

**CONFIDENTIAL**

Press Conference #223,  
Executive Offices of the White House,  
July 24, 1935, 10:40 A.M.

THE PRESIDENT: He got one (suit) like this.

Q Is that that South Carolina suit?

THE PRESIDENT: I do not know whether it came from South Carolina or where  
it came from.

Q Possibly Louisiana.

Q New Orleans?

THE PRESIDENT: Not New Orleans, surely. (Laughter)

THE PRESIDENT: I have to be careful.

Q Mac (Mr. McIntyre) has his fancy suit on today.

THE PRESIDENT: He loaned me this tie. (Laughter) Do you see his favorite  
flower in his tie? (Laughter)

I do not believe there is any news today; I haven't a thing.

It sounds as if there are a lot of people coming in for nothing.

MR. DONALDSON: All in.

THE PRESIDENT: Good news: No news. Next?

Q Mr. President, is Mr. Pecora going to be counsel for the A T & T  
investigation?

THE PRESIDENT: I don't know.

Q Louder, please. (Referring to question)

THE PRESIDENT: He asked about Pecora and I said I didn't know.

Q Do you expect oil legislation this session?

THE PRESIDENT: That I don't know, either.

Q The bus-truck bill is going along nicely. Can you encourage it a  
little bit too?

THE PRESIDENT: Is it? I said all along I hoped they would get some legislation on it.

Q Did the Flood Control Committee recommend a survey of the flood control district in New York?

THE PRESIDENT: I don't know whether they recommended it or not, but we are putting in an allotment of two hundred thousand dollars for the Army Engineers to go up there and make a survey of those rivers and lakes. The Army said that that would probably be sufficient to make it on.

Q To determine what should be done later?

THE PRESIDENT: Yes.

Q Do you believe abandonment of the naval ratio system would help us get a new naval ratio system?

THE PRESIDENT: No news on that.

Q When do you expect to name the new Labor Board?

THE PRESIDENT: In a few days.

Q Mr. President, can you comment on the effort of the organized charities to recommend in the new tax law provisions permitting corporations to deduct their contributions?

THE PRESIDENT: Yes, I will tell you a story about it. Away back -- some of you people who were up in Albany can check on this -- away back, I think it was in 1930, a bill was passed in the Legislature -- it might have been '29, but I think it was '30 -- to allow utility corporations to contribute to charity. They could not do it under the New York law. I vetoed the bill and, if you will look up that veto message, you will see a good many reasons why I vetoed it.

Of course, the general theory of corporation gifts to charity

is that in a good many instances they serve a humanitarian purpose. Then, again, there is another theory on which a good many companies want to give contributions to charity. That is found, for example, in comparatively small towns where they have a Y.M.C.A. or some kind of recreational center. If the corporation gives to the maintenance of that recreation center or Y.M.C.A., they do not have to put one in for their own employees. However, that is a rather rare example.

There are two reasons why corporations, as a whole, ought not to give to charity: The first is that in a great many cases their gifts to charity are given, frankly, in order to obtain public good will. The best illustration of that is a certain Southern state where the president of the power company which covers the state was horrified at my suggestion that his company ought not to give to local charities all over the state. He said, frankly,

"Every one of my agents in every community in this state has a definite order that if there is a charity sociable, or a chicken supper, or a hospital affair, and it is in any community served by the company, my agents must go to the committee and say 'Such and such an electric light company' -- I won't give you the name -- "wishes to be the first to subscribe. We want to head the subscription list."

I said, "What do you do it for?" "Why," he said, "good will."

So you see, it is a method of buying good will. Of course I don't think that any company has a right to buy good will through gifts, whether it be utilities or anybody else.

Then there is the other good reason. There are a very large number of people in this country who live, either in large part or in whole, from the dividends or coupons which they receive from their investments. It seems to me that most people would agree with me that

people who get their living from investments ought to have the right to choose the charities to which they will give, rather than let the officers of the company give for them.

This particular amendment that they are trying to put through, as I understand it, would allow a corporation to give up to 5% of its net income to charity. Now, that means this: Suppose an individual or a family has \$5,000 a year from investments. Well, that means, assuming that that \$5,000 represents the net earnings of the company in which they have their investment, or that it is their share of the net earnings, that the company is giving away \$250 of their \$5,000. Well, if I had that income from that company or those companies, I would rather get the full \$5,000 and do my own giving away of \$250.

There are the two aspects of it.

Taking it by and large, I believe that most people believe that corporations ought not to give their stockholders' money away, but the stockholders should do it themselves.

Q Mr. President, if the Clark amendment with respect to old-age pensions obtains, do you think that the Labor Board will be affected by the amendment where the companies retain their own pension system?

THE PRESIDENT: Of course you know I have been opposed to the Clark amendment right along. The difficulty with the Clark amendment is that there is always a perfectly human temptation on the part of any company to set up its own insurance fund -- to set up a partial fund and unload the old people on the Government fund and then keep the young people, who cost less as a risk, on their own fund.

Q My question, Mr. President, went to the point as to whether this

charter given by corporations might be used to affect the workings of the Labor Board and also of the old age pension, if the amendment obtained. It is the same kind of idea that you described with respect to public good will.

THE PRESIDENT: I have not thought of it in that light.

Q With regard to the employees, it would?

THE PRESIDENT: Yes, it does affect the employees, because it takes away that much from their independence. I have not thought of that phase of it.

Q Have you any comment to make on the Connery 30-hour Bill? Sponsors of it suggested -- they tried to dish out the suggestion that they have got White House approval and also the approval of the Federation of Labor?

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

Q Mr. President, what is your position on the railroad pension bill?

THE PRESIDENT: I suppose the easiest way to answer is that I have not yet found a railroad pension bill that I can get a Supreme Court clearance on with any reasonable assurance of success.

All the bills so far that I have seen do run counter to the Act that was held unconstitutional by a five-four decision. If there is some way in which we can get a railway pension act, it would be a fine thing, provided they can get something that will be held constitutional by the Court.

Q Possibly legislation with the idea of something being done over a period of time?

THE PRESIDENT: Of course that is the next thing.

Q The House Military Affairs Committee reported on the Tydings-McCormack Bill.

THE PRESIDENT: I was asked about that last week and I said I would look it up and I haven't. So I can't comment on it.

Q What did you think of Senator Borah's "must" legislative program?

THE PRESIDENT: Ask Steve (Early) to tell you a story about it.

Q What do you think about his day of adjournment?

THE PRESIDENT: That is part of Steve's story.

Q When do you make public your Cabinet Committee's textile report?

THE PRESIDENT: I don't know. I haven't even seen it yet. It hasn't come to me.

Q We understand that some of the State Dept. people were over to see you on neutrality. Can you tell us whether you assured the State Department that the Nye proposal is discretionary rather than mandatory?

THE PRESIDENT: It is a terribly long subject. Some should be discretionary and some needn't be.

Q How about arms embargo?

THE PRESIDENT: Well, that is part of the general thing. There are too many ifs and ands in it. It would take me about two hours to go over it.

Q Nothing definite decided?

THE PRESIDENT: No; it is a tremendously big subject.

Q When will you approve the twenty million dollars for Central Valley?

THE PRESIDENT: I am going over that big list today. I have forgotten how many -- probably 80 or 100 projects on there and I don't want to say anything about it until I finish going over the list.

Q Do you care to say anything about the letter from Senator Thomas and forty other senators on the silver question?

THE PRESIDENT: I haven't acknowledged it yet. It is in the works.

Q Do you expect anything on the War Profits Bill this session?

THE PRESIDENT: I don't know. Probably what I told you last week to the effect that neutrality legislation is a very desirable thing but I didn't want to keep Congress.

