

## CONFIDENTIAL

Press Conference #264,  
Executive Offices of the White House,  
January 7, 1936, 4.05 P.M.

Q (Mr. Storm) Full house out there today, Mr. President.

THE PRESIDENT: Full house -- four of a kind beats it. (Laughter)

Q (Mr. Storm) I found that out to my sorrow on one or two rare occasions.

THE PRESIDENT: I think you have.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news except that Charlie Michelson needs a haircut.

Q Got to economize somewhere in the Committee.

THE PRESIDENT: That is right.

Q Mr. President, what is the policy of the Administration as a result of the A.A.A. decision?

THE PRESIDENT: No news today on that.

Q Mr. President, in your Message you said, "The carrying out of the laws of the land as enacted by the Congress requires protection until final adjudication by the highest tribunal of the land. The Congress has the right and can find a means to protect its own prerogatives."

THE PRESIDENT: That speaks for itself.

Q What do you intend to do about it?

THE PRESIDENT: It speaks for itself. There is a recommendation to the Congress.

Q To keep the lower courts from --

THE PRESIDENT: Follow the language.

Q The language and the Constitution in that respect?

THE PRESIDENT: What I said.

Q Mr. President, may I ask one more question there; at least one?

(Laughter) Under your reading of the majority opinion, do you think any Federal farm legislation --

THE PRESIDENT: (interposing) No news on that today, Stevie (Mr. Stephenson).

Q Do you propose to appear before or address the group of farm leaders who have been asked to come here by Secretary Wallace?

THE PRESIDENT: Not that I know of.

Q If we may get back to the quotation from your Message, the last line has been interpreted by some as meaning that there will be a Constitutional issue in the political campaign. Is that a fair interpretation?

THE PRESIDENT: I cannot comment on interpreters.

Q To put the question this way, Mr. President, -- (laughter) What do you think of the Supreme Court decision? (Laughter)

THE PRESIDENT: No, the only news is what you had yesterday afternoon, therefore it is not news. We are, all of us, studying the two decisions. Of course it will require a good deal of study, as we all appreciate, if you read them.

The other news is that we are, of course, going to put in immediately, as soon as we can, just as soon as the thing can be drafted, an authorization of appropriations to carry out in good faith, as a matter of decent morals, the contracts on the 1935 crops of various kinds, which had been entered into. There is only one type of contract that relates to any 1936 crop and that is the winter wheat. Winter wheat, of course, as a few of you know, is put into the ground the autumn before it is harvested;

therefore the winter wheat was contracted for under A.A.A. some time last summer and fall, before the wheat was actually planted. Those contracts were based, if I recall it, on 95% of acreage on the basic acreage amount -- some of you people know more than I do about that, I think it was 95% -- therefore the benefit payments are very small because the nearer you come to 100% the smaller the payments that must be made. The Department of Agriculture is working on the problem of those contracts at the present time. If there is any equity, as there may be a small equity which should be paid to the farmers under those contracts, we will, of course, try to carry out the moral obligation and the contract by obtaining an appropriation from the Congress to pay the amount due on the contract. We are carrying out the moral obligation on the contract.

Q Will that require new taxes, as you mentioned in your Budget Message?

THE PRESIDENT: That I don't know; we haven't considered it yet.

Q Did I understand you to say, "We are all studying the two decisions"?

THE PRESIDENT: Yes, the two opinions. Call them "opinions," that is more strictly accurate.

Q Have you any idea of the amount involved that will be necessary in the appropriations you have just mentioned?

THE PRESIDENT: I don't know.

Q Will that intended appropriation take care of personnel, some 6,000?

THE PRESIDENT: That I don't know; we have not got to that yet.

Q Any decision been reached on the recovery of paid processing taxes?

THE PRESIDENT: No.

Q Do you think you have the power under the law to meet this moral

obligation under the decision?

THE PRESIDENT: Oh, without any question.

Q Without any question you can meet this obligation without an Act of Congress?

THE PRESIDENT: You have to get an appropriation first.

Q That would be a definite appropriation?

