of Mr. Moses in connection with Public Works.

THE PRESIDENT: I don't know an Executive Order (of mine --

Q (interposing) Yes?

THE PRESIDENT: I would have to see it before I could comment on it.

Q Anything new on the extension of CCC?

THE PRESIDENT: I was just talking about it. We are going to extend it, but how much we do not know.

Q In connection with the Home Owners' Loan program, does that involve a re-opening of the application or the applications now on file?

THE PRESIDENT: Roughly, it is confined to the applications now on file except in very unusual and extenuating circumstances. If a man had been prevented

in getting his application in and could prove prevention, that would be a different thing.

Q Has there been any determination if there is a Republican form of government existing in Louisiana?

THE PRESIDENT: What kind of determination?

Q Has there been any determination?

THE PRESIDENT: Well, that opens a wide field for speculative debate on a theoretical problem. Who should make the determination?

Q Well, the Constitution says something about it.

THE PRESIDENT: That does not say who makes the determination. (Laughter)

Q Mr. President, there has been a controversy between secretaries about the alleged attempts of the Roosevelt Administration to curb the freedom of the press. Now Representative Dies of Texas has sponsored and introduced a resolution calling for an investigation of those alleged attempts. Will you comment on that?

THE PRESIDENT: Except that a good time is being had by all. (Laughter)

Q Including the press.

Q Can we quote that, Mr. President?

THE PRESIDENT: I think not.

Q Have you indicated to anybody on the Hill, approximately, how soon you would like to see this social security thing enacted in order to get to the state legislatures in time?

THE PRESIDENT: I have not set any date on it. Of course, from the point of view of the calendar, a good many legislatures like to go home by the middle of March or the first of April. The quicker we could get it through, the easier it would be for a good many state legislatures to get the necessary legislation in without having to adjourn or stay in session longer than their customary time.

Q Have you formulated any policy on the bonus?

THE PRESIDENT: What has happened on it?

Q Did you formulate any policy on the bonus?

THE PRESIDENT: I have a lot of policy on the bonus. It will develop.

Q Will there be a special Message on the bonus to the Congress as a result of the recommendations by General Hines?

THE PRESIDENT: Not that I know of.

Q Any developments on the cotton agreement?

THE PRESIDENT: No, nothing further than I told you last Wednesday, that we would proceed on it along the same general lines of procedure as we did in the case of wheat. In other words, it would head up in the Department of Agriculture, with the cooperation of the State Department and other agencies.

Q There seems to be a lot of sentiment on the Hill to increase the amount of old age pensions above the minimum of \$15. Have you anything to say on that?

THE PRESIDENT: No, except this, that it was not, perhaps, made clear enough to some people who read the summary rather hurriedly that there is no limitation on the amount to be paid. That is a matter for the State. The limitation is merely a Federal limitation of not to exceed \$15. That does not preclude any State from making their share more than \$15. But it was necessary to put a Federal Government limit in order to keep it within sound financing.

Q Mr. President, you made a reduction of tariff on beer of fifty per cent. Any consideration of reducing the tariff on other liquors?

THE PRESIDENT: I have done nothing on that at all; no recommendation.

Q On the security program a lot of details not touched in the bill are to be handled by regulations by the department under the bill. Has any consideration been given to the policy that may affect workers employed in two or

three different states. There seems to be a broad question involved.

THE PRESIDENT: You mean people from one job to another?

Q Yes. Where would they get left on the compulsory contribution thing?

THE PRESIDENT: I cannot tell you the actual details. In England they use the stamp system. I don't know what they would use here. They use the stamp system and have a book like a savings bank book.

Q They would have something to show?

THE PRESIDENT: Yes, they would have something to show.

Q Wouldn't it be difficult in the states -- something to be overcome there?

THE PRESIDENT: I don't think so. You can have, for instance, enough books throughout the country.

Q That is what I meant. You assume that the states will have more or less uniform plans?

THE PRESIDENT: Yes.

Q It contemplates that every worker, the migratory workers and the unskilled workers, would carry the same kind of identification book?

THE PRESIDENT: Yes. We would have to prorate the employer's share among the employees so that the individual gets protection.

Q If a state does not comply with the Federal standards for old age pensions and for children's aid and the Federal Government continues its policy of putting unemployables back under the state, what kind of provision will be made for taking care of those the state does not take care of?

THE PRESIDENT: Let us wait until some state falls down. I think they are coming through all right.

Q Returning to the \$4,000,000,000 proposition, the administration of that fund for the fiscal year 1936, is that to be set up by Executive Order or by legislation?

THE PRESIDENT: You mean the details of the administrative setup?

Q Yes.

THE PRESIDENT: That would be by Executive Order.

Q No legislation necessary?

THE PRESIDENT: No, it would be in the bill.

Q Is it your understanding, sir, that the \$4,000,000,000, the \$300,000,000 and the \$880,000,000 will all be included in the one bill?

THE PRESIDENT: I think so, but you had better check with Mr. Buchanan on that. My impression is that they have it in the same bill but you had better check.

Q Anything on the successor to Mr. Pecora?

THE PRESIDENT: No, I have not considered it.

Q Thank you, Mr. President.

CONFIDENTIAL

Press Conference #177,
Executive Offices of the White House,
January 23, 1935, 10.35 A. M.

MR. DONALDSON: All in.

THE PRESIDENT: I do not believe there is any particular news. I think I will send a Message on national resources up either tomorrow or the next day, depending on when I get it finished. I am editing it at the present time.

Q What did you say was the Message?

THE PRESIDENT: The National Resources Message.

Q Mr. President, can you tell us anything about the NRA meeting last night?

THE PRESIDENT: No, it was just the preliminary talk over various suggestions that have been made and will be followed by a lot more conversation, probably in another two weeks, before we get anything in what might be called tentative final form. There isn't anything done in final form at all.

Q Will there be a revision or continuing by resolution? There is some talk about a resolution?

THE PRESIDENT: No, we haven't got as far as that.

Q Can you tell us whether you believe the tax on payrolls for relief will interfere with recovery in any way?

THE PRESIDENT: What is that?

Q Can you tell us whether you believe the tax on payrolls for relief will interfere with recovery in any way?

THE PRESIDENT: Payrolls for relief or for unemployment insurance?

Q Unemployment insurance.

THE PRESIDENT: No, I do not think it would.

Q Mr. President, do you intend to send a special Message with this Aviation Commission report?

THE PRESIDENT: I think so but I have not really made up my mind yet as to whether it will be just a letter of transmittal of the aviation report or whether it will be longer than that. The reason is, quite frankly, that there will be a Message on modification of transportation supervision. We talked about that before, in the Annual Message, and whether I will send a special Message on aviation or hold discussion of aviation until the general transportation Message, I do not know yet. I think the aviation Message will probably go up next week -- I mean the transmitting of the report.