Q Do you expect to take any action on the Falls Ferry Bridge in Georgia?

THE PRESIDENT: I don't think there has been any question of forcing it out. I think the petition was perhaps signed under a slight misapprehension.

Q Is that neutrality answer on the record this time?

THE PRESIDENT: You may put it on the record as long as it was printed that same afternoon last week.

Q Thank you, Mr. President.

(The Press Conference adjourned at 10:50 A.M.)

CONFIDENTIAL  
Press Conference #224,  
Executive Offices of the White House,  
July 26, 1935, 4.00 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: I do not believe there is any news.

Q Are you going away tomorrow, Mr. President?

THE PRESIDENT: Do you want the lid on until Monday?

Q Yes, sir.

THE PRESIDENT: All right, then I will go. I will leave about noon, or somewhere in there, and come back about noon Sunday. I will spend one night.

Q How do you stand on restoring annual leave for Government employees?

THE PRESIDENT: What is that?

Q There is a bill to come up pretty soon taking fifteen days off sick leave and putting it on annual?

THE PRESIDENT: It has not been brought up yet.

Q Can you tell us about your talk today with Mr. Walsh (Frank P. Walsh of the New York State Power Commission); we missed him?

THE PRESIDENT: Oh, nothing in particular. (Laughter) Just a nice social visit.

Q Mr. President, have you decided on Judge Pecora yet for the A. T. & T. investigation?

THE PRESIDENT: Same situation; nothing decided.

Q Reports have been published that Mr. Pecora might be put in charge of all so-called New Deal investigations. Has that been considered?

THE PRESIDENT: I never heard of it, Charlie (Mr. Hurd).

Q There is a published rumor today that General MacArthur may go to the Philippines in some advisory capacity?

THE PRESIDENT: I think you had better talk with Douglas himself about that. I have heard rumors to that effect too, that they are very anxious to have him out there.

Q What do you think of the rumors?

THE PRESIDENT: You had better talk with him.

Q There is no limit to that extension?

THE PRESIDENT: No.

Q Have you reached any decision as to when you will let him go?

THE PRESIDENT: No; I have not talked about it for three or four months.

Q He has finished up legislation in the War Department?

THE PRESIDENT: I think that is pretty well finished. The only thing left is the question of the \$40,000,000. more for planes.

Q Will you comment on the action of Mayor LaGuardia in stating that our treaty with Germany has been violated?

THE PRESIDENT: No.

Q Did you get any protests on your stand about the exemption of corporate contributions to charity?

THE PRESIDENT: Yes, both ways; protests and approvals.

Q Would you care to comment on the deadlock between the Utility Bill conferees over the present --

THE PRESIDENT: (interposing) No. It is still in train (?), as they call it.

Q Mr. President, in connection with your talk on tax exemptions, it is pointed out in New York that in 1931 and 1932 you, as Governor, signed bills that permitted corporations, except utilities, to make contributions to charities?

THE PRESIDENT: Charlie (Mr. Hurd), I wish you would look it up and see the memorandums filed with those bills which, in effect, as I remember

it -- I haven't my files here but I am checking in my own memory, but I think there was a memorandum that said -- we did successfully keep out utilities from the bill; that part was taken out -- but that I had signed the bill as a one-year temporary measure on account of the emergency. You will also remember that at that time the State of New York was carrying the whole burden of relief and was getting no funds from the Federal Government.

Q Both years you made a qualification and in 1933 Governor Lehman signed the same bill. Of course the argument is that they still have the same argument on the load carried by private charity and they said --

THE PRESIDENT: (interposing) Those bills did not exempt?

Q They merely authorized them.

THE PRESIDENT: They merely authorized deductions; that is all. No exemption from taxation on those New York State bills.

Q Mr. President, have you anything new to say on the New York flood relief situation?

THE PRESIDENT: No, I signed a bill -- didn't I sign a bill today to authorize the R. F. C. to spend that balance that they have? That was to cover the New York and, I think, the Nebraska cases.

Q That would not take care of the New York rural situation where the silt is so bad?

THE PRESIDENT: We are up against the same problem we ran into the other day. We cannot build, repair or put private houses on private property. That is an unfortunate decision but we cannot build houses or restore fields. We can clean up debris and we can, through the War Department Engineers, correct flood conditions for the future -- straighten out the creeks.

Q Did you comment, sir, upon the tax bill as it is now formulated in the House?

THE PRESIDENT: No, because if I did I would have to comment every day that it changes.

Q Mr. President, can you outline what your Administration is doing or planning to do to keep us out of war?

THE PRESIDENT: I could do it in an hour and a half. It is a tremendously big subject. Of course there are two main, salient facts: the first is the Good Neighbor policy to keep us friendly with nations, and the other is every effort, through diplomatic agencies, to keep us from getting involved in specific cases that do not concern us. I do not think I can go any further than those two general statements.

Q And how to keep us in a sufficient state of preparedness so that other nations would not --

THE PRESIDENT: (interposing) Yes, I should say that is a corollary.

Q Do you consider Ethiopia a specific case that does not concern us?

THE PRESIDENT: I should say yes, except world peace and, naturally, the personal feelings of a great many Americans. Americans do, naturally, have personal feelings about those things. That you cannot stop by Government decree.

Q Are you prepared to comment on the Tydings-McCormack Bill?

THE PRESIDENT: I have not done a thing about it. You asked me about it the day before yesterday and I have not done a thing about it.

Q Have you signed the Orders allocating the \$200,000. for flood survey in Southern New York?

THE PRESIDENT: Yes.

Q Western communities are very much interested in reclamation Orders.

Have they been signed yet?

THE PRESIDENT: They were signed today.

Q Can you say what the personal feelings of the American people are in the Ethiopian strife?

THE PRESIDENT: No.

Q Can you tell us any more about your plans for N. R. A.? Mr. O'Neill, I think, is leaving August first.

THE PRESIDENT: Mr. O'Neill came in this morning and we talked about his successor. He is leaving August first and we have not decided on a successor yet. I probably will by Monday or Tuesday.

Q There is a report around that you may recommend some legislation amending the Federal Trade Commission Act, that would make a bit easier the formulation of the voluntary industrial codes. Is that correct?

THE PRESIDENT: That is a new one on me.

Q Mr. President, do you recall, offhand, what the total was on this reclamation Order?

THE PRESIDENT: I approved it and gave it to Secretary Ickes. I cannot tell you the total but the amount passed by the Allotment Board was \$61,000,000. and then there was another supplemental one of \$2,800,000., I think. About  $63\frac{1}{2}$  or 64 million. Now, whether they were all on today's list, I do not know. The Central Valley was on it, if you want to know that.

Q Mr. President, there has been reported some opposition to Governor Cramer's appointment in the Virgin Islands. Can you tell us anything about that?

THE PRESIDENT: I have not heard it.

Q Were you consulted about the requested resignation of Dr. Stannard in

the Federal Parole Board to make place for Wilson?

THE PRESIDENT: No; ask the Attorney General.

Q His explanation is pretty weak. (Laughter)

Q Mr. President, that Johnson Bill validating those P. W. A. projects that were in the doubtful category is tied up in the House. Have you taken any steps?

THE PRESIDENT: I have a pencilled memo in the desk to John O'Connor to tell him I hope he will get it out of the Rules Committee.

Q Mr. President, Mr. Grace of the Bethlehem Steel Corporation said in New York yesterday that American producers of steel will not be able to sell steel for relief projects because the differential they get is not high enough. It is only 15%.

