

CONFIDENTIAL

Press Conference #217,
Executive Offices of the White House,
July 3, 1935, 11.43 A.M.

THE PRESIDENT: A beautiful day, isn't it?

Q It looks like important news there, Mr. President?

THE PRESIDENT: Awfully boring -- terribly long.

Q Do we need more than this pad?

THE PRESIDENT: No, I do not believe so. The papers won't print it anyway so it is all right.

MR. DONALDSON: All in.

THE PRESIDENT: I think the only news is a more or less routine matter in regard to the use of the 4 billion dollars. I am issuing a statement defining the types of projects to be within the jurisdiction -- this is going to be given out afterwards so you need not take it down -- within the jurisdiction of the Federal Emergency Administration of Public Works and the Works Progress Administration under the Emergency Relief Appropriation Act of 1935.

(Reading)

"According to this clarification construction projects where the aggregate cost upon completion is estimated to be more than \$25,000 shall be within the jurisdiction of the Public Works Administration. The President listed a number of examples of projects of this type.

"Projects of any type where the aggregate cost upon completion is estimated to be \$25,000 or less and all non-construction projects of a type designed to assure maximum employment principally to clerical, professional and white collar classes shall be within the jurisdiction of the Works Progress Administration.

"All applications involving loans for construction of public works projects shall be submitted to the Public Works Administration.

"Applications for loans and grants for public works projects defined in the President's statement as within the jurisdiction of PWA should be filed at the office of the PWA State Director in the State in which it is proposed to build the project.

"Projects for slum clearance and low-rent housing shall be carried on by the Housing Division of the Public Works Administration as heretofore."

Other projects that come under other agencies will be handled by those agencies. For instance, Army Engineers and things like that, Reclamation and so on.

On Monday we passed a number of allotments, Alabama, Georgia, Indiana and New York City, and I thought it would interest you people in getting the thing straight, so I brought down here just one of these things to show you how the work is done. There is no mystery about it. There (indicating) that whole bunch of file is Georgia -- just one state. Taking that as an example -- you could take any of the others -- the total allocation on this allocation -- mind you, this does not complete the allocation to the state, it is just the first group that went through the Allotment Board -- there are 881 separate projects that will provide direct employment at the site for approximately 22,000 persons per year. The total cost of these projects is approximately \$13,500,000., of which approximately \$3,250,000. will be furnished by the State of Georgia and its political subdivisions. Less than 3 per cent of the cost of the entire program will be expended for administration.

Now, those 881 separate projects -- I saw a number of silly stories that they were all going to be handled haphazardly, boondoggling, et cetera -- they are all listed and they all come to

Washington for approval, every one of them and, just so there won't be any question, I will read them. I won't read the whole 881 -- I will quit when you get tired. But just so that everybody will get it absolutely clear. (Laughter) (Reading)

"Newnan, Georgia, two-room annex school" --

these are just illustrations so you will get the whole thing. Mind you, these all clear through Washington. These are 881 projects all to be cleared through Washington. This project (Newnan, Georgia, two-room annex school) uses 26 man months a year at an estimated expenditure of \$476. per man year. They have requested \$772. for labor and \$260. for materials, or a total of \$1,032. and they put up \$520. of their own. (Reading)

"Talbotton, Georgia, a one-room negro school, \$397."

for labor and they put up \$308. of their own. (Reading)

"Cochran, Georgia, a stadium for the athletic field" --

it must be a good one -- \$1,065." and they put up \$383. (Reading)

"Baconton, Georgia, construction of classrooms in school building, \$1,062."

and they put up over \$300. (Reading)

"Fort Gaines, grading the school grounds" --

Q (interposing) Give us the last page the 881st one. (Laughter)

THE PRESIDENT: (reading)

"Cumming, Georgia, erecting a three-room school building, \$1,095."

and they put up \$970. (Reading)

"Augusta, Georgia, a one-room school building, \$953."

and they put up \$1,392.

Q Mr. President, have you the Missouri list there?

THE PRESIDENT: No. (Reading)

"Hogansville, Georgia, school building for colored children,

\$4,100. for labor, \$1,111. for materials" --

we put up \$5,211. and they put up \$2,675. (Reading)

"Quitman, Georgia, construction of community house, \$3,069.

"Leary, Georgia, construction of waterworks, \$2,948."

and they put up \$4,600.

Q What is on the last page, Mr. President?

THE PRESIDENT: Wait a minute, I am half way down the first page and there are about twenty-four pages. I am half way down the first page. Have you had enough?

Q Plenty.

Q Is this Division of Applications and Information investigating each one of these applications individually as it comes in?

THE PRESIDENT: No, through the different agencies.

Q Then they just come to an agency in Washington?

THE PRESIDENT: They are all investigated and checked up by somebody.

Q Mr. President, is there any minimum which the local community, which sponsors the project, must contribute to the project?

THE PRESIDENT: No, it depends entirely on the labor cost. For instance, if the labor cost is pretty high, the community will put up more; if low, they put up less. In other words, we have to bring this within the quota for the state and the number of people. It is the same old mathematical problem.

On this particular list that has gone through, the tables show that the Federal Government is putting up \$10,250,000. and

is putting 22,000 people to work, or an average of \$500. cost to the Federal Government for putting a person to work.

Q What is the state's share?

THE PRESIDENT: \$3,250,000.

Q Are these projects going to keep the Georgia unemployed at work for a year?

THE PRESIDENT: We expect so. Not merely this (indicating list of projects) -- there will be more. There are ten millions of Federal money -- I cannot tell you offhand what the total quota for the State is -- but the total quota will include highway projects, reclamation, soil erosion, C.C.C. Camps and all the others. But the combination of all those projects -- this flock here, plus possibly another couple of flocks of projects that will come in in the next couple of weeks, will make up the total quota for the State and put the total number of unemployed on the rolls to work. Those are now what you would call "cutting grass" projects. They are pretty useful projects.

Q Has this been approved by you?

THE PRESIDENT: Yes. I have not actually signed it but it will go in sometime today.

Q Have all those recommendations for money been approved?

THE PRESIDENT: They will be, today.

Q Are you going to do that for every state?

THE PRESIDENT: For every one.

Q How many projects are there on the first list for Alabama?

THE PRESIDENT: So far -- I have the total list here -- 172 separate projects.

Q That is Alabama?

THE PRESIDENT: Putting 22,000 people to work. The total cost of this program is \$13,000,000., of which \$2,800,000. will be furnished by the State and its political subdivisions. The Administration expenses will be less than 3 per cent of the entire cost of the program. Examples are as follows: (Reading)

"Construction of community center building in Mobile County,
\$23,000.

"Construction of swimming pool at Columbiana, \$6,400."

Q We do not insist on it.

THE PRESIDENT: Oh, no, you have to get some more of it. (Reading)

"Paving of secondary roads in Jefferson County, \$466,000.

"Construction of gymnasium for the Alabama College of Women,
\$10,635.