THE PRESIDENT: A specific appropriation to carry out a moral obligation entered into in good faith last year.

Q Otherwise all the operations of the Triple A are suspended?

THE PRESIDENT: All payments are suspended.

Q Other operations?

THE PRESIDENT: All payments are suspended.

Q That means you are going to pay the winter wheat benefits on 1936, or are you merely studying it?

THE PRESIDENT: That is being studied. The contract was entered into, of course, in 1935. If there is an equity due, depending a little bit on wheat prices, if there is an equity which should be morally paid to the farmer, he should be paid and there probably is a small equity.

Q Is the Three A organization to be suspended?

THE PRESIDENT: I just answered that; there has been nothing determined on that.

Q Has the question been asked whether you anticipate legislation to supplant the N.R.A. and the A.A.A.?

THE PRESIDENT: There again, there is no news on that.

Q Any estimate of how much you will need to meet that obligation you are speaking of?



THE PRESIDENT: No; it is not large, it is comparatively small.

For example, most of the -- I suppose most of the corn-hog checks were out last fall and most of the wheat checks are out and I do not know what proportion of the cotton checks on the 1935 crop are out. That is something you will have to find out.

Q The figure of \$250,000,000. has been mentioned?

THE PRESIDENT: I do not know; you will have to ask what it is.

Q Are you going to continue your study any longer today or tomorrow with Secretary --

THE PRESIDENT: (interposing) Oh, yes; right along.

Q Mr. President, will we get your talk tomorrow sometime during the day?

THE PRESIDENT: As early as I can get it. I have not written it yet. I will try to get it for you by three or four o'clock in the afternoon.

Q Will you possibly have anything to say about the Triple A decision?

THE PRESIDENT: I do not know; I have not thought of it. I haven't any idea.

Q No clues?

THE PRESIDENT: No.

Q On the good faith proposition, will there be any inclusion in that Act of Congress that will ask for the repayment --

THE PRESIDENT: (interposing) I don't know. I am just talking about the payment to farmers.

Q You don't think --

THE PRESIDENT: (interposing) I have not got to the other. There are so many questions involved that you have to take them up one at

a time.

Q Do you think there is any moral obligation in the matter of re-funding?

THE PRESIDENT: I do not say -- I have not gotten to it.

Q I would like to respectfully suggest that the position of the Administration might not be quite clear to a number of farmers. Would it be possible to say whether or not the aim of the Administration is to get new legislation to aid the farmers or, if you do not care to say anything about legislation, that you may have some general movement for the benefit of the farmers?

THE PRESIDENT: There is no news on that today.

Q Mr. President, have you anything to comment on the latest Pinchot open letter?

THE PRESIDENT: No. (Laughter)

Q Will you, by any chance, make public now your letter to him, answering the first one?

THE PRESIDENT: No. (Laughter)

Q Are you going to answer this one, sir?

THE PRESIDENT: It will be answered some way.

Q Some way; thank you. (Laughter)

Q Mr. President, may I ask your views on the bonus as modified, whether they have been changed in any way?

THE PRESIDENT: No news on that.

Q Thank you, Mr. President. (Laughter)

THE PRESIDENT: I cannot think of anything else.

CONFIDENTIAL  
Press Conference #265,  
Executive Offices of the White House,  
January 10, 1936, 10.55 A.M.

THE PRESIDENT: Good morning. Sorry to keep you waiting but I have been getting out a new Proclamation.

Q News!

THE PRESIDENT: Gold -- the stabilization fund.

Q Did you notice that Mr. Michelson has his hair cut?

THE PRESIDENT: (addressing Mr. Michelson) Get up and take a bow.

(Mr. Michelson did so.)

MR. DONALDSON: All in.

THE PRESIDENT: I want to tell you, who cannot see in the back of the room, that that was Charlie Michelson taking a bow on his hair-cut.

The only news is that I have signed this morning the Proclamation extending the Gold Reserve Act of 1934, establishing the stabilization fund, extending it for one year.

Q Mr. President, how about the section of the Act which allows you to change the gold content of the dollar?