Q Are your plans for holding company legislation taking form?

THE PRESIDENT: No, still in the preliminary stages; about the same condition as NRA.

Q There seems to be some doubt as to the status of the journalists' cause as a result of your letter yesterday on the authority of the National Labor Relations Board.

THE PRESIDENT: God, I thought it was clear enough; Heywood Broun thought it was clear enough. No, the situation on that is now, after many efforts of many people to get the thing ironed out, perfectly simple and perfectly clear. The letter I wrote to the National Labor Relations Board was based on a somewhat novel thought and that is that we should, as a Government, leave it to the letter of a written agreement. The code, the original Newspaper Code, was drafted in conference in NRA and was agreed to by practically everybody and it was one of three codes -- I said there were less than five -- and it was one of three codes only that provided by its language for a judicial body to be set up by the Code Authority, which would have final action on labor cases.

Then you come to the next step: The Code Authority failed to set up that body, hence the National Labor Relations Board took jurisdiction

on the ground of what may be called the law of laches that the Code Authority had failed to set up the arbitrating or determining body. The newspaper publishers said that that was not sufficient reason to take jurisdiction. I took the point of view that we ought to give them all the rope in the world, give them another chance to set up the judicial body under the code. In other words, I have left it very strictly to what might be called the honor of the matter.

Q Rope to hang themselves with? (Laughter)

THE PRESIDENT: And now it is very important that, since we have recognized the letter of the agreement, the next step is for the Code Authority to carry through its part of the agreement to constitute this tribunal and put it to work. So that is about all there is.

Q Doesn't the same situation apply generally to the Wolman Board of the automobile industry? That is not in the code but that is a subsequent agreement.

THE PRESIDENT: Yes, that was a special agreement.

Q Under this arrangement, if the judicial body of the code fails to issue an agreement, then can the National Labor Relations Board take jurisdiction?

THE PRESIDENT: Then they refer it to me.

Q Rather than the National Labor Relations Board?

THE PRESIDENT: No, the National Labor Relations Board, on complaint by anybody that the Code Authority has failed to function or has functioned unfairly in some way, in that case they report to me.

Q Mr. President, can we induce you to comment on the Senate Progressives' fight against our entry into the World Court.

THE PRESIDENT: There are a number of questions. Perhaps I can say something in the way of background. For example, there has been some discussion of the suggestion that if we go into the Court, that in that event no case

could be sent to the Court without a two-thirds prior approval of the Senate. Of course, from the strictly Constitutional point of view, that is a definite limitation of the Constitutional prerogatives of the Executive which cannot be of any effect. Just, for example, I suppose there are fifty cases in our history where the Executive has entered into agreements with other nations for the settlement of pending questions without any reference to the Senate of the United States whatsoever. There are, of course, two distinct Constitutional limitations on the part of the Executive to conduct foreign affairs, but only two. The first limitation relates to appropriations. If a settlement of an international question involves the appropriation of money, of course that would have to be passed on by both Houses of the Congress. If the settlement required a treaty for the future, in that event it would require a two-thirds vote of the Senate. The Constitution very definitely, however, places all other conduct of foreign relations in the Executive and not in the Congress.

Q Do you accept the Vandenberg reservation?

THE PRESIDENT: To tell you the honest truth, I do not even know what it is.

Was that the reservation -- that is the reservation that Senator Vandenberg described as surplusage?

Q That is right?

THE PRESIDENT: Yes.

Q Can you accept it then because it would appease his feelings?

THE PRESIDENT: I have not read it. I read that he had offered a reservation otherwise described as surplusage.

Q Any other reservations you propose accepting?

THE PRESIDENT: I have not heard of any other at all.

Q Mr. President, in your desire to prevent Congress from earmarking any of

of this \$4,000,000,000 appropriation --

THE PRESIDENT (interposing) In what desire to prevent Congress from earmarking any of this \$4,000,000,000 appropriation?

Q All right. (Laughter) In your desire to discourage Congressional attempts to --

THE PRESIDENT (interposing) In what desire to discourage Congressional attempts? (Laughter)

Q What I want to know is, are you anxious that they stick to the exact text of that bill they have down there?

THE PRESIDENT: I have not read the bill; I have not even seen it.

Q You ought to; it is an amazing bill.

THE PRESIDENT: No, all I did was to send a Message to the Congress and I am just sticking by a Message to the Congress. As I understand it, the bill was drawn up there and I have not even seen it.

Q In view of the fact that a bill has been introduced in the Senate regarding a Columbia Valley Authority, do you wish to comment on that?

THE PRESIDENT: There are a lot of bills, probably half a dozen regional bills, in at the present time and, on the question of regional, additional regional authorities, my thought at the present time is that the work outside of the Tennessee Valley has gone such a very small distance -- that is to say that they are definitely still in the planning stage, except on the Upper Missouri where we have two projects and the Columbia where we have two projects that won't be completed for a long time -- I have forgotten what it is, three or four years -- that to set up a separate authority for each region at this time is crowding the mourners a bit, we are not ready for it. What the administrative setup will be eventually, I am not ready to say yet.

I might -- this is a thought at the present time -- I might set up

during the course of this summer what might be called advisory commissions, probably unpaid commissions -- it would be grand if they would serve without pay -- in those regions in order to develop the future plans in accordance with the broader policies of the National Resources Board report but I do not think the setting up of any highly paid commissions at this stage is justified yet. You take, for instance, the Columbia River: We might very easily set up an advisory committee to study the whole project in order that later on we might set up permanent machinery.

Q Thank you, Mr. President.

CONFIDENTIAL

Press Conference #178,
Executive Offices of the White House,
January 25, 1935, 4.15 P. M.

MR. DONALDSON: All in.

THE PRESIDENT: Well, I have a piece of very good news for you, a very important piece of news, something you are all deeply interested in and I might say that I owe my interest in this subject entirely to the interest that you gentlemen have taken in it. I have just written a letter to the Speaker, transmitting for the consideration of the Congress a supplemental estimate of appropriation for this fiscal year, to remain available for the following fiscal year also, for the Department of Agriculture in the amount of \$480,000 for the control of the screwworm. (Laughter)

Q I thought there was a catch in that.

Q Mr. President, while we are talking about finance, there is a Brazilian financial mission in town. Would you like to comment on that?

THE PRESIDENT: I think I am going to see them sometime. They have just gotten here?

A Yes.

THE PRESIDENT: They will be brought in to see me in the course of the next week.