"Sanitary sewer construction, Piedmont, \$9,000.

"Cemetery landscaping, Gadsden, \$32,000.

"Tuscaloosa City School grounds, \$8,800.

"Four airports in Dale County, Tuscaloosa, Decatur and Dothan,
\$38,000.

"Armory units for the Alabama National Guard, \$97,000."

Q Have you Washington, D. C.?

THE PRESIDENT: No.

Q Any other individual list?

THE PRESIDENT: No; these are the only four sent over to me.

Q Anything on New York City?

THE PRESIDENT: I have, yes.

Q Will that be available for all states?

THE PRESIDENT: As fast as they come through.

Q There is a \$25,000. limit on works projects. Does that mean the Works Progress Administration cannot take one for paving, for example, if it runs over \$25,000.?

THE PRESIDENT: It if runs over that, they refer it to P.W.A. to see if P.W.A. can get the money out of the city for it.

Q What if P.W.A. does not get the money?

THE PRESIDENT: Not necessarily. That depends largely on the P.W.A., which will study the solvency of the city, the finances of the city.

Q So there won't be any projects under Hopkins' division, individually more than \$25,000. each?

THE PRESIDENT: There will be quite a number if they do not conflict with the Public Works job. You had better read this Order

Q Will those three states you have mentioned be released today, the information on them?

THE PRESIDENT: I do not see why they should not be.

Q Mr. President, is it correct to assume that if the people employed on these projects choose to organize and seek charters from the unions, no objection will be raised?

THE PRESIDENT: That is a brand new one. Has anybody tried that?

Q Yes.

THE PRESIDENT: You know they do not have to work if they do not want to. That is the best answer.

Q What happens to the Division of Applications and Information under this new setup?

THE PRESIDENT: What about it?

Q It continues just the same as it has been?

THE PRESIDENT: Oh, it all comes in through them. That is to prevent any conflict.

Q And they route it to the P.W.A. or the W.P.A.?

THE PRESIDENT: Yes.

Q But the states, as a whole, come in to them under this plan?

THE PRESIDENT: Yes. For example, to give you a simple illustration, on the Fort Peck Dam, if we charge up the cost of the Fort Peck Dam to the State of Montana, they would not get any more money at all and, obviously, it would not pay them to ask. Therefore, that is a question that goes to the first division -- Frank Walker's division -- and he lets everybody down the line know. He talks it over with the other two, Mr. Ickes and Mr. Hopkins, as to what would be a fair proportion of the allotment of the Fort Peck Dam to charge to the Montana unemployment problem. If they only have 400 men (employed on the Fort Peck Dam), we would capitalize that and charge it against the Montana total.

Q In that list you had on Monday, the District of Columbia was included. Does that mean that you have not got it today?

THE PRESIDENT: Of course they just forgot to send it over to me. It is all right; you need not worry about it. It is coming.

Q How about the New York list?

THE PRESIDENT: Oh, yes; I have only the summary here. Wait a minute.

Q Senator Wheeler and some other western Senators came away from a talk with you yesterday and said that you were willing to spend a mere \$100,000,000. for reclamation. Can you elaborate on that at all?

THE PRESIDENT: You had better get that from Dr. Mead of the Reclamation Service. They have a list of projects that total just about \$100,000,000.

Q Does that indicate you approve the --

THE PRESIDENT: (interposing) Most of those are practicable, at least in part. Also, most of them are not new reclamation projects. The great majority are for bringing water to existing projects where the water supply is inadequate. It does not really put new land into cultivation. It is a question of bringing more water to projects which have not worked out properly and where people are still faced with the danger of drought.

Q Will those reclamation projects be handled by Ickes?

THE PRESIDENT: Oh, yes; just like the War Department ones will be handled by the War Department engineers. The regular agencies will handle the work.

Q Does that mean that Fort Peck might get more money than Montana should have?

THE PRESIDENT: Oh, yes. There are four or five national projects. The Upper Missouri is a national project. We do not allocate that to each state. We take the number of people from the abutting states that are employed on the project, capitalize it and apply it to the state quota. Does everybody understand that?

Q Could you outline the other national projects?

THE PRESIDENT: Grand Coulee, for instance, Boulder Dam, Bonneville.

Q Do you capitalize that on the basis of \$1100. a man?

THE PRESIDENT: Yes, approximately.

Q Will you stop work on Quoddy because Congressman Brewster voted

against the death sentence?

THE PRESIDENT: A beautiful -- what is it? Wednesday morning? Foolish question No. 1. However, it is all right; you asked it.

Q When Mr. Walker finishes his work on the allotments to applications, will he go into the Cabinet, do you think?

THE PRESIDENT: Foolish question No. 2. You are getting good this morning.

Q Why foolish?

Q Is there anything you can tell us about the utilities legislation situation?

THE PRESIDENT: No. Did you ever read Old Caspar? Do you remember the lovely last line of that? How does it go? "'That I cannot tell,' said he, 'but it was a famous victory.'" (Laughter)

I still have to talk about New York.

Q There has been a lot of chiseling on that question.

THE PRESIDENT: The New York City program -- mind you, this is not the complete program -- it consists of 77 separate projects which will provide direct employment by the City for approximately 70,500 persons for one year. The total cost of this program is approximately 78 $\frac{1}{2}$ million dollars, and less than 3 per cent of the cost of the program will be expended for administration.

Q How much will New York put up?

THE PRESIDENT: I have not got that on this because I did not bring the big sheets down.

Q That does not mean they are not going to put up something?

THE PRESIDENT: Put up what?

Q The State will contribute something?

THE PRESIDENT: The City? Oh, yes. I will give you some of these items.

Q Is that the State or the City?

THE PRESIDENT: I think, in this case, the City. (Reading)

"Construction of school playgrounds, \$902,000.

"Development of airports, \$1,625,000.

"Buildings, College of the City of New York, \$764,000.

"Alterations and improvements to the main Library and
branches of the New York Public Library, \$249,000.

"Construction of Municipal Golf Course, \$2,000,000.

"Construction of public baths, \$375,000.

"Alterations and improvements in the New York Botanic
Garden, \$144,000.

"Rebuilding portions of the Metropolitan Museum of Art,
\$225,000."

Those are all I have down. You can have the whole thing.

Q Each of those items is over \$25,000., still it does not come under
P.W.A.?

THE PRESIDENT: They are all passed on by P.W.A.

Q Do you care to comment on the so-called compromise T.V.A. bill, due
to come up on Monday?

THE PRESIDENT: I do not know what condition it is in.

Q Can you give any further details on your rural road program?

THE PRESIDENT: I do not think there is any more news besides what you
got. I think you can say this, that we hope to use -- not the 25
per cent on rural roads, which was in the Act, but we hope to get
it up as high as $37\frac{1}{2}$ per cent.

Q Any talk about the establishment of a Rural Road Authority?

THE PRESIDENT: I do not think on that basis. Probably an advisory committee or something like that.