THE PRESIDENT: Section 10 -- the only way I can answer it is this: that Section 10 says, "All powers conferred by this section" -- this is paragraph (c) -- "shall expire two years after the date of enactment of this Act, unless the President shall sooner declare the existing emergency ended and the operation of the stabilization fund terminated; but the President may extend such period for not more than one additional year after such date by proclamation recognizing the continuance of such emergency."

Now, what I did was to act under that.

Then we have the "whereas" clause, "WHEREAS, such emergency which existed on January 30, 1934, the date of approval of said Gold Reserve Act of 1934, has not been terminated by international monetary agreement or otherwise, but, on the contrary, continues and has been intensified in divers respects by unsettled conditions in international commerce and finance and in foreign exchange" -- therefore I extended it for a year.

I don't know about that other section. I will have to find it.

Q When would that Act have expired?

THE PRESIDENT: The 30th of this month. So this extends it for one year.

Q You say you don't know about the section with respect to the gold content?

THE PRESIDENT: No; frankly, I would have to look it up.

Q In that connection, there have been stories from abroad speculating that there will be some change, that some change in the value of the dollar is being considered.

THE PRESIDENT: I think the Secretary of the Treasury answered that yesterday afternoon.

Q Mr. President, do you still stand on your statement of last October 25th, relative to agriculture?

THE PRESIDENT: What was that?

Q A permanent program.

THE PRESIDENT: Yes. If you want a lead about agriculture, I think probably it would be worth while to bring out certain responsi-



bilities that necessarily devolve on me.

I have to think of agriculture from the point of view of forty-eight states, not separately but as a part of the Nation. In other words, there is no question as to what my duty as President is, and that is to view agriculture as a national problem.

The reason I am saying this is that, at the present time, as a result of the decision, a good many of the old suggestions that were made away back, going back as far as the earlier days of President Coolidge's administration, are being revived. There is, for instance, a good deal of discussion, to bring it down to a practical problem, a good deal of suggestion that we should subsidize the export of certain crops. Of course, if you once begin to subsidize the export of certain crops, you subsidize the export of a great many crops and eventually of all crops. And because I have to think of it nationally, rather than think of agriculture as a local problem, I have to think of the implications of what would happen if, by an export subsidy of some kind, we encouraged the growing of a very vastly increased total of agricultural production.

You can take any number of examples. For instance, wheat: We never had very much of a problem on wheat until, well, the past generation when dry farming came in, and with the advent of dry farming, the old buffalo grass was plowed up. It was not plowed up in one county or township, it was plowed up in a great many states and we all know the result of that.

With the advent of modern machinery and a certain amount of capital, you could go in and drive a furrow in buffalo grass

country ten miles long before you turned around. The result was what we all know, that a very light soil was turned up, the grass was plowed under and disappeared, and they started in to raise wheat. Because of the great area that each farm could be cultivated in, the large size, the yield per acre, was not the main consideration. A man could make money on wheat at a reasonable price if he only got a yield of ten or twelve bushels to the acre. He could still make money. Of course ten or twelve bushels an acre is nothing, but nevertheless it paid to do it if wheat was paying a big price.

What was the result of this plowing up of land that had never been plowed up before in all history? Dust storms began and they have been getting steadily worse year by year. The result is that we have in this country an area which is subject to dust storms. This was caused solely by the fact that we were using land for the wrong purpose; instead of using it for pasture, we are using it for wheat.

Now, what is the area? It isn't just one state, it is the Panhandle of Texas, Western Oklahoma, Western Kansas, Western Nebraska, Western South Dakota -- just speaking from memory -- Western North Dakota, a large portion of Montana, Eastern Colorado and Northern New Mexico.

Now, the area in square miles I don't know, I never figured it out. But, thinking of it in terms of the map, that area is probably as large as all of New England and all of New York and all of New Jersey and all of Pennsylvania put together. That is a tremendous national area.