Q Joseph B. Weaver of the Bureau of Navigation and Steamboat Inspection has drafted some regulation for sea safety which I think has been approved and passed on to you and I wondered whether, in view of this disaster to the MOHAWK last week, you would expedite it?

THE PRESIDENT: I have it in my basket and have not gone through it. I have not approved it. Anyway, something will be done soon.

Q There is also some convention before the Senate which was approved in London in 1929, which makes it necessary to construct ships with proper bulkheads and on that Mr. Weaver is very anxious to have that approved and says it

is necessary.

THE PRESIDENT: The Secretary of Commerce spoke to me about it and said it was necessary. I will have to speak to him about it. That is the London Convention of 1929?

Q Yes.

Q There is a provision for guaranteeing loans to or payments from needy persons. Can you throw any light on that?

THE PRESIDENT: No, I cannot. I will have to check. Somebody called me on the telephone about it yesterday and I don't know.

Q Can you tell us what that preliminary report on ocean-mail contracts was?

THE PRESIDENT: Let us see -- well, that was just -- that is all it was, a preliminary report without any of the individual company reports accompanying it. I am reading it over at the present time. It is not the final report.

Q Has the Henderson-Lubin report on employment in the automobile industry reached you yet?

THE PRESIDENT: I got that last week and haven't looked at it yet. It will probably come out in the course of some time next week.

Q Will it be given out here when it comes out?

THE PRESIDENT: Either here or NRA; I do not know.

Q Mr. President, has the Economic Security Act, as drafted now before the Congress, met your terms of self-liquidation as set forth in your Message?

THE PRESIDENT: The Wagner Bill?

Q Yes.

THE PRESIDENT: I don't know.

Q Mr. President, is there anything you can tell us about the talk Mr. Davis had with you before he left for New York?

THE PRESIDENT: Norman Davis?

Q Yes.

THE PRESIDENT: No, just general things relating to November and December.

Q Has the Cigarette Code reached you yet?

THE PRESIDENT: No. Is it done? I don't know.

Q Can you give us any background regarding Federal Reserve legislation under discussion today?

THE PRESIDENT: I don't think it has been drafted yet. I have not seen any.

Q Will you tell us how your mind is running in the matter?

THE PRESIDENT: Not until I have a conversation about it. I haven't had that yet.

On the Cigarette Code, to go back to that other question for a second, there is one situation that really ought to be talked about. Well, here are two simple examples, cigarettes and books. Probably over 90% of all the dealers in cigarettes and books in the United States are dealers in that line of goods only. In other words, most cigarettes are sold by cigar stores and most books are sold by book stores or stationery stores. They are comparatively small establishments owned by comparatively small merchants running a comparatively small line of goods.

Along comes a small minority of the dealers in point of numbers, who have very, very large businesses and tremendously large lines of goods. They have been in the habit until this past year -- we stopped the book end of it but did nothing about the cigarette end of it -- they have been in the habit of selling these two particular articles below cost. Now, there is a problem: How are we going to prevent that kind of practice? The great, huge, department store, in order to attract trade, will sell their cigarettes below cost to themselves, or will sell books below the trade price and even below what they have to pay the publishers for books in a great many cases.

Now, that is obviously a bad practice. I am, of course, entirely in sympathy with the efforts to stop price fixing. This is all off the record. We ought not to have price fixing in this country except possibly in certain natural resources such as coal, oil and gas. As a general thing, in industry, we ought not to have Government price fixing.

But, on the other hand, ought we not to have, not price fixing, but some kind of control over the small minority of merchants who are selling things below cost, making up for that particular loss in profits on other lines of goods? It is a very interesting question that ought to be discussed.

Q How could it be done without price fixing?

THE PRESIDENT: It depends on your definition of price fixing. Price fixing does not mean, necessarily, that they have to sell for such and such a sum or so many dollars for a carton of cigarettes. You can eliminate that by declaring that kind of practice to be an unfair practice.

Q Has the Federal Trade Commission gone on record against that?

THE PRESIDENT: Absolutely.

Q Can it be done through the Federal Trade Commission?

THE PRESIDENT: There is no law at the present time to do it.

Q They have criticized it?

THE PRESIDENT: Everybody has. That is our problem, to stop the practice.

Q Can you make that background?

THE PRESIDENT: Yes.

Q Also off the record, what does your Ambassador to France (Ambassador Straus) think of that, Mr. President?

THE PRESIDENT: Luckily he is in Paris so it is all right. (Laughter)

Q The Retail Tobacco Dealers' Code -- the cigarette manufacturers have never had a code and the NRA Board had a vote on it and I think that is on the way.

THE PRESIDENT: Yes. Anyhow, the retail tobacco people have the code?

Q Yes.

THE PRESIDENT: They are all right.

Q That provision had expired and has been extended. It expired on the twenty-sixth of January and was extended to March first.

THE PRESIDENT: Of course, what the manufacturers need -- probably I am thinking out loud, but the best way of stopping sales to specially favored customers way below the ordinary wholesale price is publicity -- requiring them, after they have set a price, their wholesale price, to at the same time make public every sale they make below that wholesale price.

Q The difficulty on the Manufacturers' Code is that it is entirely on wages and hours and no trade prices at all.

THE PRESIDENT: That is right.

Q Can they be reached by the taxing power of the code in any way?

THE PRESIDENT: I do not know -- I am just throwing this out. I am looking for a remedy. That is possible -- I mean, it is worth considering. I do not know that it is possible.

Q To return to that shipping matter for a minute, I understood that you were going to approve the Senate's endorsing that convention?

THE PRESIDENT: I do not know; I have never looked into it. I cannot say without looking at it.

Q When will you send up the aviation report to the Congress?

THE PRESIDENT: Tomorrow or the next day I am going to try to do a little scheduling of myself to find out what I am going to send up in the course of the next two or three weeks.

Q Will you send a Message?

THE PRESIDENT: Some kind of a Message.

Q Anything to say about the Automobile Labor Board agreement?

THE PRESIDENT: No, I cannot until I read the report.

Q That is the Henderson-Lubin report?

THE PRESIDENT: Yes.

Q Anything to say about local taxes, District of Columbia taxes?

THE PRESIDENT: The report came from the Treasury about three days ago and there were one or two points not covered and I sent it back for further information.

Q The relief setup -- anything on that?

THE PRESIDENT: No.

Q Will you discuss your views on public utility regulation?

THE PRESIDENT: What about the regulation?

Q I mean, the form which you favor, the form of legislation?

THE PRESIDENT: You are talking about holding companies, We are going to have another meeting this coming week.

Q Would you care to say anything about your power conference with Mr.

Lilienthal today? Anything about expediting the purchase of the Electric Bond and Share properties in Knoxville?

THE PRESIDENT: We did not talk about that. The three things we took up yesterday were the holding company end of it, the rural electrification and the appliances.