THE PRESIDENT: Yes, and I also see in the headlines -- of course we can talk about the headline fellows all we want here -- it said that the foreign steel producer was given a 15% preferential over American steel producers -- that was the headline on the story. Isn't that grand?

There is nothing new in it. It is very simple. On Government purchases for a great many years we have been confronted very often with the problem of, "What are you going to do on a Government purchase when some foreign firm comes in with a lower bid?" Well, we had a case this past year -- I think I mentioned it about six or eight months ago -- on airplane cloth. In that case the Japanese bid was just about half the American bid. There was only one American firm that made airplane cloth and the Jap bid was half of theirs.

Of course it meant spending, if we took the American bid, twice as much of public funds as if we took the Jap bid. Of course in that particular case we made an exception to the general rule because we

thought that airplane cloth was somewhat in the nature of essential war materials and that we ought to encourage the building up of its manufacture. So we spent twice as much Government money as we would have otherwise and we took the American bid. That was done, frankly, for the purpose of encouraging the manufacture of airplane cloth in the United States.

Now, the general rule laid down some time ago was this: that on proposals for Government materials, take for instance steel, the American manufacturer is protected by a tariff and on steel, depending on what kind of steel it is, it is a fairly high tariff, as we know. That was seen to under various previous administrations, without specifying which, and the steel manufacturers in this country thought that the tariff on steel had been got up high enough to protect them. That tariff on steel, taking it by and large, has not been reduced except on one or two minor parts of steel production. On top of that, there is a general order of the Government that in addition to the tariff, we won't accept a foreign bid unless it is more than 15% less than the American bid. In effect, in other words, we are adding 15% to any existing tariff to protect American manufacturers.

Now, that is the answer to the headline in the paper that I read, and it is a very simple, square, straight proposition. If an American manufacturer is being under-bid by 10%, 12%, 14% or 15% by a foreigner who is able to pay the high tariff and still put in a bid 15% cheaper than the American manufacturer of steel, he still won't get the contract, but when he under-bids the American by 15%, then he will get the contract.

Q There are two points Mr. Grace made, first that this was PWA money,

which was designed to stimulate American industry and, secondly, that the Belgians and other foreign producers can sell at more than 15% below Americans.

THE PRESIDENT: Is any steel being bought by PWA?

Q Very little, if any.

THE PRESIDENT: When some comes in, talk to me again.

Q Under the same policy, German steel has come in, and Danish cement, to my knowledge. That developed during the tariff --

THE PRESIDENT: (interposing) How much do you suppose came in?

Q A Danish ship brought a whole shipload of cement and it all went in.

THE PRESIDENT: How much cement do you suppose came in from Denmark and other ports in comparison with what we use?

Q A great deal of it comes over as ballast.

THE PRESIDENT: What percentage?

Q I do not know.

THE PRESIDENT: One or two per cent?

Q No, more than that.

THE PRESIDENT: Are you sure? You had better check.

Q It was more than two per cent. I do not know what it is now.

THE PRESIDENT: I do not believe it is now.

Q Have you signed that bill authorizing judges for the Federal Court in Southern California?

THE PRESIDENT: Not yet. I got it in last night. I have not signed it yet. It has been approved all along and it will be signed.

Q Anything you can tell us about Federal finances up until next year?

THE PRESIDENT: On next year's Budget you will have to wait until the third of January.

Q Are you going to take any action on the Camden strike?

THE PRESIDENT: I have been talking today with the Secretary of the Navy about the Camden strike and I hope to get something started the next few days. It is about time that it is settled.

Q Thank you, Mr. President.

**CONFIDENTIAL**

Press Conference #225,  
Executive Offices of the White House,  
July 31, 1935, 10:40 A.M.

Q Good morning, Mr. President.

THE PRESIDENT: Hello; good morning.

I thought no hats were allowed in the Conference (referring to a rather high hat worn by one of the lady correspondents). People in the back row say to take it off. It is all right with me too. (Laughter)

Q It looks like hot stuff (indicating an Executive Order in front of the President).

THE PRESIDENT: It is not. It is just an Order. There is nothing very exciting about it.

Q Did you have pretty good fishing?

THE PRESIDENT: Very good.

Q All hardheads?

THE PRESIDENT: Yes; one was a little bluefish, about that big (indicating).

Q A little too early for them.

THE PRESIDENT: I don't think there is any special news. I signed an order last night, an Executive Order, in regard to the consumers' agencies and it recreates something that we had before, the office of Advisor on Consumers' Problems. Walton Hamilton has been appointed. It sets up officially what has been going on unofficially for the last month, the Consumers Division within the National Recovery Administration that Mr. Hamilton is the head of, and he is also a member of the National Emergency Council.

The object of the Division is the same as it was before, (reading)

"to stimulate interest in the problems of the consumer, to review public policy in so far as it relates to the consumer, and in general to suggest ways and means to promote larger and more economical production of useful goods and facilitate the maintenance and betterment of the American standard of living. The Director of the Consumers' Division shall further define objectives plan a program of activities including research and the dissemination of information, choose a technical and administrative staff, and subject to the approval of the Administrator of the National Recovery Administration, supervise the activities of the Division. Walton H. Hamilton is hereby appointed Director of the Consumers' Division of the National Recovery Administration."

Steve will give you a copy any time you want it.

Q Mr. President, do you favor increased surtaxes on incomes beginning at one million or do you care --

THE PRESIDENT: Can't discuss that. That is up to Congress.

Q Mr. President, last night in New York, Representative Celler made a speech in which he said that you were in sympathy with the mass meetings of the type which he addressed and that you wanted more of them to be held.

THE PRESIDENT: I could not discuss the speech unless I saw a copy of it.

Q He also said that you would call down the German Ambassador to the White House and inform him to inform Mr. Hitler to beware. (Laughter)

THE PRESIDENT: Well, you people have the answer to that story.

Q Mr. President, the Soviet Government seems to be disregarding the promises they made to us about restraining propaganda on our soil. Do we still expect them to live up to their promises?

THE PRESIDENT: Is the question based on your statement?

Q No.

THE PRESIDENT: That is highly hypothetical.

Q What do you think of the press dispatches from over there concerning the activities of the American communists?

THE PRESIDENT: Depends on who wrote the press dispatches.

Q In the New York Times this morning, for instance?

THE PRESIDENT: I haven't read it. I brought it over to read.

Q Fletcher (Chairman of Republican National Committee) says you are perverting and subverting the Constitution.

THE PRESIDENT: Chairman Fletcher, not Senator Fletcher?

Q Yes.

THE PRESIDENT: No. (Laughter)

Q There have been a number of stories recently about the Philippines in connection with the lapsing of the naval treaties?

THE PRESIDENT: I think they are just "if and when" stories.

Q Mr. President, is there anything you can tell us about the tax situation, generally? You had a conference last night with Secretary Morgenthau and a few more of them.

THE PRESIDENT: I have been talking with the Treasury in regard to the data that relates in general terms to the tax measure before Congress and of course relates also in general terms to the tax message that I sent up. I got a good deal of information yesterday and I still have more coming.

There are a few things yesterday that came out clearly that I think are of some interest. They seem to be taken from the records of the Treasury. I am not ready to say anything yet about the policy or the theory of the graduated corporation tax any more than I have said in my message already, or the intercorporate dividend tax, at this particular moment, but there are one or two things that came out yesterday that are of interest.

For instance, it appears that the 58 thriftiest people in the

United States (laughter) -- the 58 thriftiest people in the United States -- and of course we are all in favor of thrift, the thriftier you are the nearer you will come to being included among the 58 -- in 1932 they were all people so thrifty that they had a million dollars income a year or more and in 1932 they paid no tax to the Federal Government whatever on 37% of their net incomes.