Q Isn't that quotation from Old Caspar from the Battle of Blenheim?

THE PRESIDENT: That is just what it is.

Q Wordsworth. [Southey]

Q Can you tell us what this announcement means from the Federal Trade on the resumption of trade practice conferences?

THE PRESIDENT: They go ahead with what has been done in the past.

Q What did N.R.A. do under that setup? Voluntary codes?

THE PRESIDENT: I think they will do the preliminary work and then turn it over to the Federal Trade Commission.

Q They will not be N.R.A. voluntary codes but Federal Trade Commission agreements?

THE PRESIDENT: Yes.

Q What happens to your labor and hours provisions there?

THE PRESIDENT: That is up to the Federal Trade Commission. If wages and hours are in the voluntary codes, they will be presented to the Federal Trade to say whether it is a violation of the Sherman Antitrust Law. If it is not, they will tell them so. They put it in the negative.

Q Then the N.R.A. codes are out?

THE PRESIDENT: Yes, except for assistance to the Federal Trade Commission in getting the data up for them.

Q What happens to the voluntary codes under the N.R.A.?

THE PRESIDENT: I do not think there has been any.

Q Mr. O'Neill (Acting Administrator of the N.R.A.) thought his organization would take over the wages and hours.

Q And child labor?

THE PRESIDENT: They have no intervening power. As information gathering, yes.

Q And then turn it over to Federal Trade?

THE PRESIDENT: Of course they are obtaining complete information on labor and hours and national standards. My pile of those reports is now three feet high.

Q What does it show?

THE PRESIDENT: It shows a lot of things. That is another story.

Q Mr. President, do you consider the nine-foot channel on the Upper Mississippi a national project?

THE PRESIDENT: Yes, and the Missouri too.

Q In connection with the tax program, there are some suggestions for going below the million dollar level and increasing rates in the lower brackets. Anything you can say on that?

THE PRESIDENT: I do not know a thing about it.

Q How about the Wisconsin plan?

THE PRESIDENT: We do not know yet. I will know in a day or two. We will probably use, in large part, the projects which were suggested by the old Commission which Governor Schmedeman started and which reported just before he went out of office and which Governor La Follette then took over and did a certain amount of revision on and had planned to adopt if he had been able to get his legislation through. That, undoubtedly, will be the basis of our Wisconsin plan.

Q Will the State get the same amount of money it would have had under the other arrangement?

THE PRESIDENT: I do not know.

Q Has a state plan been worked out for the grade crossing elimination work? Has that been planned so it can be started soon?

THE PRESIDENT: I do not know; I have not talked to MacDonald about it at all. All I know is that they are going right at it.

Q Does your early employment estimate, to reach the peak in November, still hold good?

THE PRESIDENT: Yes.

Q What are your plans for tomorrow?

THE PRESIDENT: I do not know. It is so crowded on the roads that I will probably stay home.

Q Thank you, Mr. President.

Q You said $37\frac{1}{2}$ per cent in connection with rural roads. Is that $37\frac{1}{2}$ per cent of \$800,000,000.?

THE PRESIDENT: No, be careful. I think it is $37\frac{1}{2}$ per cent of \$600,000,000.

Q Can we quote you on those words?

THE PRESIDENT: I think so. There might be something subtle in that.

Q Mr. President, I forgot to ask while here: Have you any comment on the suits being brought against A.A.A. on the processing taxes?

THE PRESIDENT: What good will it do?

Q May I ask about the trip to California?

THE PRESIDENT: I still hope to go. I have not changed one bit. It is still on the calendar but without a date assigned to it.

CONFIDENTIAL

Press Conference #218,
Executive Offices of the White House,
July 5, 1935, 4.00 P.M.

Q Your poetic quotation got a good play the other day.

THE PRESIDENT: Even had Brother Brown looking up his quotations.

Q I think Steve (Mr. Early) looks good.

THE PRESIDENT: I asked him how he came out.

Q We did, but he would not tell us.

THE PRESIDENT: He would not tell me, so I fear the worst.

Q Mac (Mr. McIntyre) has been cleaning up out at Burning Tree.

THE PRESIDENT: Yes, he shot 112 and has been cleaning up. You did not know -- I knew that.

MR. EARLY: I suspected it.

THE PRESIDENT: Imagines shooting 112 and cleaning up.

Q Why? Didn't they play the other nine?

THE PRESIDENT: Yes.

MR. DONALDSON: All in.

THE PRESIDENT: We were talking about Mac's (Mr. McIntyre) golf game, that is all.

I haven't any news except that I looked at the fireworks last night.

Q You had a good view of them?

THE PRESIDENT: Yes, very good.

Q Mr. President, do you care to comment on the telegram which you are said to have received from Louisiana -- the senior Senator sent it?

MR. MCINTYRE: I don't think he has seen it. It has to do with a State

legislative matter and requested your endorsement.

THE PRESIDENT: That was what I read in the paper. Of course I do not endorse state legislative matters.

Q London reports state that Ethiopia is about to send us a message requesting cooperative action to prevent war in Ethiopia. In 1933, in Geneva, Davis (Norman Davis) made the conditional offer, an offer of our conditional willingness to refrain from any action which might tend to deter the collective efforts of other powers against the aggressor. Do you care to comment on that?

THE PRESIDENT: Senator Young suggests you sing it. (Laughter)

Q No, sir.

THE PRESIDENT: That sounds like a typical diplomatic message. I talked with the Secretary of State and they are going to have an announcement this afternoon.

Q We are going to have it?

THE PRESIDENT: It is coming out this afternoon. I think it is very clear and simple.

Q What does it say? (Laughter)

Q Does it constitute a reply?

THE PRESIDENT: Yes.

Q Mr. President, would you care to tell us anything about the Georgia highway situation -- any new developments?

THE PRESIDENT: I have not heard anything on that the last two days. I think they are still conferring about it.

Q Mr. President, have you picked any Labor Board members?

THE PRESIDENT: No, I have not done anything about that appointment. I have not even talked to anybody.

Q Mr. President, can you tell us anything further about the tax conference you had yesterday with Chairman Doughton and the members of the Subcommittee?

THE PRESIDENT: No, nothing more than they said when they left. Some of the reports were substantially correct as printed.

Q (Mr. Stephenson) The A.P. Story? (Laughter)

Q Can you tell us about your conversation with Senator Fletcher? Did it deal with the Banking Bill?

THE PRESIDENT: Yes, I talked with him first about a Forest Credit Bill which we are studying and which I am very much in favor of in principle. In other words, it relates to the extension to forest crops of the same principles that we have used in the case of farm crops. The general thought is this, that if the owner of commercial forest land is willing to conform to the general theory of cutting only so much of his crop as will be the equivalent of the maturing crop on another part of his acreage, that in such a case he would be entitled to a Federal credit just like private businesses or railroads or farms, under certain well-defined conditions.