Q Thank you, Mr. President.

CONFIDENTIAL

Press Conference #179,
Executive Offices of the White House,
January 30, 1935, 10.50 A. M.

Q Birthday present, Mr. President (referring to the new suit worn by the President)?

THE PRESIDENT: Made at Hyde Park, in that loom up there.

Q In the hills?

THE PRESIDENT: In the shop. You know the name of the man who runs the gasoline plant on the corner.

Q That is swell looking.

Q It would look well down in Florida.

THE PRESIDENT: Oh, it is too hot for Florida. It is quite heavy.

MR. DONALDSON: All in.

Q Mr. President, I have been honored by being asked, on your birthday, to introduce our speaker to offer his congratulations, the president of our Association, (the White House Correspondents' Association) Mr. Stephenson.

THE PRESIDENT: From the seat? Stevie, I think you should mount the table.

Q (Mr. Stephenson) I feel I should, too. I was going to ask Senator Young to tell you that we wish you a Happy Birthday and many happy returns.

THE PRESIDENT: Thank you. I honored the day by putting on a brand new suit; that is about the only change, and the only other change is that Stephen (Mr. Early), who never gave me a flower in his life, presented me with a white rose when I was still in bed. So far they are the only significant features of the day.

Q You say the suit came from Hyde Park, Mr. President?

THE PRESIDENT: It came from the loom at Hyde Park where we are trying to establish a local industry.

Q Is that new, the loom?

THE PRESIDENT: It started about a year ago. Gus (Mr. Gennerich) is going to have a new suit made out of it too.

Q It is about time. (Laughter)

Q Gus has a farm up there.

THE PRESIDENT: Absolutely; he is a big land owner.

Q Can you tell us anything about your own plans for the birthday, your own plans for the day?

THE PRESIDENT: It is supposed to be a normal day and a family dinner this evening. I don't think anybody will be there except the family.

Q Mrs Roosevelt?

THE PRESIDENT: She is going to three balls up there in New York in the evening.

Q Who else?

THE PRESIDENT: Uncle Freddie Delano and that is all, outside of the children. I think the only news is that tomorrow morning, at noon, there will go up the Aviation Message, which will transmit the report -- I cannot tell you before it goes up exactly what the Message will contain unless you want it off the record so as to be ready to write your stories in the morning.

MR. EARLY: They do not need it; it is a very short Message.

THE PRESIDENT: It is a short Message and explains itself, really. That will be followed within the next two weeks by some reports, again transmitting them, on shipping. The Coordinator of Railroads has sent up through the Interstate Commerce Commission, I think yesterday for release today, his report which really covers fairly broadly, except for aviation, the general theory of the consolidation of transportation -- general transportation supervision. In other words, what we are doing is that we are

all heading in towards this problem of concentration of all transportation, insofar as the regulatory and quasi-judicial features go, in one Government body instead of scattering them all over the lot and, therefore, all these reports going in should be read together -- the aviation report, the Coordinator's report, the Post Office report, the Department of Commerce report, they all ought to be read together rather than as separate reports because, naturally, being different bodies they will have a certain number of what might be called conflicting recommendations in regard to the setup, not the general policy but the setup, and out of them all we hope to get the general transportation bill.

Q Mr. President, returning to your birthday, have you any idea of how many messages you have received? Has any number been given to you yet?

MR. EARLY: They came in this morning.

THE PRESIDENT: These came in this morning. There were a lot yesterday but they are not there (indicating the pile on his desk).

Q The Associated Press this morning carried a story, also used by the New York specials, that the Administration tonight prepared a course of action designed to prevent chaotic results following adverse decision in the gold clause case. It finally winds up that a fourth (course of action) and one that is only to be used as a last resort, is that the membership of the Supreme Court be increased. That is supposed to be recommendations of Cummings and Morgenthau. Have they made any such suggestions?

THE PRESIDENT: No, not at all. I cannot comment on it any further than to deny it and simply repeat that I cannot discuss in any way anything relating to the decisions.

Q In connection with money, London is asking this morning what would be the attitude of this Government to overtures from London and Paris to discuss-

ing currency stabilization?

THE PRESIDENT: What is that, the London County Council? (Laughter)

Q One of our clients, the London Daily Express.

Q Mr. President, any comment to make on the World Court?

THE PRESIDENT: Only I should say this: that I am very grateful to Senator Robinson for the very able and honorable fight which he conducted and to the others who supported the World Court, and I am sending him a note to that effect today.

Q Can you tell us anything about the Automobile Code?

THE PRESIDENT: Not intelligently because I am not intelligent in my own mind about it. We are talking about it.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #180,
Executive Offices of the White House,
February 1, 1935, 4.15 P. M.

THE PRESIDENT: I haven't got anything; I haven't been able to discover anything.

Q We have a lot of questions today, Mr. President.

THE PRESIDENT: You know what happens when you have a lot of questions; you get no information.

Q Steve (Mr. Early) has got a new gray suit, too.

Q For a wonder.

THE PRESIDENT: Has he?

Q One flight up saves you money, Mr. President. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: The only news was discovered by the front row -- Steve has a new suit.

I do not think there is anything in the way of news and I think we had better go off the air this afternoon until Monday morning. I have not any appointments except possibly the Brazilian Treaty signing but I do not know what time it is.

Q What time?

THE PRESIDENT: Saturday, I think.

Q You say that will be Saturday?

THE PRESIDENT: So I understand but, as I say, I haven't any final word on it.

Q Reports were current this morning that you had abandoned the plan to send up the St. Lawrence Treaty to this session of the Congress.

THE PRESIDENT: Does that come from the London County Council also?

Q It came from the Congressional Council.

THE PRESIDENT: That is very much the same idea.

Q Can we tell Canada anything as to that?

THE PRESIDENT: No, I do not think you can tell Canada anything.

Q Have you received a telegram from the head of the Square Deal Association in Louisiana asking for a committee to investigate the activities of one Senator Huey P. Long?

THE PRESIDENT: Not unless Mac (Mr. McIntyre) has.

Q They made public a copy down there of a telegram purported to have been sent to you.

THE PRESIDENT: Mac swears he has not and I know darned well I haven't.

Q Has the tobacco manufacturers' code been called to your attention?

THE PRESIDENT: Mac, isn't that the one we lost?

Q That is the Cigarette Code.

MR. MCINTYRE: Yes, sir; that is the one we lost.

THE PRESIDENT: We lost it. (Laughter) Mac came into my room, "They are all asking about the Cigarette Code." I said, "I haven't seen it." We went through the old wire basket and it wasn't there so we have been looking for it ever since. It will be presently found, I hope.