Q Is that individually or as an average?

THE PRESIDENT: The aggregate of the 58. On 37% of their net incomes they escaped taxation altogether, largely because the investments were in municipal or state or Government tax-exempt bonds. It meant, roughly, that they had paid on \$57,000,000 of taxable income and had paid no tax on \$21,000,000 of tax-free income. Those figures do not quite check but, anyway, it is 37%. You had better leave out that 57 and 21. In any event, 37% escaped taxation altogether.

Furthermore, it turned up in the figures that one family in this country had 197 family trusts, They are a very thrifty family. Of course it is very easy to demonstrate that one of the primary purposes of these 197 family trusts, in one family, was to reduce their taxes through the reduction and the splitting up of income into a great many parts and thereby avoiding the surtaxes or greatly reducing the surtaxes. That family trust method cost the Government of the United States in the case of that one family a very large sum of money, impossible to determine how much, but there were 197 family trusts created in one family.

I just jotted these things down because they seemed rather interesting.

Q Will this bill get at the family trust point?

THE PRESIDENT: No, not at the family trust business. It does not touch that except that it does increase the surtaxes.

Q Won't that tend to increase the number of such trusts?

THE PRESIDENT: What?

Q Won't that tend to increase the number of such trusts in the future if there is no provision against it in the bill?

THE PRESIDENT: It could. It is a form of tax avoidance. There is a very great distinction between tax evasion and tax avoidance. Tax avoidance means that you hire a \$250,000 fee lawyer and he changes the word "evasion" into the word "avoidance".

Q The House Bill provides in one paragraph that corporations formed for the purpose of tax avoidance shall be taxed 80% of their net worth.

THE PRESIDENT: It does?

Q I wondered whether that could be enlarged to include the existing trusts?

THE PRESIDENT: In other words, you think we are getting somewhere?

Q Well, it says corporation tax avoidance.

THE PRESIDENT: Anything that helps to stop tax avoidance, so much the better.

Q Will the Bill touch these 37% you were talking about?

THE PRESIDENT: No, the 37% can only be touched probably by Constitutional Amendment.

Let me see, there were some other things in here. A rather interesting thing came out. While the gift tax legislation was in the process of going through the Congress in 1932, in other words during the two months before it was actually signed, one taxpayer

transferred approximately one hundred million dollars in tax-free gifts and another taxpayer transferred approximately fifty million dollars in tax-free gifts. That is what they call "Beating the gun."

Q Can you tell us the name of that family? (Laughter)

THE PRESIDENT: Do you want me to violate the law?

Then there was another example of the use of gifts. A \$100,000,000 estate was reduced within two years of death by gifts to approximately \$8,000,000. There is a very interesting decision ~~which~~ which, if you are very curious and want some very interesting information, is the famous gift tax decision of the Supreme Court in 1931, and I call your attention especially to the dissenting opinion of Mr. Justice Stone. It was a divided Court, if you will remember, in that case, and a majority of the Court held that the law that said that gifts made within two years of death should be presumed to have been given in anticipation of death, was unconstitutional. Mr. Justice Stone wrote the dissenting opinion and there are some very extraordinary citations in that opinion of actual evasions. There were two men who gave away a large proportion of their property when they were over ninety years old. The Supreme Court held that that could not be held by Congress to be in anticipation of death. There was another man eighty-five years old and there were several others between eighty and eighty-five and of course a large number in the seventies.

Well, of course it seems to me that is a question of common sense. Anybody can make their own deductions as to whether people in their eighties and nineties gave away their property by gift in anticipation of death or not. It is a plain rule of common sense but

it is a very interesting opinion, both the majority opinion and the dissenting opinion -- it is worth reading.

Then there are various other things I am not ready on yet, but I will try to get some more figures on the corporation tax and things like that.

Q On the Constitutional Amendment, do you mean, if I understand correctly, on tax-exempt securities?

THE PRESIDENT: Yes, practically the elimination of tax-exempt securities. Just read the message, it is in there.

Q Is the so-called tax on the so-called "bigness" highly desirable this session?

THE PRESIDENT: Read the message.

Q It is not in the House Bill.

THE PRESIDENT: Read the message, that is all you have to do.

Q Let us use quotation marks on the "58 thriftiest people in the United States".

THE PRESIDENT: Oh, I think so. I think it is all right.

Q I asked the President if we could have quotation marks on the 58 thriftiest people in the United States.

THE PRESIDENT: Yes, just that.

Q Mr. President, some time ago you announced that it might be desirable to have a conference of local and state tax officials this Summer. Do you still think that will be done?

THE PRESIDENT: I think so. I think we will probably have one this Autumn, after we have all had a little holiday.

Q Anything on the Camden Ship strike situation?

THE PRESIDENT: Haven't heard anything since Monday.

The Navy Department took it up with them on Monday afternoon.

I haven't heard anything further.

Q Have you gotten around to the Tydings-McCormack Bill yet?

THE PRESIDENT: Not yet.

Q Do you plan any appreciable Army Housing program in the Works Program?

THE PRESIDENT: No. They will have to do as well as they can for another year.

Q Is that the answer?

THE PRESIDENT: The answer was "no." I don't think we can put much out on Army housing out of the four billion dollars. Costs too much per man.

Q What are we going to do with the housing situation in Georgia?

THE PRESIDENT: I think that is coming along all right. The real answer is that if they will set up an adequate inspection and engineering service, we will go ahead.

Q There is a story in the paper this morning that you agreed with the Senate leaders on the Clark amendment to put it aside.

THE PRESIDENT: No. I don't know what the situation is.

Q There has been some agitation up in New York State to have you liberalize the CCC legislation so they can help in the clearing away in the flooded districts.

THE PRESIDENT: I think we are doing it another way. I think we are taking money and putting the unemployed to work on it.

Q On private land there is a great deal of silt. You don't think it will be necessary?

THE PRESIDENT: I don't think so. We have several camps which have been working on it and I think we are increasing the number of unemployed in that area to do that clearing-up work. It has got to be held to

clearing-up work.

Q Have you any idea where you will get the money to carry out the  
Wilcox Air Base Bill?

THE PRESIDENT: There isn't any appropriation?

Q No, sir.

THE PRESIDENT: I guess it is just an authorization.

Q Thank you, Mr. President.

(The Press Conference adjourned at 11:00 A.M.)

**CONFIDENTIAL**

Press Conference #226,  
Executive Offices of the White House,  
August 2, 1935, 4:15 P.M.

Q Is that South Carolina, or not? (Referring to the suit worn by the President)

THE PRESIDENT: Yes. I got it for nothing too. (Laughter)

Q That Congressman (who had presented the suit to the President) said he got one for nothing too. (Laughter)

Q Big stuff today, Mr. President?

THE PRESIDENT: I have not a blessed thing.

Q Going away?

THE PRESIDENT: As usual, noon tomorrow.

Q Put the lid on early?

THE PRESIDENT: Put the lid on from now. I am cleaning up a little morning mail and going down to the bottom of the Rappahanock this time. I am going to try that.

Q Are you going down by boat?

THE PRESIDENT: And coming back by boat.

MR. DONALDSON: All in.

THE PRESIDENT: There is unanimous approval of putting on the lid after this Conference until Monday morning. I am going down the river this afternoon and coming back Sunday night.

Q Where are you going?

THE PRESIDENT: I am going down to the mouth of the Rappahanock and try that end of the Bay (Chesapeake Bay). I want to see if we can get something besides hardheads.

Q Can you tell us anything about your western trip?