Now, if we go in for a national agricultural policy that encourages the plowing up of that land again -- and we are trying to take it out from being plowed -- it means that people will go in with modern machinery and, because of some kind of an export subsidy, it will pay them to plow it up again. And the dust storms will continue and we will have -- we will approach much more quickly to what we have all been worrying about, making that area a desert on which nobody can live.

Now, the same thing is true of cotton. If we were to give an export subsidy, it would mean anywhere you would go that people would say, "Domestic prices are all right, the export prices are all right, too; the more I grow the more money I make," and the average cotton farmer in the Southeast, let us say, will increase his land and start going up on the hilltops and will begin planting again land that ought to be in pasture or land that ought to be in woods. The result will be that all through the cotton area you will have an increase in the amount of soil that runs off to the ocean.

In other words, to put it the most simple way, we must avoid any national agricultural policy which will result in shipping our soil fertility to foreign nations. I think probably that is the best way of putting it.

Q Can we put that in quotes?

THE PRESIDENT: Yes, you can put that in quotes. We must avoid any national agricultural policy that will result in shipping our soil fertility to foreign nations. We have had so many lessons in that in the past that it seems perfectly clear.

Now, of course it is very attractive to say, "We can go ahead and raise any quantity at all of any crop with a certain definite export market caused by a Congressional subsidy," and a lot of people will be for it, but not the thinking farmer, and more and more of them are thinking all the time.

The people who probably are most actively for it are, let us say, the transportation companies, the railroads, because, of course it means more business for them and it is very human that they should think about the railroads ahead of soil fertility or the future of the Nation. That is perfectly human. To the steamship companies it means carrying more, and it is perfectly reasonable and natural that they should think in terms of more bulk agricultural freight than about the future of this country. And it is very reasonable that the warehouse people should seek greater crops. It means that they will have more crops to put into their warehouses. It is very natural that commission merchants should think of greater crops because the bigger the crop the bigger the commission. And it is reasonable also that the commodity exchanges should be in favor of bigger crops.

In other words, the pocketbook, naturally, has a very definite influence on people who are engaged in some particular line of handling farm products, so that is one of the things we have to think of.

I think that covers the thing pretty well. I have tried to say it in as simple terms as possible.

My position is that I have to think of the future of the



country and it seems pretty clear from the teachings of history that absolutely unlimited production -- not merely in two or three crops because if you started with two or three you would eventually get a subsidy on all crops -- will result in the loss of American soil fertility in a generation or two, and I believe that we have to think ahead.

Q That seems to point to something in the nature of the allotment plan or --

THE PRESIDENT: (interposing) No, I was just thinking out loud. We haven't come to any plan yet. We are still talking it over, as you know, but undoubtedly we will try to get some legislation at this session which will carry out in some way the general thought of seeking to maintain or perhaps to retain and regain soil fertility because we have lost an awful lot of it and, at the same time, keep the price for American agricultural crops up to a high level.

Q You do not agree that the equalization feature would eliminate the objection to the subsidy idea? Some of the advocates seem to think so.

THE PRESIDENT: That is a question of opinion. They are all talking about it.

Q Do you think you can do this by an Act in Congress?

THE PRESIDENT: That is what we are trying to do.

Q In regard to your remarks on the export debenture plan, and so forth --

THE PRESIDENT: (interposing) I haven't mentioned --  
(interposing)

Q /On the theory you mentioned the plan. (Laughter) Let me put it

that way. Would it be possible, in your opinion, to subsidize the export of a limited amount of each crop so as to avoid the inducement to plow up additional land?

THE PRESIDENT: If I were a dictator, it probably could be worked.

That is the best answer to that.

Q Have you found a loophole in the Supreme Court decision which would permit you to make payments to farmers?

THE PRESIDENT: We are really discussing the whole thing. It really, honestly, is in the discussion stage.

Q Has the purchase of submarginal land ever been challenged as unconstitutional?

THE PRESIDENT: I don't know; I don't think it has. You had better ask the Attorney General. He has an awful lot of suits on his hands. I don't think it has.

Q This is in line with what you gave us on the national farm program: Doesn't it come down to this, that no national or Federal plan of getting the price up to the farmers is possible without crop control? Isn't that stating the same thing in another way?