It seems to be a very excellent thing and would, as a general proposition, be of great service to the smaller and medium-sized company. We have found among the medium-sized lumber companies a very great desire to cooperate with the Government and a great many of their operations are being conducted on an annual crop basis.

Most of the trouble has come from either the very small man who goes in and buys stumpage and conducts just one operation over a few months regardless of the consequences, or on the part of

very large companies which have not adopted forestry methods.

This is merely a step to try to make lumber an annual crop with the assurance that in 25 years or a generation from now we will have as much maturing lumber or more maturing lumber than we have today.

The other thing that Senator Fletcher and I talked about, from a general point of view, was that on this Banking Bill -- I haven't seen a print of it, in fact I don't think it has been printed yet; he didn't have one and therefore we could not go over the language of that part of the bill, that section that relates to allowing banks in the Federal Reserve System to engage in the underwriting of securities --

The Senator said he thought the only permission should be to underwrite a certain percentage of securities on the basis of selling them only in the open market. But, as we, neither of us, had the language before us we could not go into the details.

Of course it is fair to say that two years ago all of us, including Senator Fletcher and Senator Glass, believed, in view of very serious abuses in previous years, that commercial banking ought to be separated from underwriting or selling of securities, either one. Since that time -- incidentally there was a very large banking support for that, as you know, and since that time there have been various efforts made to have that law weakened by allowing underwriting without allowing sales but always, when you came to analyzing it, you had to give the bank some kind of a right to make a sale.

Now, how can you safeguard on the sale of an underwriting

which goes sour, which does not go through, and the bank is left with the bonds? I don't know. I never had a satisfactory method explained to me.

For example, just a simple illustration: A bank, let us say, acts as trustee for, let us say, 5,000 people. As trustee, the bank has the right to buy and sell securities with the assets of those 5,000 people. Under the old dispensation, a great many banks would underwrite security issues and then if, at the time of the public offering of those issues, the public did not take them all, the bank was left with bonds which it could not sell on its shelves and thereupon, in order to get rid of them, they would turn those bonds they couldn't sell to the public, they would turn them over to trust funds for which the bank was trustee. Of course it was a thoroughly not only unsound but very close to being a dishonest practice, certainly not ethical to say the least. If any issue went sour, the temptation was too great to get rid of the sour bonds and turn them over to the unfortunate people for whom the bank was trustee.

As I say, I have not read this new language but if it permits in any way the sale of securities which the bank has underwritten and has been unable to sell to the general public when offered, if it permits them in any way to get around the present prohibition, then it is going back completely on the principle that we all adopted two years ago. That is about the long and short of it.

- Q One more question: Did you discuss with the Senator the question of liability of banks as underwriters? Of course, you know, as the bill came out they have an equal liability and they ask whether

the banks could privately be made the subject of lawsuits and the like. It is probably the most complicated question in the bill.

THE PRESIDENT: I do not know; we did not discuss that at all.

Q You are not certain whether you want this strengthened or not?

THE PRESIDENT: I do not know because I have not seen the printed copy.

Q Mr. President, is it the intention to have this Forest Credit Bill passed at this session?

THE PRESIDENT: Probably not, although it is a very desirable thing to do.

Q Where would the administration of that thing be?

THE PRESIDENT: In the Department of Agriculture.

Q On taxes, was there any discussion yesterday or has there been any decision on whether to go into the middle brackets on the increased rates?

THE PRESIDENT: No decisions of any kind. You might strengthen what was said yesterday and carried by most of the papers. The A.P. was all right.

Q (Mr. Stephenson) That is what I meant.

THE PRESIDENT: The Subcommittee that was down merely asked the Treasury to send somebody up there to give them various kinds of tables based on all kinds of schedules and brackets, that is all. So, at the request of the Subcommittee, the Treasury people will submit all kinds of tables for the information solely of the Subcommittee, solely for the information of the Subcommittee and nothing else.

Q Have you replied to the invitation of the Confederate Union for September?

THE PRESIDENT: Only verbally, that I had no idea where I would be in September. I cannot say anything more than that at this time.

Q You have not made any plans then for this summer?

THE PRESIDENT: No.

Q Any plans for tomorrow and the week end?

THE PRESIDENT: Only that I would go over to Annapolis and get aboard the SEQUOIA and spend the night and come back Sunday afternoon late. We will put the lid on until Monday morning.

Q Will you return to Annapolis?

THE PRESIDENT: I do not know where I will land. I can never tell.

It will depend on where the fish are running.

Q Do you still plan to go to the West Coast?

THE PRESIDENT: Yes.

Q Did you see the petitions on the Camden shipbuilding strike?

THE PRESIDENT: No, I have not.

Q. Thank you, Mr. President.

CONFIDENTIAL

Press Conference #219,
Executive Offices of the White House,
July 10, 1935, 10.50 A.M.

THE PRESIDENT: You know those suits we got down in Puerto Rico last year and we thought they were so lovely? I wore one last night. They are the heaviest things, as heavy as a winter suit. Did you get any down there?

Q I got one but threw it overboard when coming into Eastport. I got it full of paint and grease and everything else.

Q Mr. President, are you contemplating any steps toward the removal of Judge Wilson of the Virgin Islands?

THE PRESIDENT: I do not know; I have not followed it at all lately.

Q On silver purchasing, does the goal of a dollar and twenty-nine cents still hold?

THE PRESIDENT: We are trying to conform with the command in good faith.

Q I understand a number of New York up-State Congressmen have recommended that a survey be made of the damage and help given, if possible. Would you care to comment on that?

THE PRESIDENT: I think the only thing -- and that has been printed this morning -- we have the Red Cross up there, the Department of Agriculture up there -- I do not know whether the Public Health Service is there or not. I wired the Governor yesterday offering all Federal facilities. I imagine that at least the Red Cross and the Department of Agriculture are actually there and on the job.

MR. EARLY: There are three Army planes there surveying.

THE PRESIDENT: Three Army planes are surveying. It is a little early

to get accurate data because the water has not subsided yet.

Q Mr. President, the officers of the Knights of Columbus, Mr. Martin Carmody and Mr. D. J. Callaghan, were here the other day about the Mexican situation. Is there anything you can tell us to add to that?

THE PRESIDENT: I do not think anything else besides what the State Department has said.

Q What is that?

THE PRESIDENT: I cannot tell you the exact things they have said. It ought to come from them.

Q Is there to be some reorganization of the housing activities of the Government?

THE PRESIDENT: Not that I know of. Of course, on H.O.L.C., as you know, the applications have ended -- what is the date?

Q June twenty-seventh.

THE PRESIDENT: Now, that means of course, that there will be a cutting down on the activities after the applications have finished coming in and they have finished examining them.

Q Mr. President, I read by the morning papers that you are supposed to be having a little bad health. How do you feel?

THE PRESIDENT: What do you think, Stevie (Mr. Stephenson)?

Q (Mr. Stephenson) You look O.K. from here.