THE PRESIDENT: I have not thought about it at all. I have not thought about it at all except that we will end up in San Diego, if possible.

Q What do you think of the oil bill Cole (Representative William P. Cole, Jr., of Maryland) sent down early this week?

THE PRESIDENT: I have a conference coming on it; I think it is on Monday or Tuesday.

Q Can you tell us with whom that conference will be?

THE PRESIDENT: I have not got it here. I think Mr. Rayburn (Representative Sam Rayburn, of Texas), Mr. Cole, Mr. Edison, the Secretary of the Interior -- maybe one or two others, but that is about right.

Q Have you had a chance to read it?

THE PRESIDENT: No, not yet.

Q There was a man by the name of Cramer testified yesterday --

THE PRESIDENT: (interposing) Tsk!

Q --you probably saw the paper. Is there anything you can tell us further about this so-called "whispering campaign"?

THE PRESIDENT: Except probably the least surprised by most of that testimony was perhaps myself.

Q Since the Tydings-McCormack Bill is being sponsored by both the War and Navy Departments, is it proper to assume that it has the Administration's support?

THE PRESIDENT: No, I would not assume anything.

Q Some of the radicals recently deported from Cuba called on Phillips of the State Department and demanded Ambassador Caffery's recall on the ground that he had lost the confidence of the American people?

THE PRESIDENT: American people or Cuban?

Q American. Mr. Phillips thought he had the full confidence of both the Cuban and the American people. Do you share in that?

THE PRESIDENT: I think that is correct. As a matter of fact, I had an awfully nice talk with Caffery this morning and all the reports about the economic conditions in Cuba are very encouraging. Taking it by and large, the economic conditions in Cuba have picked up almost more than in any other part of the world. That sounds like a very drastic statement but I think it is true. For instance, on the sugar plantations and various other work down there, the wages, three years ago, were down around fifteen and twenty cents a day. They are now up to eighty cents or a dollar a day. The whole complexion of industry and agriculture is infinitely better and has been for a long time.

Q Several weeks ago you told us you had conferred with Senator Fletcher on a Forest Credit Bill to finance lumber companies who follow good practice. You said you would study it, I believe. Can you tell us anything you have done about that?

THE PRESIDENT: It went to a department.

Q Budget?

THE PRESIDENT: Now there are two bills. Is this the State Department bill or the private companies?

Q No, the Fletcher Bill, the private companies, giving them credit.

THE PRESIDENT: I have not seen hair or hide of it since I talked about it.

Q You endorsed it in principle?

THE PRESIDENT: Yes. I have not had it come back.

Q Is the Administration going to continue cotton loans in 1935?

THE PRESIDENT: You will have to wait until a little while later.

Q Anything you can tell us about the visit here yesterday of State Senator Cheney (Nelson W. Cheney) of New York?

THE PRESIDENT: Nothing in particular except he is an old friend of mine and we talked about the Banking Bill.

Q Will you accept the Wheeler-Rayburn Bill without the clause known as the "death sentence and emancipation proclamation"?

THE PRESIDENT: That is too much of an "if" question.

Q You still have hopes of getting the bill through?

THE PRESIDENT: Yes.

Q Have you signed the Anti-smuggling Bill?

THE PRESIDENT: It has not come to me yet. It is probably in the departments.

You know that the bill is passed up first to the department for comment?

Q Any developments toward the settlement of the Camden Shipyard's strike?

THE PRESIDENT: I think they told you in the Navy Department that they sent a letter last week and got a letter back from the company which was, I should say, what might be called "a plea in avoidance" and another letter went yesterday from the Navy Department to the shipbuilding company.

Q Anything about threatening to take away the contracts?

THE PRESIDENT: Yes. As a matter of fact, the gist of the matter in that case at the present time is that we have offered arbitration, three arbitrators to be appointed by the Government and that, as I understand it, has been accepted by the men but not yet by the company. That is the status.

Q Is that Miss Perkins' proposal about a week or so ago?

THE PRESIDENT: It has been slightly modified since then in one or two of the particulars.

Q Has the Navy given the shipbuilding company any time in which it must accept it?

THE PRESIDENT: No.

Q That is, in regards to taking the contract away?

THE PRESIDENT: No, not specifically.

Q Does it threaten to take away the contracts, did you say?

THE PRESIDENT: Not specifically. You might say that it does, conditionally.

Q Have you decided on the new head for N. R. A.?

THE PRESIDENT: Not yet.

Q Mr. President, what do you intend to do about the ship subsidy legislation?

THE PRESIDENT: They are in much closer accord than they have been for some time. As I understand it now, it looks as if it might be possible to work it out.

Q You received a memo yesterday?

THE PRESIDENT: Yes. It is not permanent legislation; it is temporary legislation.

Q Can you outline that?

THE PRESIDENT: It would take too long; it is very involved.

Q Have you any comment on the report in the morning paper to the effect that they were not going to make November first the dead line to cut off all relief?

THE PRESIDENT: We will make it as close to November first as we can.

Q There was a news radio report that there are only thirteen states in which relief can be set up and that, following November first, they are going to extend N. E. R. A.?

THE PRESIDENT: Of course the trouble is that it is the kind of thing you

cannot say what the situation is didactically in one sentence.

There will probably always be a small number, I suppose in every state of the Union, of people who will still be on N. E. R. A., but a very small percentage of the people. After all, what we are after is substantially the majority of people, 90 per cent, 95 per cent -- that is pretty darned good.

Q You speak of that small --

THE PRESIDENT: (interposing) That does not mean that we are changing the attitude. We are going to get substantially -- there has been no change in policy substantially. The bulk of these people -- it may not be  $3\frac{1}{2}$  million because, by the time we get it out, we hope it will be reduced -- therefore, if we say 90 or 95 per cent of 3 million people, that does not mean the thing has been changed. It is exactly the same policy.

Q Do you still think you will reach the peak in October or November?

THE PRESIDENT: Yes, as near November first as we can make it. I do not know about the peak because, there again, another factor enters in. You have a greater unemployment in January, February and March than you do in November, therefore you cannot take a maximum peak in November and say it will be the peak. There may be more in January, February and March because of greater unemployment.

Q I understood that you wanted to have the work well in hand and going strong around October?

THE PRESIDENT: Yes, about the middle of October I hope you will find a large majority of the people on work relief.

Q And that small percentage left, will those be employables or unemployables?

THE PRESIDENT: In a few cases they may be employables. Of course we are

going to try to eliminate the unemployables as much as we can. Of course, in some places we cannot let the fellows starve because the local people decline to take care of them.

Q There have been reports that you wanted the Labor Department to encourage the throwing out of the left wing element in the marine unions on the Coast?

THE PRESIDENT: What?

Q There have been reports that you wanted the Labor Department to encourage, more or less, the seamen's or longshoremen's unions on the West Coast to do that. Have you taken any action.

THE PRESIDENT: I never heard of it.

Q Assuming here that Cole, Ickes, Rayburn and Edison come in with a bill on which they are generally agreed, will you give that your blessing and say (to the Congress), "Let us pass it at this time"?

THE PRESIDENT: I suppose, if everybody is agreed, that will be a happy circumstance.

Q It certainly will be.

Q Mr. President, can you comment on this movement of farm groups to bring action against the protective tariff in retaliation for the processing taxes?

THE PRESIDENT: What about it?

Q The AAA reports that some of the farm groups themselves want to test the validity of the protective tariff.