THE PRESIDENT: Practically, yes; in some form.

Q In other words, you have got to compel a farmer to cooperate?

THE PRESIDENT: Unless you go to the theory of subsidizing exports and having unlimited production.

Q Would farm machinery manufacturers be among those that would like to see as large production as possible?

THE PRESIDENT: I doubt it; I don't know. I have never asked. You know, farm machinery manufacturers have come to the conclusion,

I think pretty well, that the more permanent agricultural prosperity is, the better it is for them. It keeps their business running at a more stable rate, year in and year out. They are opposed to tremendous fluctuations in farm purchasing power. They would like to see a farmer buy a gang plow with a certain knowledge that three years or five years from now, if it was worn out, he could buy another one.

Q If we subsidize exports, wouldn't foreign nations be apt to regard that as dumping and restrict imports?

THE PRESIDENT: Most of them do restrict at the present time, nearly all.

Q That would make the plan impracticable, if they put restrictions of that sort on?

THE PRESIDENT: I think it would be well worth your while to find out the number of European nations that import our farm products today that have definite quotas. I think you will find out that a very large number of European nations have them.

Q Would you mind one more question about the stabilization fund extension? That extension applies only to the stabilization section of the Federal Reserve Act, does it not?

THE PRESIDENT: I think so. You will have to look up the law. All I have got here is this Proclamation that relates to Section 10.

Q There seem to be two divisions in the law.

THE PRESIDENT: You had better ask the Attorney General, it is beyond me. This is intended, in other words, to keep the \$2,000,000,000. stabilization fund going for another year. Now, what the further implications are, I don't know.

Q I was wondering if it would be proper to ask whether it was also intended to keep that remaining margin of possible dollar devaluation.

THE PRESIDENT: What?

Q Is it also possible to keep that additional margin of gold dollar devaluation, which could be kept for one more year?

THE PRESIDENT: You will have to check up on that. That is something I cannot answer offhand. I haven't thought about it and I haven't got a copy of the Act.

Q Is there any prospect of immediate negotiations for international currency stabilization?

THE PRESIDENT: You had better ask the Treasury Department.

Q Can the program of soil fertility you describe be made applicable to the 1936 crop?

THE PRESIDENT: I hope so.

Q Are there any more of these agricultural matters that are going to be announced in here today?

THE PRESIDENT: No, just Cabinet meeting today, that is all.

Q Thank you, Mr. President.



## CONFIDENTIAL

Press Conference #266,  
Executive Offices of the White House,  
January 14, 1936, 4.10 P.M.

Q (one correspondent speaking to another) Hearst's International -- it really should be in front of George Durno.

THE PRESIDENT: Where is George? I will give this (news) to Stevie (Mr. Stephenson).

Q (Mr. Durno) No, I do not think I will pass that up.

THE PRESIDENT: Yes, I think George needs a little help. You know we have not pulled off anything on George for a long time. Don't you think he is due? You should think up something on him.

Q (Mr. Stephenson) On Fred.

THE PRESIDENT: We have had the Senator (Mr. J. Russell Young) on the mat several times.

Q (Mr. Young) Every day.

THE PRESIDENT: But we have not had George.

Q (Mr. Fred Storm) I got enough at Warm Springs to last me for a long time, when they put the dummy in bed and he (indicating George Durno) was the guilty party.

THE PRESIDENT: Was he the one that did it?

Q (Mr. Storm) He engineered the whole thing.

THE PRESIDENT: He is one of those quiet fellows that starts the trouble and then disappears.

Q (Mr. Durno) I got my fingers crossed.

MR. DONALDSON: All in.

THE PRESIDENT: I have been making some inquiries in the front row and

George Durno says there is no news, so that goes with me. (Laughter)

Q Before the highbrows get to work on you, may an ordinary reporter ask a question? (Laughter) Did you ask the fire authorities to inspect the White House today -- the fire inspection -- is that part of your --

THE PRESIDENT: (interposing) Did they? I did not know they were doing it.