THE PRESIDENT: You ought to be a pretty good judge. It is all right.

Q Anything you can say about the reciprocal trade agreement with Canada?

THE PRESIDENT: I do not know how far they got -- I really don't know. They have finished the hearings?

Q I believe they have.

Q Mr. President, do you approve the rules and regulations for the National Highways program?

THE PRESIDENT: I have them in my basket. I did not do it last night because of the weekly conference. I will do that today.

Q Mr. President, we cannot hear the answers to the questions.

THE PRESIDENT: That last one was about the Highways regulations. It came over yesterday from the Attorney General and it is at the top of the basket. I will get to that today.

Q What can you tell us about last night's conference?

THE PRESIDENT: Nothing more than they told you. A very nice party.

Q Are you planning a series of speeches in different parts of the country after Congress adjourns?

THE PRESIDENT: No.

Q Has there been any decision --

THE PRESIDENT: (interposing) Of course you know the background -- the perfectly simple thing that I do occasionally. I go across the continent on a trip and when I do I generally make speeches at some kind of celebration like Boulder Dam, just like last year. I made, I think, coming back, one political speech last year and that was at Green Bay. Everybody had plenty of notice of it.

Q And it was plenty hot.

THE PRESIDENT: It sure was.

Q The American Legion will be in session early in September in St. Louis. Do you expect to stop over there?

THE PRESIDENT: I have absolutely no plans at all.

Q You do not know whether you will speak in Milwaukee at the Young

Democrats?

THE PRESIDENT: No. I suppose there are a dozen people who have come in to ask me to go here and there and I said that I would like to go if I can but I have no idea whether I can or not.

Q Have you made any decision on the cotton loans which expire August first?

THE PRESIDENT: Not yet. There won't be any news on that for a while.

Q Mr. President, did you have an opportunity to look at the language of the Banking Bill in regard to the underwriting feature?

THE PRESIDENT: No; I am having a conference on that, I think it is tomorrow -- Thursday. That does not come up until Friday, does it?

Q They are in doubt.

Q Who will be in that conference, please?

THE PRESIDENT: I do not know yet.

I do not believe there is any news; everything is very quiet.

Q We will dispose of this (indicating his notes) in very short order.

THE PRESIDENT: Yes.

Q Would you say if there has been anything in regard to the St. Lawrence Treaty?

THE PRESIDENT: You know just as much about it as I do. It was rejected, as you know. There have not been any conversations about it at all. I do not think there have been any conversations about it the last two or three months.

Q Thank you, Mr. President.

CONFIDENTIAL

Press Conference #220,
Executive Offices of the White House,
July 12, 1935, 4.05 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: I think tomorrow I will go over to Jefferson Island, about noon, and we will put the lid on and I will come back sometime Sunday evening, to see if there is any more news.

Q Are you spending the night there, sir?

THE PRESIDENT: Yes.

Q At the Club?

THE PRESIDENT: Yes.

Q Are you going to fish, Mr. President?

THE PRESIDENT: I hope so.

Q Mr. President, is the bus bill one of the bills you would like to see enacted at this session?

THE PRESIDENT: I think it would be an excellent thing if we could get that tied in. But don't use "must" legislation; that is stupid, unimaginative and a few other adjectives which I won't use.

Q Can you offer a substitute?

THE PRESIDENT: "Desirable" legislation -- that is a good word.

Q Mr. President, you have been represented in some newspapers as not favoring Triple A amendments?

THE PRESIDENT: I have to apologize for the papers; that is all I can do.

Q Mr. President, how about the regulations in highway construction, grade crossing elimination?

THE PRESIDENT: I do not know where they are. I think they are on the

way over here from the Attorney General at the present moment.

They are all right; they are going to be signed.

Q Mr. President, did you offer Pecora the counselship for the telephone investigation?

THE PRESIDENT: No, I have not offered it to anybody.

Q What is the situation with respect to the Virgin Islands?

THE PRESIDENT: The situation, so far as this room is concerned, is that there is no news.

Q Do you expect to be in a position soon to appoint that new Labor Board?

THE PRESIDENT: I have been talking to Perkins (Secretary of Labor) about it today, just going over the general list of names. I suppose within the next week there will be something about it.

Q Can you tell us anything about your talk with Senator Glass?

THE PRESIDENT: No, I guess I had better not. (Laughter)

Q Can you tell us anything --

THE PRESIDENT: We did talk about one phase which we went into rather exhaustively and that is the question of underwriting of securities by banks. I told him what I think I said here before, that, speaking as a lawyer, I think it is practically impossible to draw language which would allow banks to do certain types of underwriting and at the same time be absolutely certain that they would not go back to the old practice of selling securities to their trust funds or their neighbors' trust funds. In other words, if I were a certain type of lawyer, I am pretty sure I could get around any safeguarding language, therefore it is not safe to do it at all and it is much better to cut it out.

Q Mr. President can you tell us whether we have any new leads in mind regarding the Ethiopian situation?

THE PRESIDENT: No, not any more than the Secretary of State gave you yesterday.

Q Can you tell us anything about your conference with Senator Copeland this morning on the shipping bill?

THE PRESIDENT: Very, very little except generalization. You probably know that I do not like the shipping bill in its present form for a good many reasons, and I asked Senator Black to come down and talk it over with Judge Bland and Senator Copeland, and we just talked about a few of the high spots; we did not have time to go into detail, but I have asked Secretary Roper to ask one or two people from Commerce and also the Post Office Department to go up and talk the bill over with Senator Copeland and Senator Black and see if it is possible to work out some kind of an amended bill which will go through without taking too long.

Q Did you discuss the Marine Bill in connection with that?

THE PRESIDENT: No.

Q Mr. President, the papers this morning had quite a piece in about Chambers of Commerce and Boards of Trade engineering a nationwide drive against your tax program. Is there anything you would like to say about that? We have heard your thoughts about Chambers of Commerce and Boards of Trade before and we thought it might make pretty good news?

THE PRESIDENT: The action speaks for itself.

Q Can you tell us anything about your talk with Senator Nye today?

THE PRESIDENT: I have forgotten what we talked about.

Q Profits in war?

THE PRESIDENT: Oh, yes; he asked me if I would get in touch with -- who is it in the House that has got it?

Q McSwain (Representative John J. McSwain, of Minnesota)?

THE PRESIDENT: I don't know -- (examining papers on desk) I am just looking to see if I can find the slip. I have a memorandum here somewhere. I told him I would speak to -- I know -- Senator Harrison, to ask him if his Subcommittee, of which Senator Barkley is Chairman, could please take some action on it. As I understand it, that is the McSwain Bill that came over from the House but has been amended by the Senate. So the next thing to do is to speak to Senator Harrison and Senator Barkley about it.

Q Do you want that legislation this session, if possible?

THE PRESIDENT: I have not seen the bill since the amendment, so I could not pass on it. The general objective, of course, of the legislation, to take profits out of war, is right.