THE PRESIDENT: I read that in the paper. Of course it is a symptom of the fact that the farmers in this country have a pretty distinct knowledge of the fact that cotton has gone from  $4\frac{1}{2}$  to 12 cents and that wheat has gone from 36 to 85 or 90 cents, and that they are getting more

money and paying off more debts and having a larger purchasing power than at any time for a good many years, even antedating 1929, when their relative purchasing power had been sinking already for eight long years. Of course it is natural that they should be worrying about the possibility of this whole farm adjustment program being thrown overboard. I think it only human. I would probably feel the same way myself.

Q Congressman Sumners, Chairman of the Judiciary Committee, brought up a startling subject about the shades of A. B. Wheeler, that Volstead Act being on the books, and he wants it repealed.

THE PRESIDENT: What?

Q Yes. He said it would be a good idea to make your "must" legislation the quest for the repeal of the Volstead Act. It is still on the books.

THE PRESIDENT: That is quite choice; I did not know it. You mean to say it has taken all this time to follow it up?

Q Never worried about it before.

THE PRESIDENT: If Judge Sumners thinks it ought to be repealed, I am with him.

Q Thank you.

Q To get back to relief just a moment -- the Conference is ending prematurely here at times -- have you any figures, approximate figures even, which will indicate the number of people that have been put to work under work relief?

THE PRESIDENT: At the present time?

Q Yes.

THE PRESIDENT: No, I haven't, Fred (Mr. Essary). The August first figures I

do not think are finished.

Q What figures did you have before that? Have you any in mind?

THE PRESIDENT: You had the July first figures -- I have forgotten what they were.

Of course the August figures will be low. You have the C. C. C. Camps and 75 or a hundred thousand veterans. The pickup will come in September and will increase in October.

Q What is holding up the release of funds on approved P. W. A. projects?

THE PRESIDENT: What kind of funds?

Q The Federal participating funds in the approved P. W. A. state programs?

THE PRESIDENT: What is holding them up?

Q Yes.

THE PRESIDENT: Are they being held up?

Q There are very few programs under way?

THE PRESIDENT: You will have to give me an instance.

Q The Georgia program. The Ohio program was announced Wednesday and they have no funds out there?

THE PRESIDENT: Of course that is one of our troubles. The process is that as soon as the allocation is made then we have to go through the subdivision of the allocation so as to have the component parts of the total allocation fall within the different groups. Now, that is quite a task and it takes in the Budget Office, I should say, and an average of three or four departments before it gets here to my desk.

In other words, for instance, in Georgia there may be an allocation of \$7,000,000. I suppose that \$7,000,000 might be in as many as six or eight different groups under the bill. It may fall, a portion of it, on the road schedule; a portion of it may fall into some other schedule like Rural Electrification. You will remember those various

groups in the bill. Then, finally, it comes to me. The bill is here just about two hours. It actually stays in the White House about two hours. From here it goes to the Comptroller and the Comptroller is then faced with the necessity of going through all of those first things and giving them clearance. Now, after his staff gets going, in another two or three weeks, the delay in the Comptroller's Office will be cut down. It actually takes two or three weeks to get shaken down. When the first kind of an allocation for that particular kind of subject goes through, it takes his staff a long time to analyze it and get the clearance, but when the next thing goes through, there will be a precedent for it and he tells me that he will be able to clear it much more quickly.

The most of the delay has been in the Comptroller General's Office and that is no accusation because it is perfectly correct that he should scan very carefully all of the defining and subdividing of these first allocations. He has promised much greater speed from now on. Therefore, if the allocation goes through last Tuesday and the money does not get down to the state for a week, that is a pretty short time.

Q Anything on the N. R. A. Administrator yet?

THE PRESIDENT: Not yet.

Q Thank you, Mr. President.

**CONFIDENTIAL**

Press Conference #227,  
Executive Offices of the White House,  
August 7, 1935, 10:55 A.M.

MR. DONALDSON: All in.

THE PRESIDENT: I think the only news -- I think you will get a copy of it afterwards -- is an Executive Order which ties in the overhead, that is to say the administrative expenses, of the seven lending agencies into the Budget. The seven agencies whose operations do not come under the Budget by law or under the Accounting Act of 1921 are requested to submit to the Director of the Budget estimates covering future expenditures for administrative purposes. The seven agencies affected are the Federal Home Loan Bank Board, the Home Owners' Loan Corporation, the Federal Savings and Loan System, the Federal Savings and Loan Insurance Corporation, the Federal Housing Administration, the Federal Farm Credit Administration and Federal Farm Credit Corporation. They are not to incur, after September fifteenth, any expenses for administrative expenses not approved by the Director of the Budget and the (Budget) Bureau is directed to apportion funds for administrative expenses to each of the agencies named, on a monthly basis, subject to modification in the event of an emergency.

This is just an effort to tie these independent agencies into the general budget system and also not to give, at the beginning of the year, lump sums but to put it on a monthly basis, subject to change.

Q Will that subject their accounts to audit by the Comptroller General as well?

THE PRESIDENT: They are audited now.

Q Yes?

THE PRESIDENT: They are under the Comptroller General now. Instead of employing a dozen new people, we will wait until we get these worked in and then we will get in another batch so that by the late autumn we will have them all under budget as to their administrative expenses.

Q All the emergency agencies?

THE PRESIDENT: Yes.

Q When the oil group left here Monday, they indicated that you planned a Message with respect to certifying a compact and some legislation?

THE PRESIDENT: It will be only a certification of the compact filed with the Secretary of State.

Q Would it include any general recommendations as to supplemental legislation?

THE PRESIDENT: Probably not. Possibly I might go so far -- I have not written the Message yet -- I might go so far as to suggest the setting up of a body here to make recommendations to the next Congress and to check and report on the workings of the state compacts so that we will know how they work.

Q Did you say that it might go up today, that Message?

THE PRESIDENT: I think so. Mac (Mr. McIntyre), did you talk to the State Department about it?

MR. McINTYRE: They told me they were going to send it.

THE PRESIDENT: It has not come over yet.

Q There was a report you were willing to agree on a compromise on the Utilities Bill. Can you say anything about that?

THE PRESIDENT: I have not heard anything about it.

Q We have intimations that you do not like the Spanish War Pensions Act, and it may be vetoed?

THE PRESIDENT: Fred (Mr. Essary), I cannot tell you about it because I have not analyzed it yet. It is now being analyzed by two or three different agencies; I haven't got it back yet. I have only read newspaper stories and not the bill.

Q When will the Labor Board be appointed?

THE PRESIDENT: I hope any day.

Q Can you make any comment on the Rhode Island elections?

THE PRESIDENT: No, except the simplest thing is to tell you what happened, as background. I did not know there was an election until I read about it in the papers yesterday morning.

Q Is there any likelihood of your visiting the Army maneuvers in Northern New York the end of the month?

THE PRESIDENT: I do not believe so; I do not think I can get up the end of the month. They end the end of the month, don't they?

Q Seventeenth to the thirty-first.

THE PRESIDENT: Yes. I do not think I will get up there in time. I will have to stay in Washington possibly a week after Congress adjourns on account of the bills.

Q There is a special election in Rhode Island. There is a bond issue of \$8,000,000 for Public Works -- seventeen projects involving \$15,000,000, including Federal money. Will that have any effect on the policy?

THE PRESIDENT: I never heard of the bond issue and I cannot very well comment.

Q Is the report true that today is the dead line for the Camden Ship Yards to answer?

THE PRESIDENT: You will have to ask the Navy on that; maybe you are right.

Q Have you seen the numerous marine bills?

THE PRESIDENT: No.

Q Have you discussed it with Roper?

THE PRESIDENT: No, I have not talked to Roper about it at all. I talked to Johnson about it and told him I hoped we could get something that would tide us over for another year on these contracts -- loans for new ships, post office subsidies. Some kind of legislation would be helpful.