Q Mr. Green seems to be very much grieved over the automobile settlement and particularly over the fact that he was not consulted. Can we say anything about that?

THE PRESIDENT: No. I think the only thing to be said on that is that we have had letters from Mr. Green and we have had letters from the other side and we have known their position, which was a perfectly definite position, for over a month. The position was made perfectly clear and, therefore, I do not know that one can say that he has not been consulted. He made his position perfectly clear.

Q Of course, they began by withdrawing from the whole procedure?

THE PRESIDENT: Yes.

Q In that connection it is reported that the majority of the NRA Board voted against the extension in the form in which it was extended. Can you tell us anything about that?

THE PRESIDENT: I don't know.

Q Mr. President, are you going to sponsor or is the Administration going to sponsor a liberalization of the Social Security plan?

THE PRESIDENT: How do you mean, a liberalization?

Q Perhaps increase some of the amounts.

THE PRESIDENT: No. If you want, I will talk to you just to give you a little bit of information -- Just off the record on this thing. As the thing stands, I cannot even talk as background, coming from here. It is in the very parliamentary stages of discussion on the Hill but, if you want, I will talk to you off the record just to give you a slant on the Security Bill as I see it in the present form.

The first part of it, the unemployment insurance, there does not seem to be much discussion about the cost to the Federal Government. The cost is about five million dollars a year for overhead, which is a perfectly frightful amount for the Federal Government to pay. The rest of it will be self-sustaining.

Then the other items like widows, dependent children, a small item for health, et cetera, all of which figure up to about fifty million dollars, are also within the purse of the Government to pay.

Then we have to come to the third -- did I talk to you about this before? I have a sort of vague idea that I did, but it must have been the Senators to whom I talked. The other item, which I think is the one Eddie (Mr. Roddan) has in mind, is the scale of payments for old age. That has been gone into, of course, with a great deal of care, and you

have to think that problem through in all ways. You have to think of it from the standpoint of present cost, this year, next year, the next five years, the next ten years, and you also have to think it through from the point of view of fifty years or forty-five years from now. Obviously, if we put through an old-age insurance plan which the current taxes would cover during the next few years, we have to wonder as to whether current taxes would carry the plan on the basis of the year 1980, because we do not want to put through a plan this year which would bankrupt the country forty-five years from now.

Now, the problem has been to find a method between now and 1980 which will take care of the present old people over sixty-five who have contributed nothing to the fund, and the people of sixty and fifty-five and fifty and forty and thirty and twenty-five, all the way down to the people twenty-one years old today, who will not have contributed the full amount to the fund. And the way we worked it out and the way it will be presented next Tuesday to the Committees is in a form which is based, of course, on actuarial tables -- and you have to go on them -- it will cost the country, the Federal Government, by 1980 somewhere between two hundred and five hundred and fifty millions of dollars a year. Now, that is a pretty big sum. It means raising that additional amount by taxation.

Q In what year?

THE PRESIDENT: 1980. That is based on a constantly increasing annual cost between now and 1980. But, thinking of the country in expanding terms, and the country will probably be richer then, and we hope it will, even if it goes to the maximum of five hundred and eighty-five million dollars which is the top estimate, that, probably by that time, will be a sum which could be properly raised in additional annual taxes.

Now, that is based on, as I say, taking care of the old people now

who are over sixty-five and taking care of the difference between what they would pay in premiums and what they would get from the people between twenty-one and sixty-five. In other words, they would be the ones who would need it. It would be based upon a needs clause. The top limit that the Federal Government can spend to make those figures out is \$15 a month for old people. If you go above that, your figures multiply, I should say roughly, as the cube of the amount or the square of the amount. In other words, it does not go up in proportion but it gets worse with every dollar you add to it.

It has been found by experience, based on the present cost of living in the states that have old-age pensions like, for instance, the State of New York -- for example, in the State of New York, the average pay is \$250 a year. Oh, it is not very good living, no, but it gets most of the old people by.

Now, under this plan, there is \$15 a month from the Federal Government and \$15 a month from the State Government. Of course, they can add to it and make their share more than \$15 a month. With \$15 a month from each it comes to \$360 a year. There again, you come to the other problem. \$360 a year in Warm Springs would get you by, you could get along very nicely. But \$360 a year in the Village of Hyde Park would not go very far.

However, you have to average your country, unless you start discriminating in favor of one section as against another section. But the main point is that if we go beyond that, we get into perfectly fantastic figures as to the ultimate cost to the Government and, obviously, we cannot do it.

Q. Could you make it clear as to why it costs more than the direct ratio as you put the amount up?

THE PRESIDENT: No, I cannot. It will take an actuary to do it. I don't know why, except that it does.

Q Did they compute this five hundred and eighty-five million dollar figure, estimating that the contributory system gets in full working order in the meantime?

THE PRESIDENT: That is based on its going into full working order right away.

MR. EARLY: If they will use that as an explanation of the Bill, I don't think they will confuse that with Congress.

THE PRESIDENT: As long as this does not confuse the whole problem in the minds of Congress, by my saying anything at this time, Steve thinks it is all right to use that as background.

Q What was it you said would be explained to the Committee on Tuesday?

THE PRESIDENT: The Secretaries of Treasury and Labor are appearing before one of the committees, I think on Tuesday.

Q When will the Henderson-Lubin report be made public?

THE PRESIDENT: What is that?

Q The automobile investigation report.

THE PRESIDENT: I guess that is lost, too. I do not know where it is; that is in my basket.

Q Any comment or background on the Russian debt situation?

THE PRESIDENT: No, I think the State Department gave out a statement this morning, didn't they?

Q They gave out a statement last night but it was not very enlightening.

THE PRESIDENT: Didn't the Secretary of State talk to you about it this morning?

Q Not to any great extent.

THE PRESIDENT: Try him again.

Q Returning to the St. Lawrence, sometime ago you said you were going to submit it to this session of the Congress. Has there been any change in that?

THE PRESIDENT: In view of the actual situation, I had better not say anything today.

Q What is the situation on the relief bill in the Senate?

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

Q Can you tell us whether Litvinov in his discussions with you relative to recognition made any promise that Russia eventually would settle the debts?

THE PRESIDENT: I think you had better get it from State Department statements. That is one thing you have to phrase exactly.

Q Secretary Hull said he could not remember whether you had said anything or not.

Q Any preparation for a World Economic Conference?

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

Q Can we phrase it this way: Was it our understanding that they promised to settle debts?

THE PRESIDENT: I think there was a formal statement at the time.

Q Expressing optimism over the possibility of a quick settlement?

THE PRESIDENT: You check back and I think you will find some pretty definite statements on it.