Q Did you see the so-called Nye Bill, the Senate Bill, which is virtually the tax bill alone?

THE PRESIDENT: No; I am not familiar enough with it to say that the present language is all right. I know the purpose is all right.

Q Is it going to be the practice of the Government to approve the Public Works projects state by state?

THE PRESIDENT: I should say, roughly; yes. Of course there may be exceptions.

Q Do you have any idea when those for New York State, outside of New York City, will be made available?

THE PRESIDENT: I do not know at all.

Q Do you know whether they are in such shape --

THE PRESIDENT: (interposing) I do not know.

Q I noticed by the statement yesterday that New York City had received \$75,000,000. Some of the other cities --

THE PRESIDENT: (interposing) I do not know what the up-State situation is. Ask Harry (Mr. Hopkins); he would know.

Q Have you passed on the Ohio setup on projects?

THE PRESIDENT: I do not know. I have not had any reports at all since two weeks ago when we talked about the four states. It has not come over here.

Q Can you tell us why the Senate investigation of the Virgin Islands was recessed yesterday?

THE PRESIDENT: I can only tell you, off the record, if you will not bring me into it, the way I would write the story -- this is off the record, mind you -- I would write it this way: that sometimes in very, very hot weather it is a good thing to put things in cold storage for a week. (Laughter) Do not credit that to me.

Q That is too hot for the record.

Q Can we take it that you are unalterably opposed to the underwriting features of the bill.

THE PRESIDENT: I think that is a pretty good guess.

Q Thank you.

Q The lid is on after noon tomorrow?

THE PRESIDENT: Yes.

Q What is this? (Indicating an object on the President's desk)

THE PRESIDENT: That is the new Blue Eagle. It just came out of an egg and we do not know who laid the egg. (Laughter)

CONFIDENTIAL

Press Conference #221,
Executive Offices of the White House,
July 17, 1935, 10.30 A.M.

THE PRESIDENT: (in an undertone) Have you seen Mac's (Mr. McIntyre)
red tie?

Q (Mr. Young) Not yet.

THE PRESIDENT: (in an undertone) Get after him about it.

Q (Mr. Storm) One flight up saves you money, Mac.

Q (Mr. Young) Did you lose a bet, Mac?

THE PRESIDENT: I started on him at 8.30 this morning.

Q You are ready to march with Lew Dockstadter, Mac.

THE PRESIDENT: He has just taken on that collar ad, "What the well-
dressed man will wear." Isn't it in the theatre programs?

Q He insists on wearing it.

THE PRESIDENT: Yes, he does.

Q (Mr. Storm) Pretty snappy, Marvin.

Q Is that the Puerto Rico suit?

THE PRESIDENT: No, this is made out of goats' hair. It is recommended
by the Vice President.

Q Pretty nice.

THE PRESIDENT: Very nice.

MR. DONALDSON: All in.

THE PRESIDENT: Too bad you people in the back row cannot see the sar-
torial effects of the White House staff. We are having great fun
up here.

I don't know a thing.

Q Neither do we.

Q Mr. President, do you want the tax bill passed this session?

THE PRESIDENT: I recommended it.

Q That means before adjournment, of course. Have you discussed that with the leaders recently?

THE PRESIDENT: Not especially.

Q We cannot hear the questions back here.

THE PRESIDENT: Talk louder, Stevie (Mr. Stephenson).

Q (Mr. Stephenson) I am sorry. (Laughter) Read the A.P. report.

THE PRESIDENT: He said he is sorry.

Q Mr. President, have you discussed adjournment recently with any of the leaders of Congress?

THE PRESIDENT: No. Of course, on adjournment, I go back to the days when I first began trying cases in New York in trying to think of an analogy to the propaganda that is going on at the present time. It is just another form which any defense lawyer, if it were a law case, would recommend.

If a very rich person or a millionaire newspaper owner wanted to get out of the high inheritance tax or the high income tax, I suppose he would consult one of those \$150,000. counsel in New York City, who would probably advise him to apply the old legal rule on the trial of a case. If you represent a defendant where there is no defense at all or a mighty poor defense, when you get to court the first motion, "I move that this case go over to the next term." (Laughter) And then the next motion is to declare a mistrial because of the hot weather or something like that.

Of course, where the plaintiff has a good case, the rule at the bar is that he presses his case and the rule at the bar is

that the defendant with no case at all, or a very weak case, does everything in his power to stall and delay the actual joinder of issue.

That is actually what you and I know is going on in Washington to a very large extent today. The defendant's lawyers, who are not all lawyers, by the way, are applying the old rule. "If it please the court, I move that the trial of this case, in which I have a rotten defense, go over to the next term of court." That is about the whole situation on the Hill.

Q Mr. President, have you anything to say with regard to any possible changes in the Administration's foreign trade program?

THE PRESIDENT: What program?

Q Foreign trade program.

THE PRESIDENT: What about it, specifically?

Q There have been a number of things said in Congress because of tariff reduction in recent treaties.

THE PRESIDENT: You will have to be more specific than that.

Q Senator McCarran of Nevada, particularly on the Russian and Brazilian treaties, because of the manganese.

THE PRESIDENT: How many people are employed in this country in the manganese industry?

Q The State Department says 354.

THE PRESIDENT: The State Department says 354 and Senator McCarran says three or four thousand.

Of course the general principle, taking manganese, is this: If we were to produce all the manganese we use in steel, in the mills in the country, alloys of various kinds, and keep foreign

manganese out, it would mean that the cost of steel for use in building materials, and so forth and so on, would be tremendously increased. It might put a few thousand people to work but the cost to the country would be ten times, twenty times, fifty times more than the earnings of those people who are put to work.

As a matter of fact, the manganese deposits in this country, as we all know since the war days, are pretty slim. They are very small, scattered, and some of them of very, very low grade ore. It seems to be the economic theory that if we import manganese from the outside it will put more, infinitely more people to work in this country than putting a high tariff on manganese. I don't think it will throw 354 workmen out of business but, even if we should, the increased purchasing power of foreign countries would put ten times that number of Americans to work. That is the simple theory on manganese. It will increase employment in this country through the Brazilian Treaty and Russian Agreement without any question at all by giving them a much larger purchasing power.

Q Mr. President, the freedom of the press seems to be in danger again?

THE PRESIDENT: What?

Q Mr. President, the freedom of the press seems to be in danger again?

THE PRESIDENT: Where?

Q It looks like assault and not seduction this time.

THE PRESIDENT: What?

Q The Tydings-McCormack Bill, I think it is, which would put a fellow in jail two years if he said or wrote anything which would tend to dissatisfy a soldier or sailor.

THE PRESIDENT: I don't know about it.

Q It passed the Senate on June twenty-fourth without debate and was favorably reported to the House.

THE PRESIDENT: I do not know about it at all.

Q Have you discussed the Toledo industrial peace plan with Secretary Perkins?