Q Would it come under the head of "must"?

THE PRESIDENT: Where did you ever hear that word? (Laughter) No, certainly not. In other words, it is "desirable" to get that but we do not want to hold up Congress for it.

Q Mr. President, in connection with this Oil Bill that is pending and was discussed here Monday afternoon, there is some quarreling among the various factions as to whether the proposed Board should be independent or part of the Department of the Interior. Have you any preference on that?

THE PRESIDENT: Well, it is a long subject, this question of independent boards. The thing really comes down to this, and this does not relate particularly to the Oil Board but to a great many other boards that have been set up or suggested. The difficulty with a form of Government that has 25, 30 or 40 different independent administrative agencies, all of them completely independent of each other, is that it is almost impossible for the Chief Executive to tie them all in together. In other words, the day is not long enough.

The British Government ran into very much the same sort of thing. They had a very small Cabinet up to the time of the World War and practically all boards were under -- in the pre-war days -- under one of these Government departments. They were quasi-independent

but reported through a Government department.

Then, during the World War, the British Cabinet increased by leaps and bounds and almost every new agency that was created in connection with the War was made a separate department. They call it a ministry. I don't remember the exact figures, but I think they got up to 28 members of the Cabinet during the War and, of course, the thing was unworkable. You cannot get 28 people around the table on a policy matter without it becoming a forum instead of an executive body. The result is that since the War they have reduced the number of departments somewhat but still have a great many. Their practice is that within the so-called Cabinet, they have -- I don't know what their term is for it but I suppose "Executive Committee" would be the best term -- members of the Executive Committee who report not only for their own department but for one or two other departments as well.

Now, on the question of Boards, you take, for instance, this new National Labor Relations Board and the Social Security Board when the bill goes through. They are set up independently. That simply means that I have to see them separately instead of their reporting to me through some secretary.

Now, in most other countries, a pension system, or a workmen's compensation system, or an unemployment insurance system, they may be handled by independent boards, but they report to the Chief Executive through a Cabinet Officer.

Now, really, it is more a question of finding language. We can have an independent board, take on this oil thing, but it simply would add to the Chief Executive's headaches to have to see them in

addition to the other people. It would be very much simpler from the executive point of view to have them report through the Secretary of the Interior or, in the case of Social Security, to report through the Secretary of Labor.

Q They could still be independent?

THE PRESIDENT: They could still be independent. Of course they must be subject to financial checks.

Q Mr. President, with reference to your Order this morning, does that mean that in the future the administrative expenses of these various agencies will be subject to appropriation by the Congress?

THE PRESIDENT: Not necessarily but Congress will have the items segregated. It depends on the form of appropriation bill. The Congress will know how much goes to administrative expenses. Of course they know that now. This is simply to give the executive end a checkup on that from month to month.

Q Have you done anything about setting up the Central Transfer Agency for Government employees who are thrown out of work in one division?

THE PRESIDENT: No, I have not; I have not done a thing about that since I talked to you about it last. I will have to make a note and talk about it later on.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #228,  
Executive Offices of the White House,  
August 9, 1935, 4:15 P.M.

Q Hello, Mr. President.

THE PRESIDENT: Hello. We are off tonight.

Q What time?

THE PRESIDENT: Half past six.

Q Half past six? That is fine. Gives us a Saturday holiday. We really need one.

THE PRESIDENT: Yes.

Q The girls are keeping their hats off now.

Q It is good discipline.

MR. DONALDSON: All in.

THE PRESIDENT: At the request of one or two members of the Press who covered me over the week end, I am leaving tonight instead of tomorrow so they can have Saturday off.

Q I hope the bosses heard that in the back row, Mr. President.

THE PRESIDENT: I am going over to Annapolis and just taking a week-end cruise and getting back Sunday evening, as usual.

I signed the Motor Carrier Act, otherwise known as the bus and truck bill, today and it was twenty or twenty-five pages and it took me a long time to read it and, after I read it, I asked Mr. Eastman to summarize it for me because I could not. He has summarized it in a couple of pages so that it would be convenient for you to have this summary of it. It is two short pages and I will ask Steve (Mr. Early) to have it run off for you just as a piece of information as to what

the darned thing says. It is terribly long and confusing.

Q Have you signed the Wilcox Air Defense Bill?

MR. McINTYRE: No, sir.

THE PRESIDENT: Not yet. The only question on the Wilcox Bill -- I think I can tell you now that I am going to sign it but the question has been raised about the propriety of committing the Government, by an authorization, to an expenditure of an indefinite amount of money. Nobody knows what it will cost to carry it out. Various estimates have been made. It probably is, insofar as an announcement of future policy goes, a perfectly proper Act to sign and I am signing it on the basis that it is an announcement of future policy but without the guarantee that I am going to send up Budget recommendations for the appropriation or expenditure of those funds right away or even all of them at the next session. In other words, there is no commitment on the date of expenditure by the signing of the bill. It is merely an authorization.

MR. EARLY: It is the same way you sign the Vinson Bill.

THE PRESIDENT: Very much like the idea of the signing of the Vinson Bill for future Navy construction. It enunciates a Congressional policy and sets forth an authorization but no appropriation, that (the appropriation) being subject to future legislative action.

Q Mr. President, have you anything to say on the strikes up in New York?

THE PRESIDENT: I haven't had any word today on it at all.

Q What is your reaction to the general idea of striking against work relief?

THE PRESIDENT: I think the easiest way to put it is that the jobs that are offered are intended to replace the dole, based on the general thought that the continuance of the dole is bad for the morale of the Nation as a whole. Also, that the substitution of work relief is, we hope,

purely a temporary matter pending the time when they can get jobs in private employment. If they don't want to take work relief in this form, there is, of course, no compulsion on any of them to take it.

Q Can you tell us what the situation is regarding the Camden shipbuilding strike there?

THE PRESIDENT: I think there will be something on it tomorrow; I hope so.

Q Can you tell us whether the workers are objecting to the company's refusal to discuss even the matter of the closed shop?

THE PRESIDENT: That I do not know; I don't think so.

Q If these workers should decide not to take these jobs at these work relief wages, the security wage, what about home relief? Will they get it?

THE PRESIDENT: No. We are trying to end home relief. Of course they can take other work relief jobs. They do not have to work at their own trade.

Q Some of the members of Congress, after hearing your Message transmitting the interstate oil compact today, have the opinion that all you want is ratification of that compact. Is that correct?

THE PRESIDENT: The Message speaks for itself. Nothing else. It relates solely to the compacts.

Q Have you reached any decision on cotton loans for 1935?

THE PRESIDENT: No.

Q Do you think the Congress should determine whether a ship canal should be built across Florida, or does that come within the province of an allotment under this \$4,000,000,000 appropriation?

THE PRESIDENT: On the Florida canal, the final checkup on figures shows that if the project were completed it would probably cost \$146,000,000 and it does not seem right to proceed on a task of that kind without

specific authority from Congress. On the other hand, we are studying the possibility of using some work relief funds at the present time for deepening the channel from the sea past Jacksonville to -- what is the name of the place? -- Palatka, I think it was, putting people to work on the river, which would be useful whether the final canal is authorized by the Congress or not. In other words, it is part of the general river and harbor work that the Government has already authorized.

Q Could this deepened channel be used by ships pending completion of the canal?

THE PRESIDENT: Oh, yes.

Q Is there any possibility?

THE PRESIDENT: They have been working, for instance, on the channel from Jacksonville down to the ocean, keeping a certain number of people at work every year, taking out bends, clearing out sandbars, and there is still a lot of work to be done on it.