Q At the State Department yesterday Mr. Hull said it would now be up to the Board of Trustees of the Export-Import Bank to decide whether there was any sense continuing the use of that bank. Can you tell us of any steps taken along that line?

THE PRESIDENT: Not that I know of. I imagine the thing will be discussed and it will hinge -- that is the first bank, isn't it?

Q Yes, sir.

THE PRESIDENT: As to whether they could find some logical use and reason for continuing on some other lines. I have not talked to them about it at all.

Q Anything to say about the letter read before the munitions hearing today

that funds were collected for the Democratic Party in the 1932 campaign from shipbuilders that were solicited for funds?

THE PRESIDENT: In the 1932 campaign?

Q Yes, sir.

THE PRESIDENT: I do not know anything about it. I remember vaguely in 1932 that there was some kind of a story came out about being solicited and everybody apologized at National Headquarters and said it should not have been done and was not done with their authority. Is that the thing?

Q I do not know whether that is the same thing or not.

THE PRESIDENT: As I remember it, it all came up in the 1932 campaign. Somebody was supposed to have solicited them and he was promptly dismissed.

Q Did you see Mac's (Mr. McIntyre) picture in the paper this morning?

THE PRESIDENT: Yes, and it is perfectly fine. Hereafter we will get it in the papers every day.

Almost every night, around half past 5.00 or 6.00 or 6.30, every manufacturer of great wealth and lobbyist drops in on Mac and says, "Will you put this on the President's breakfast table at 9.30 tomorrow morning?" And Mac says, "Of course I will," and that is the beginning of the story and the end of the story. By 9.00 A. M. -- no, not 9.00 -- by 10.00 A. M. the thing is safely tucked in the files.

Q In that connection, do you care to comment on the testimony of Mr. Wilder that his company was refused two naval contracts? I remember you spoke about it a year ago, at the time?

THE PRESIDENT: Do you remember my off-the-record comment at that time? I do. It will have to be off the record again -- "Wilder and wilder." (Laughter)

Q Some months ago we were talking about a mercantile marine program for the future and you told us one day about possible plans to substitute direct ship subsidies for these postal contracts?

THE PRESIDENT: Yes?

Q Have you given any further thought to that?

THE PRESIDENT: A great deal, and probably something along that general line will be included when I send up the shipping reports. There will be a report on this post office investigation and, I think, a report from the Department of Commerce. They will go up to the Congress in the next two weeks with a Message somewhat similar to the aviation Message.

Q Dealing with both ships and airplanes?

THE PRESIDENT: Ships only.

Q Post Office and Commerce?

THE PRESIDENT: Yes.

Q Mr. President, to get back to Huey Long -- down to Huey Long (Laughter) -- the president of the women's clubs down there is reported this afternoon to have sent a telegram to you stating that the women have been threatened by Huey Long. Have you received that telegram?

THE PRESIDENT: Mac (Mr. McIntyre) ought to know about that.

MR. McINTYRE: No, sir; I have not seen it.

Q Have you looked downstairs? It might be on the table?

MR. McINTYRE: I have not looked.

Q (Mr. Stephenson, of the A. P.) Incidentally, Huey Long had two bodyguards - beat up an A. P. photographer.

THE PRESIDENT: Gosh! Now, that is serious. (Laughter) We will have to do something about that.

Q (Mr. Stephenson) O. K.

Q Mr. President, anything on the holding company Message?

THE PRESIDENT: I don't know; not yet. I have not had a second conference yet.

Q Can you tell us anything about the banking legislation?

THE PRESIDENT: No.

Q Mr. President, now that the Wolman Auto Board has been written into the Auto Code --

THE PRESIDENT: (interposing) It has not.

Q It has not? I understood that that was in the Code?

THE PRESIDENT: No, it was merely a continuation of the board which was set up originally by the Government.

Q What is the status of that board in relation to the National Labor Relations Board?

THE PRESIDENT: I did not know there was any status.

Q I did not know and we have not been able to get it clear.

THE PRESIDENT: That board was my baby.

Q Has the survey been completed on the amount the Home Owners' Loan Corporation will need for this new program? Any reports?

THE PRESIDENT: Yes, it has been decided on and I think the proposed legislation, as a whole, was taken up by the Home Owners' Loan Corporation to the Committee, to show to them. I cannot tell you unless it has been taken up and it should break from there.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #181,
Executive Offices of the White House,
February 6, 1935, 10:40 A.M.

MR. DONALDSON: All in.

THE PRESIDENT: I ran down a story this past week that I think would probably interest you because I got very much interested in it as it developed.

You read about those alcohol deaths up in New York, and Utica and Gloversville. We ran them down and made a little chart. I got the Treasury Department to make a little chart showing where the alcohol came from.

At the bottom of one side are the Utica cases. In the Utica case it came up through two gentlemen who were under \$2,000 bond and disappeared. They got it in turn from three gentlemen already under indictment, who in turn got it from a rubbing-alcohol company.

In the case of the Gloversville deaths, it went up through a lady and her son and then a garage keeper and then another gentleman and then a gas station and finally came to the point of origin, which was one of those non-freezing mixture companies.

Well, I began inquiring and found out that the present chief source of bootleg liquor has been reduced to things like alcohol-freezing mixtures and rubbing alcohols, showing the straits that they have been put to in getting alcohol. In other words, we are closing in on them and from the domestic point of view it is practically impossible for them now to get alcohol to make liquor out of, except by using these poisonous ingredients, these poisonous bases.

That brings up the question of supply from external sources. We have had, as you probably know, a great deal of trouble over a new type of rum runner. It is not the rum runner that brings in scotch and champagne, etc. as they did in the old days. It is the rum runner that brings in alcohol, and we have closed up, with the cooperation of the Canadian Government, the Canadian source of that raw alcohol. They are working in excellent cooperation with the Canadians and we have closed up the Canadian source.

We have also closed up the Cuban source. The Cuban Government is giving excellent cooperation. We have also closed up the Bermuda source, because the Government of Bermuda requires that every vessel that clears from Bermuda - of course it has to clear for some definite port - requires that every vessel furnish a certificate that the vessel has actually gone to the port for which it cleared.

Now, that leaves us certain unblocked holes, principally on this coast, such as Newfoundland and St. Pierre. We have had up with the British Government for a long time, since last September, the question as to whether the Newfoundland Government would cooperate. It is now no longer an independent government with almost Dominion status. It became a Crown Colony because it went into bankruptcy and it is now being administered as a bankrupt Crown Colony and is therefore directly under the Colonial Office in London. We hope that they will go along with us. They have replied to our request and they say that they are in cable communication in London with the Governor of Newfoundland as to what they can do to require these landing certificates from the port to which the ship clears.