THE PRESIDENT: No.

Q Mr. President, have you signed the allotments for Michigan and Ohio and other states recommended yesterday by the Work Allotments Board?

THE PRESIDENT: No. I suppose they will be in the mail this afternoon. You mean the action we took yesterday?

Q Yes.

Q Have you taken any steps toward appointing the National Labor Relations Board?

THE PRESIDENT: Not yet; very soon, I hope.

Q In that connection would you be good enough to comment, if possible, on the persistent report that Leo Wolfman is being considered?

THE PRESIDENT: I have not taken it up. I have got them still in the basket. I suppose there are fifty names; I do not know who they are.

Q Will you comment on the A.A.A. decision in Boston?

THE PRESIDENT: No. Keep right on going.

Q With regard to the Wagner Labor Law, is it planned to have the Petroleum Labor Board and other boards administer that law for their respective industries?

THE PRESIDENT: I do not know. I have not heard that phase of it at all. I will check on it and find out.

Q You mentioned it in your Press Conference in connection with the N.R.A. decision?

THE PRESIDENT: How does the Petroleum Board come in on the Wagner Bill?

Q It was set up to handle labor relations, like the Textile Board.

THE PRESIDENT: I will have to find out.

Q It would be in the same boat with the Textile Labor Relations Board.

Q Mr. President, have you evolved any policy with regard to works allotments in Louisiana? (Laughter) You had a conference with a delegation in regard to it?

THE PRESIDENT: Why, I think the Works Progress part of it is coming along all right. I think the only question at issue at the present time is the question of P.W.A. loans and grants on account of that State law because, of course, obviously, Federal funds have to be expended under Federal jurisdiction. So, there is a very difficult situation there. We cannot go ahead unless we can supervise the expenditure of our own money.

(Mr. Farly asked the President to indicate what he meant with respect to the A.A.A. decision.)

On that Triple A thing, keep on going, of course, until the decision of the Supreme Court.

Q Yes, but I thought under the decision held in that jurisdiction -- can you collect them in that jurisdiction, do you know?

THE PRESIDENT: I do not know. I do not believe we can but you had better check with the Attorney General on that. I am not clear.

Q Do you desire the passage of the three-A amendments this session?

THE PRESIDENT: I think it would be a good thing if they went through. I recommended them, I do not think by Message but verbally -- the

general objective.

Q On the foreign trade, again. Senator McCarran has suggested that the Reciprocal Tariff Act be so amended as to prevent the extension of these trade benefits to any countries except those that give us most-favored-nation treatment. Would you care to comment on that?

THE PRESIDENT: No, that is a sort of technical subject. These trade agreements do apply to nations who have the most-favored-nation clause in general but, at the same time, in the agreements there is a thirty-day clause which allows us to cancel on any particular article if we find that as a result of the most-favored-nation clause the imports in here amount to something we had not expected. In other words, you might say, "Dumping". Therefore we can terminate at the end of thirty days. That is the protective clause.

Q And the Senator's bill, I believe, is to prevent the extension. For example, in an American-Belgian treaty, where we reduce our tariff on cement, the present program contemplates or includes the extension of that cement tariff reduction, not only to Belgium but to all other countries.

THE PRESIDENT: It would have that effect.

Q And the Senator proposes that that be curtailed so it would be extended only to such countries as extend us most-favored-nation treatment.

THE PRESIDENT: I do not quite understand that because nations where we have most-favored-nation clauses, they give us, also, most-favored-nation treatment. I do not see exactly how it can be done.

Q He would include only such nations as do that end, at the present

time, those benefits are being extended to Japan and to Mexico and to these other nations with whom we have no most-favored-nation treatment at all.

THE PRESIDENT: That is purely a permissive thing. It can be withdrawn in the case of any nation within twenty-four hours' notice.

Q You would not be in favor, however, of any bill to limit that power?

THE PRESIDENT: I do not think it should be because, after all, each case has to stand on its own feet and it is awfully difficult to get any general piece of legislation which would be fair to everybody. The whole theory is that each one has to stand on its own feet and if, as a result, we get unexpected results from other countries, we can change it on the thirty-day clause.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #222,
Executive Offices of the White House,
July 19, 1935, 4.10 P.M.

Q Hello, Mr. President.

THE PRESIDENT: Don't you look perfectly lovely today.

Q The first summer sale, Mr. President, \$15.75.

THE PRESIDENT: As much as that?

Q As much as that.

THE PRESIDENT: You go to Jack Garner and find out where he gets his suits. He buys his suits for \$15.50. Why go and waste your money like that and pay \$15.75 for a suit?

Q (Mr. Storm) I thought I was getting a bargain.

THE PRESIDENT: I am going to have to appoint a committee to save money for these fellows.

Q (Mr. Young) Brother McIntyre looks like Jimmy Walker.

Q Are you going to have much?

THE PRESIDENT: I haven't got a thing. I think we will put the lid on over the week end.

Q I haven't seen Steve (Mr. Early) with one of those new goat hair suits.

THE PRESIDENT: (Addressing all of the Press) We all agreed in the front row, unanimously, to put the lid on tonight and keep it on until Monday morning. There won't be any news. I am going on the SEQUOIA late tonight and coming back Sunday afternoon. I am going to do a lot of work on board, catch up with my basket. And maybe I will catch a hardhead (croaker).

Q Do you have to go down there to catch them, Mr. President? (Laughter)

THE PRESIDENT: The obvious answer is that there are so many softheads around here. (Laughter)

I do not know a thing; there isn't any news at all.

Q Have you named the members of the new Labor Board?

THE PRESIDENT: I am just beginning to work on it. I think there will be something next week.

Q Mr. President, have you had an opportunity to read Elmer's testimony before the Committee?

MR. EARLY: He is the Western Union messenger boy.

Q Elmer.

THE PRESIDENT: Pretty cute; especially where he said, "I am neutral."

He ought to go in for journalism. (Laughter)

Q At eighteen cents he would be overpaid.

THE PRESIDENT: That is right.

Q The farmers in the flood area, I understand, are terribly worried about the September rains and we are wondering if you will make any recommendation to extend soil conservation there immediately?

THE PRESIDENT: I have not heard any details on it at all.

Q Would that come from you -- from the Soil Conservation -- as an Executive Order?

THE PRESIDENT: I do not know whether they need it or not.

Q I think they do.

THE PRESIDENT: I will probably get it then. They are working on it.

We want to help on a flood situation of that kind. For instance, I was talking the other day with some of the Nebraska people who had all the bottom lands on the Republican River and they have very much the same situation. The Federal Government, of course,

can help on anything that is of a semi-public character. We can go in on the road work and on flood control work and on soil erosion work. We cannot build houses for people whose houses have been washed away. We do want to do everything we possibly can along lines that come under the Federal category. Soil erosion would be in that line.

Q I think what they are interested in in this connection is filling the coulees and clearing stream channels and things like that.

THE PRESIDENT: That we can do.