Q Have you had an opportunity to gauge the public reaction to your Tax Message?

THE PRESIDENT: It depends on which paper you read.

Q Mr. President, are you planning, as it has been reported, to modify the security wage and increase some of the higher brackets in metropolitan centers?

THE PRESIDENT: I have not heard of it.

Q Coming back to the New York Shipbuilding Corporation (Camden, New Jersey) strike, who will make that announcement tomorrow in your absence?

THE PRESIDENT: I think it will be either Miss Perkins or the Secretary of the Navy, or both.

Q In that connection, are you giving any consideration to the appointment of the Arbitration Board?

THE PRESIDENT: Yes, it is all ready.

Q Who are the members, Mr. President?

THE PRESIDENT: The names are being held in escrow. (Laughter)

Q What is holding it up?

THE PRESIDENT: Well, final agreement.

Q Can you tell us whether this Arbitration Board will be made up of Navy officers?

THE PRESIDENT: I will tell you, they are in escrow. I cannot take it out of the safe.

Q That is where they hold the funds.

Q Since the Vinson program is being carried out to a certain extent with P. W. A., is it proper to assume that some of this Wilcox program might be constructed with the present work relief?

THE PRESIDENT: No, I do not think it could be. The only possibility out of work relief money is that we might do some work on fields, but we have not taken it up yet. The bill is not signed, you know.

Q Will the Administration attempt to arbitrate these W. P. A. strikes with the Labor Board which Hopkins set up?

THE PRESIDENT: Strikes?

Q So-called.

THE PRESIDENT: That is just it; they are not strikes.

Q Will the difficulties, then, Mr. President -- what are they?

THE PRESIDENT: They are returns to their homes. (Laughter)

Q Will Mr. Hopkins' Labor Board attempt to get them out of their homes again?

THE PRESIDENT: I hope they will come out.

Q Mr. President, the Congress completed action today on the Social Security

Bill. It is a pretty good guess you will sign that?

THE PRESIDENT: It is good news.

Q Is it likely you will appoint a successor to Circuit Judge Bryan of New Orleans before Congress adjourns?

THE PRESIDENT: I did not know he was dead. When did he die?

Q He died in Florida.

THE PRESIDENT: Wasn't he the presiding justice?

Q I am awfully sorry but, to tell you the truth, I don't know.

Q Will you comment on a provision in the new Merchant Marine Bill which provides that a ship may be constructed without the borrower paying down any money?

THE PRESIDENT: No, I cannot comment on it. They are still talking about it up there.

Q Thank you, Mr. President.

Q No possibility of getting the Social Security Bill today, is there?

THE PRESIDENT: No.

## CONFIDENTIAL

Press Conference #229,  
Executive Offices of the White House,  
August 14, 1935, 10:45 A.M.

Q Good morning, Mr. President.

THE PRESIDENT: Fred (Mr. Storm) -- how is Fred?

Q (Mr. Storm) Fine, thanks. We are all waiting for the Congress to get out, rather impatiently, Mr. President.

THE PRESIDENT: Yes.

Q I see Mac (Mr. McIntyre) has taken a page from the book of Roy Howard, on his style. He has a blue tie and a blue handkerchief.

THE PRESIDENT: I know it. Let's call him "Roy." Good, for the rest of the day we will call him "Roy."

Q Or "Clarence."

THE PRESIDENT: We are talking about you, Mac.

MR. DONALDSON: All in.

THE PRESIDENT: I don't believe there is any news at all.

Q Mr. President, have you reached any decision as to whether you are going out to Milwaukee for a speech before the Young Democrats?

THE PRESIDENT: No.

Q That is August twenty-third.

THE PRESIDENT: I haven't got any appointments, papers to the contrary notwithstanding. I don't know. I wanted very much to go up to Hyde Park this Saturday on account of Franklin, Jr.'s twenty-first birthday but I still don't know whether I can or not.

Q What birthday did you say?

THE PRESIDENT: Twenty-first.

Q Mr. President, there are some rumors that you are thinking of making some other Messages. Anything on that?

THE PRESIDENT: No.

Q No more Messages?

Q Has the Ford report come in yet, the automobile report?

THE PRESIDENT: I don't know; you will have to ask Miss Perkins. I do not know whether it came in or not.

MR. McINTYRE: Yes, it has.

THE PRESIDENT: Mac says it has come in. I don't know whether it came in or not.

Q When are you going to appoint the Labor Board?

THE PRESIDENT: I hope very soon.

Q Has the Textile Committee reported yet?

THE PRESIDENT: Not yet.

Q About three weeks ago you said you were going to approve an allotment for Central Valley, California?

THE PRESIDENT: I think it is in the hands of the Comptroller General.

Q There are reports that there has been some opposition to it from the Comptroller General?

THE PRESIDENT: I don't know.

Q Will the Social Security Bill be signed today?

THE PRESIDENT: 3:30, with pictures. The only reason for the picture is that, with so much other news going on, people do not realize that the Social Security Bill went through and is being signed, and I want to give it all the publicity I possibly can because it is of such importance.

Q Will you have a synopsis of the bill?

THE PRESIDENT: I think I will say a few kind words.

Q On purely factual lines?

THE PRESIDENT: Oh, that is all I ever speak of. (Laughter) Is that right, Fred (Mr. Essary)?

Q Are you having some difficulty in getting programs from the State Highway Commissions to get road money to work?

THE PRESIDENT: I don't know. I have not talked to MacDonald in a couple of weeks. You know, Mrs. MacDonald died and he has been away.

Q There have been persistent reports from Chicago that the President has approved the allocation of \$21,000,000 for improvements of a permanent type on Chicago's Lake Front. I do not see any report in the Works Progress Administration or elsewhere.

THE PRESIDENT: That is the first I heard of it.

Q Any new developments in the Camden ship strike?

THE PRESIDENT: I had not heard of it. Yesterday things -- Miss Perkins thought and hoped the thing would be straightened out today.

Q What is behind your Executive Order of the other day withdrawing the western end of the Aleutian Islands from commercial flying and making it a restricted area?

THE PRESIDENT: No, I do not think there is anything to say on that except they were withdrawn with a lot of other recommendations.

Q On recommendations of the Navy Department?

THE PRESIDENT: Navy and State and War and Commerce.

Q Have you seen Governor Davey?

THE PRESIDENT: Not yet. He is coming in sometime today -- I do not know what time.

MR. McINTYRE: He is going to phone when he gets here.

Q You did not mention the State Department? (The President had mentioned the State Department but the reporter evidently had not heard him.)

THE PRESIDENT: Steve (Mr. Early) says he does not think they recommended it but I think at least they were consulted.

Q The State Department refers to you all requests as to whether we would send somebody to China to study economic conditions, something like the British are doing?

THE PRESIDENT: I will give you the run-around -- ask the Treasury Department.  
(Laughter)

Q You did that some time ago.

Q Mr. President, did you receive that telegram from the Camden Union officials last night, following a meeting turning down the Perkins proposal?

THE PRESIDENT: No, I have not seen that.

Q In reference to this survey, I remember reading some time ago that Administrator Moffett was making some such study, more or less officially or unofficially or semi-officially?

THE PRESIDENT: No. That came when he left here he said he was going through China and the Philippines and I said, "Anything interesting that you hear or think we should know, send me a dispatch on it," which he did and it was published.

Q But there has not been --

THE PRESIDENT: (interposing) No. He is somewhere around India at the present time, I think. Nothing further heard.

Q Will you appoint the board when you sign the Social Security Bill?

THE PRESIDENT: I hope to get the board before Congress adjourns. They won't be ready this afternoon, though.

Q Thank you, Mr. President.