This is not just a question of stopping the alcohol from coming

in. I will just give you an illustration: There was a ship that came into St. Johns, Newfoundland, about ten days or two weeks ago with a cargo of alcohol. I think it was from Belgium or Holland. That ship cleared from Fort St. Pierre, only a few miles away, a French port, and so far we have been unable to get any satisfaction from the French Government in regard to clearances from St. Pierre.

This ship went to St. Pierre, unloaded it on one side of the dock and promptly, behind canvas screens, loaded it into rum runners.

Now, the point is that that one cargo alone, if it gets into the United States, will defraud the United States out of \$3,000,000 of revenue.

The French Government has had the matter up for a long, long time and their latest word to us is that they will have the same requirements as to certificates in St. Pierre if the British do the same thing in St. Johns, Newfoundland. So that is where the matter rests.

Further south, there are one or two others, principally British Colonies, the Bahamas, where there is a pretty substantial leak, the British Honduras, where there are a good many of these alcohol carriers -- not liquor but alcohol carriers. They start a cargo from there and of course none of them ever go to the point of destination in their clearance papers. They just move out into the high seas and trans-ship to the smaller boats which run into the coast.

But the general picture is two-fold, that they are being reduced in this country to rubbing alcohol and freezing mixtures and that we are gradually getting on top of the alcohol running situation. Of course our objective is to prevent this defrauding of the Government

of this large sum of money which we estimate may easily run as high as 40 or 50 million dollars a year.

Q Are you making any progress with the Mexican authorities?

THE PRESIDENT: Yes. There hasn't been much coming in from Mexico.

Q I understand it is a serious proposition in California.

THE PRESIDENT: Yes, out there it is a serious proposition.

Q This 40 or 50 million dollars is rum-running?

THE PRESIDENT: Alcohol-running.

Q Will that 40 or 50 millions include domestic or just imported?

THE PRESIDENT: On the imported stuff.

Q Any calculation on the domestic?

THE PRESIDENT: Yes, but of course that is being reduced all the time. That situation is much better.

Q Mr. President, are you in favor of closing the Exchanges during the gold decision? The reports are that the Securities Commission is going to pass it on to you.

THE PRESIDENT: I don't know a thing about it. I haven't discussed it with anybody and shall not.

Q Mr. President, Mr. Green of the American Federation of Labor gave the Press a statement Saturday night in which he said he received a letter from you saying that you consider it inadvisable to remove Mr. Williams (Clay Williams) from the chairmanship of the N. R. A. Board. Will you be good enough to let us know whether you were correctly quoted in that letter?

THE PRESIDENT: I would hesitate to say so unless I had the letter.

Q Have you found the Cigarette Code?

THE PRESIDENT: You know, as a matter of fact it got lost at 9:00 o'clock

in the morning and we did not start to look for it until after you people had been in in the afternoon. Of course, the first thing we did was to check our files and we found that it had gone over to the Labor Department for certain comments. We knew where it was about half an hour after you were here.

Q Is it still over at the Labor Department?

THE PRESIDENT: No, I have it here.

Q Is it still the plan to do work relief with direct labor? There has been no change in that plan?

THE PRESIDENT: You mean in accordance with my Message?

Q Yes.

THE PRESIDENT: No change in that.

Q Mr. President, can we induce you to comment on Mr. Litvinov's statement that you promised him a loan?

THE PRESIDENT: No, you will have to try the State Department again.

Q In your Message to the Congress on the banking bill, you made no specific recommendation that it be passed?

THE PRESIDENT: No. Of course it makes a lot of space and you can write inches on it but the only object of having bills prepared -- unless there is a very rare emergency case; that is a different thing; there have been one or two in the past years, but only one or two -- is to make it perfectly clear what the general principle or general objective is and in nearly all cases the people on the Hill have something to work on. That is the beginning and end of it.

Q Anything you can tell us about the proposed barter agreement with Germany?

THE PRESIDENT: With Germany?

Q Yes.

THE PRESIDENT: I do not know anything about it.

Q The half million bales of cotton?

THE PRESIDENT: That is that old one?

Q Yes.

THE PRESIDENT: I think probably that will be made clear. Of course the real answer on that cotton deal is a perfectly simple thing: We were offered 25 per cent in cash and 75 per cent in goods. The great immediate question was, Wouldn't those goods have come in under the antidumping clause? If they were goods sold in Germany and other nations at the same price they sold to us, it would be a different thing. But the importers didn't think they could sell that goods except in violation of the antidumping agreement.

Q Then that particular deal is out?

THE PRESIDENT: Yes.

Q Would you care to comment on the report that the R. F. C. policy of making loans to weak railroads has been changed?

THE PRESIDENT: Not that I know of.

Q Getting back to the banking bill, one statement on which there has been much comment is the very brief statement that they are going to repeal the legal requirements for Federal Reserve notes. Is it true that they are aiming to repeal the 40 per cent requirement in connection with the currency?

THE PRESIDENT: I do not think there is anything in it. I don't think anybody thought of it at all on that line. I think that is just a fantastic thought.

Q Nobody has been able to explain it up to date.

Q Returning to alcohol, did I understand you to say that you are satisfied with the progress?

THE PRESIDENT: I think we are making real progress. If we keep this alcohol out, it helps tremendously. This one ship had aboard 34,000 cases. That was it, 34,000 cases of alcohol. I don't know how much liquid there is in a case but it is an awful lot. I do know that it had \$3,000,000 of tax value.

Q Can you tell us what proportion is coming from the Canadian Border?

THE PRESIDENT: Practically none. The Canadian Border is in very good shape and we are getting excellent cooperation.

Another interesting thing is that, for the first time in history, there are two countries which have got together for the joint patrol of a border. We have some planes up on the Canadian Border and we said to Canada, "Why should we each of us have planes? Why not put a Canadian Royal Mounted policeman in the plane with our American Federal officer?" As a result, these boys are going together in the plane. Thus, they can go on either side. If it is on the Canadian side, the Canadian officer makes the arrest and if it is on our side the American officer makes the arrest.

Q How long has that been going on?

THE PRESIDENT: Four or five months.

Q Following Renspeck's (Congressman Renspeck) visit here, have you anything going forward with the Administration approval of the expansion of the Civil Service?

THE PRESIDENT: No. I can only tell you off the record on that -- this will have to be off the record -- Renspeck asked me if it was true that I had endorsed Congressman Sirovich's bill and I said, "No." But

keep that off the record because I do not want a question of veracity raised.

Q Any announcement soon on the Cigarette Code?

THE PRESIDENT: Yes, pretty soon.

Q In connection with Williams (Clay Williams), can you tell us your plans for N. R. A. legislation and when they will be sent up?