Q In New York City, the recent projects announced -- criticism has been heard in some quarters of wholesale boondoggling. I wonder if you have any comment on the criticism?

THE PRESIDENT: I have not a list, so I cannot comment on it.

Q There was a horizontal and vertical survey of the Island of Manhattan. The survey --

THE PRESIDENT: (interposing) Horizontal and vertical? (Laughter)

Q A survey to determine the recreational needs of nurses and infants.

THE PRESIDENT: Who started it? The City of New York, didn't they?

Q This was the approved list that went out from here.

THE PRESIDENT: The only comment one can make is that it came to us from the local government. We did not invent these things.

Q Mr. President, do you see any limit on the power of the Government to bar suits against itself?

THE PRESIDENT: Any limit?

Q Yes, sir.

THE PRESIDENT: In other words, you want me to comment on Senator Borah's new theory that our sovereignty is different from the

sovereignty of every other people in the world, that we can be sued ad libitum and other people cannot?

Q I am just wondering whether -- of course I have got the answer right there. (Laughter)

Q It did not take a long time.

Q Mr. President, there has been a lot of talk about railroad reorganization. It looks as if the R.F.C. is going to foot the bill for most of that. I was wondering whether you had any comment to make on the reorganization of railroads with Government money, whereby the same management that put the railroad into receivership is going to be retained?

THE PRESIDENT: What specific case, for example?

Q Missouri Pacific and St. Paul.

THE PRESIDENT: On those reorganizations, we go into it just as far as we can. We have the Interstate Commerce Commission examine it, we have the Coordinator of Railroads examine it and we have Jesse Jones' organization examine it and we have done a good deal, you know. In some of the cases we have not only loaned money to them but we have improved the management. Take the New Haven Railroad: It was largely through the suggestion of people from Washington, who looked into the operating problems of the New Haven, that they were able to save about \$3,000,000. this past year on their operating costs, so we do not just plainly lend them money. In every case, where we do lend that money, if we believe we can save them from going into receivership, we make every known kind of a suggestion to help them save money.

Q On the point of control, that is just it -- the Government would

not have objection, I mean, to the retention of control by the management that put the railroad into receivership?

THE PRESIDENT: It would depend entirely. For instance, in the case of the New Haven, the management showed signs of being willing to improve their operating methods. In that case we go along with them.

Q The Missouri Pacific is still operating with the Van Sweringens?

THE PRESIDENT: You mean ownership control or operating control?

Q Ownership control.

Q They have only common stock.

THE PRESIDENT: That becomes a question of how much we should insist on giving the equity holders of the railroad some continuing equity in the case of the railroad coming through and making money, or whether we should write them off the books altogether. That is, of course, primarily a matter that the court has to determine under the new reorganization law.

Q In this case, the Missouri Pacific, they are still taking orders from the Van Sweringens although the Van Sweringens, in another suit, have said that their equities are virtually nothing -- five cents on the dollar or less than that. Jesse Jones is talking with the Van Sweringens. We are wondering whether you are going to take control away from them?

THE PRESIDENT: That is a different thing. What I was talking about is where you have a wide distribution of common stock. It is not where equity has been acquired, as in the case of the Missouri Pacific, from some prior reorganization.

Q They got theirs through a holding company.

THE PRESIDENT: Yes, that is what I intimated.

Q Has anything been brought to your attention about the contemplated combination of municipalities on both sides of the Ohio River to ask Government help in preventing stream pollution?

THE PRESIDENT: No, I had not heard about it. Who is it before, the Public Health Service?

Q Mr. Ickes' department has it.

THE PRESIDENT: A plan to make it a health district?

Q I think that is the idea.

THE PRESIDENT: I have not heard about it.

Q It is to establish a system of sewers with disposal plants of various municipalities on both sides of the river.

THE PRESIDENT: Of course the more that is done, the better. Where you have a lot of contiguous communities, they ought to work together. The principle is good.

Q The House Foreign Affairs Committee reported out the Arms Export License Bill. Are you hopeful of seeing it go through this session?

THE PRESIDENT: I have not heard of it.

Q That is the bill to license the export of arms.

THE PRESIDENT: I do not know all of it.

Q The Senate Foreign Relations Committee has appointed a subcommittee to confer with the Administration on the formation of a neutrality program?

THE PRESIDENT: I think the State Department is going up there on Monday on it.

Q Could you say anything about the general study and how far it has

progressed?

THE PRESIDENT: The only way I can comment on that is off the record, if you don't mind, because it relates to foreign matters to a certain extent. The situation is this: We do want and ought to have some additional neutrality legislation but we are faced with a legislative situation at the end of the session. Therefore I said to Bill Phillips this morning -- I said, "I am perfectly willing, if we can get an agreement on neutrality legislation, so long as it does not block the adjournment of Congress. In other words, if you can get it through without waste of time after agreement, that is fine. Or, after the major pieces of legislation have been passed, you can bring it up and say to the Congress, 'Do you want to stay here and pass it?' -- put that question to them. But no protracted debate on it -- we do not want to even suggest that Congress stay for that one sole reason." That is about the situation.

Q Mr. President, are you ready to say anything about the Virgin Islands?

THE PRESIDENT: Not yet.

Q The Baltimore Evening Sun is interested in the Tydings-McCormack bill you were asked about the other day. At that time you said you had not read it -- I have not either -- but it is a bill that provides for the arrest of persons who circulate anti-American literature among the Army and Navy.

THE PRESIDENT: I have not looked it up, even.

Q Thank you, Mr. President.

THE PRESIDENT: By the way, before you go, one thing, so as to get the

record clear. There were one or two completely cuckoo stories in the press this morning -- I say, "only one or two," I mean one or two papers -- about the talk I had with Morgenthau and Hopkins and Miss Perkins yesterday. There is nothing, absolutely no news in it whatsoever. On the third of January next year I have to send a Message to the Congress. That Message will be based on the information that we get in regard to unemployment somewhere around the first of December or the fifteenth of December, three or four weeks before the Message goes in. In other words, the latest available information. The only thing we talked about yesterday was how best to get that information and collect it between now and December, and that is literally all that was talked about. Naturally, there will be some unemployed at that date.

Q Do you care to comment on the meeting with Governor Talmadge?

THE PRESIDENT: You have read it in the papers. On that, it is a very simple thing. The Department of Agriculture has the responsibility, before it approves paying over money to state highway departments, has the responsibility of satisfying itself that the inspection and engineering services of the highway department in that state are sufficient. They do not believe that the Georgia highway department at the present time satisfies that requirement. The amount for Georgia, of course, remains in the Treasury until such time as the Department of Agriculture is satisfied that the requirement has been met. That is all there is to it.

Q May I ask one more question with respect to a previous inquiry?

Could we put it affirmatively that you believe that this Government should exercise the right of every other government and not

permit itself to be sued?

THE PRESIDENT: Yes.

Q Thank you, Mr. President.