THE PRESIDENT: Still in the discussion stage. I hope in the next week or ten days to have something definite.

Q Will you comment on the reorganization of the Agricultural Adjustment Administration?

THE PRESIDENT: What is that? What has happened to it?

Q They divided it into six separate divisions and transferred the Legal Division to the Department (of Agriculture) Solicitor and reorganized the Consumers' Council, involving the resignation of Frank (Jerome Frank) and his staff and a new head for the Consumers' Council.

THE PRESIDENT: I never knew about it; purely an internal matter of law.

Q In connection with the Triple A, is that intended to become shortly a permanent department as a division of Agriculture, or will it remain as an allied agency?

THE PRESIDENT: My process of thinking has not got that far. We are just going on as we are.

Q Under the Public Works Bill, the money is limited to two years.

Can you tell us the type of projects which will be started in two years?

Heavy projects cannot be started?

THE PRESIDENT: Oh, yes; it depends on how far you go with them.

Q If you have not finished in two years?

THE PRESIDENT: Does it have to be finished in two years? We can do a lot of work in two years.

MR. STEPHENSON: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #182,
Executive Offices of the White House,
February 8, 1935, 4.12 P. M.

MR. DONALDSON: All in.

THE PRESIDENT: There is very little news today except one piece of news that I decided on late last night, the appointment of a new chairman for the American Red Cross, Admiral Cary T. Grayson.

Q Is he identified with it in any way?

THE PRESIDENT: He will not take office until the first of March.

Q Is he identified now with the Red Cross?

THE PRESIDENT: I do not think so. However, he has worked with it a great deal.

Q That is not the chairman?

THE PRESIDENT: Chairman, yes.

Q Do you officially designate that officer?

THE PRESIDENT: Yes.

Q Have you offered a new appointment to Jerome Frank?

(The President shook his head in the negative.)

Q Could you tell us about plans for the NRA, when the Message will go up and what will be in it?

THE PRESIDENT: And a few other things, Stevie (Mr. Stephenson). I do not know; maybe some day next week if I get around to finishing it this week end and I cannot tell you what will be in it because I have not written it.

Q I understand that you have not declared the emergency on cotton to continue to next year. I understand you have to do that for the Bank Act to be continued?

THE PRESIDENT: I don't know; I will have to check on that.

Q The NRA officials thought that the Automobile Code would have to be renewed before the next production season. Can you tell us anything about that?

THE PRESIDENT: Before what?

Q Before the next production season?

THE PRESIDENT: It is only good until the sixteenth of June.

Q The Henderson report on the Automobile Code indicates that the Board in Detroit felt that there were some conditions up there unfair to labor. Do you plan any action along that line?

THE PRESIDENT: Do they make any recommendations for further action at this time?

Q Yes, sir; they did recommend that a board be appointed. They did not make it quite clear or what effect it would have but recommended that a board be appointed for the whole industry, including the dye manufacturers. They said that apparently the board had not solved the problem for successful collective bargaining.

THE PRESIDENT: Of course the only answer is that between now and June sixteenth we will be looking into things that are not clear and trying to prepare for the correction of them. There is no specific appointment of anybody, however, to look into it. We are all studying it all the time. It is a continuous thing.

Q How about reopening the Automobile Code before it is renewed next time?

THE PRESIDENT: Why should it be?

Q In line with this report?

THE PRESIDENT: No; it is extended to the sixteenth of June.

Q I mean after the time of renewal, how about reopening?

THE PRESIDENT: This is only extended to the sixteenth of June. I do not know what is going to happen after that. We will have to have a new NRA Act before the NRA is out itself on the sixteenth of June.

Q What is the status of the Cigarette Code? (Laughter)

THE PRESIDENT: Well, it has been read once and is half way through being read a second time. I am asking various questions about it.

Q How many more transportation Messages will there be? Any idea of how soon they will go?

THE PRESIDENT: It depends on how hard I work over the week end. I hope to get to shipping one up sometime next week.

Q The one after that?

THE PRESIDENT: You are getting a little previous; I do not know.

Q On shipping, will there be a Message with that report?

THE PRESIDENT: Yes, a very short one.

Q Are there any new developments in the St. Lawrence Waterway Treaty?

THE PRESIDENT: No; nothing further.

Q Have you had a chance to read that Deficiency Bill with the pay restoration tacked on it?

THE PRESIDENT: No -- that is not strictly true; I have read it once and have it over at the (White) House.

Q It is back?

THE PRESIDENT: Yes, I have it. It has not been signed yet.

Q When shall we expect you to sign it, Mr. President?

THE PRESIDENT: I have not acted on it yet and I do not know when I will act on it.

Q Mr. Young (Mr. J. Russell Young) is probably trying to find out.

THE PRESIDENT: That is just what he means and I am trying to tell him that I won't tell him. Right, Russ?

Q (Mr. Young) I did not ask, though.

Q Can you make any comment on the situation in the Appropriations Committee on the \$4,000,000,000 bill?

THE PRESIDENT: No, I do not know anything about it except what I read casually in the newspapers. Very casually, I might add. (Laughter)

Q In that connection, Senator Nye offered an amendment today to prohibit any

funds being used for ship construction in private yards. It was voted down and afterwards I understand he said that you favored it.

THE PRESIDENT: No. I called him upon the telephone when I heard about it and I explained to him the simple fact that contracts in private yards are for large ships which take, I do not know what, two or three years to build, and the money has to be spent, if we can spend it, before July, 1936. You cannot spend any money in giving contracts to private yards. That seems obvious.

Q How about any ship construction? Should any part of the \$4,000,000,000 be used somewhere else than in private yards, like building ships in the Navy Yards?

THE PRESIDENT: I do not think so.

Q It is intended that state cooperation in these various forms of relief or rehabilitation will be entirely voluntary?

THE PRESIDENT: How do you mean?

Q For instance, if one state should be disinclined to participate in one of your rehabilitation schemes, would it be the inclination of the Administration to penalize them by withholding other forms of relief?

THE PRESIDENT: Oh, no.

Q That situation would be in Connecticut where the Assembly is turbulent over setting up a rural rehabilitation corporation. They are very much afraid up there that you won't give them money.

THE PRESIDENT: Oh, no; nothing like that.

Q This prevailing wage amendment, can you discuss that?

THE PRESIDENT: All I can do is refer you to the Annual Message.

Q Thank you.

Q There is one question: It seems there is an anti-child labor organization complaining that you are exerting influence with state legislatures to

have that amendment ratified?

THE PRESIDENT: Not exerting influence. I made my position very clear a year ago and I have stuck to that.

Q And that is?

THE PRESIDENT: No change. I am in favor of it but I am exerting no influence.

MR. STEPHENSON: Thank you, Mr. President.