MR. EARLY: They are Federal men.

THE PRESIDENT: They are Federal men. We have two fireplaces that smoke. Maybe it is part of that.

Q I understand that Senator McAdoo came down this morning to discuss this embarrassing problem that has arisen in California in the Democratic ranks. Did you say anything about it?

THE PRESIDENT: No.

Q You did say something?

THE PRESIDENT: No. It is up to California.

Q Secretary Morgenthau is quoted as having said today that you would not sign a cash bonus bill. Is there any significance in his specification?

THE PRESIDENT: I had not heard it, but wasn't that in executive session? I think it was in executive session and, furthermore, I had not heard of anything that was not in it. They haven't even told me.

Q They also said \$2,000,000,000. for relief, additional.

THE PRESIDENT: Who leaked? (Laughter)

Q That would be telling. (Laughter)

Q I think it is well known that a certain Senator said he would not be bound by the rules and did talk, and he said this would require the raising of about \$11,000,000,000. by the Treasury during the coming year.

THE PRESIDENT: Eleven billion?

Q I think that was it.

THE PRESIDENT: It shows what comes out of executive sessions. (Laughter)

Q That includes about six billion of refunding though.

Q Yes.

Q Any comment on the London Naval Conference?

THE PRESIDENT: No, I have not. All I know is what I read in the paper this morning. I have not seen anything from London since two days ago. I suppose there is probably something in the State Department by now but it has not come in to me yet.

Q Have you made any study of Senator Copeland's new ship subsidy Bill?

THE PRESIDENT: No, I have not had time to read it. I got a copy the other day.

Q Have you made a study of the Nye-Clark Neutrality Bill?

THE PRESIDENT: I have not seen that; it has not been sent to me.

Q On the bonus, do you care to comment on this proposal to pay the bonus with baby bonds?

THE PRESIDENT: No.

Q During recent weeks there have been numerous charges of political influence and various other scandals in the Communications Commission. Have they been brought to your attention?

THE PRESIDENT: I have not read anything except what is in the papers and I have not seen any of the Commissioners.

Q Have you got around to the answering of the Pinchot open letter?  
(Laughter)

THE PRESIDENT: No. As a matter of fact, I sent one paragraph in to Harry Hopkins to look into it.

Q Would you mind telling us which paragraph that was?

THE PRESIDENT: I could only tell you off the record that it was the only paragraph that contained any charge that could possibly be investigated. I will have to tell you that off the record. I have not answered the letter and I do not know whether I can. It depends on what Harry Hopkins finds out about that one paragraph that could be looked into.

Q You have not received a report from Harry?

THE PRESIDENT: No.

Q Have you seen a report from an organization called the "Committee for Economic Recovery by Housing", supposed to have been made to the White House in the last few weeks?

THE PRESIDENT: I think there have been several made.

Q This was supposed to be the third in a series of that organization. Have you any comment?

THE PRESIDENT: Of course they are very voluminous and I sent them all over to Assistant Secretary Peter Grimm at the Treasury Department. I haven't had any report from him. He is acting as a sort of coordinator with respect to these various housing problems of the future and will probably have a general conference of all the Federal housing agencies within a comparatively short time -- in the next couple of weeks -- in order to get final factual data on the housing needs, and possibly -- I say possibly advisedly because I cannot say definitely until we get the factual report -- on some kind of program to help on a type of housing which seems very difficult to get going without some kind of Federal help. In other words, I am referring to the type of new housing that comes within the pocketbooks of people who are earning less than, say, \$2,500 a year and, of course, that means on both a population



and need basis.

The figures that are coming in on new house building, both individual houses and apartments, especially in the case of the individual houses, show that great progress is being made on houses that cost \$5,000 and up but, of course, people who have families and are earning less than \$2,500 a year find it pretty difficult to commit themselves for houses that cost over \$5,000. This is just guesswork and probably pretty conservative guesswork, but probably 90% of the people who need better housing conditions and especially home ownership cannot afford to pay for houses that cost more than \$5,000, yet that proportion of the population runs to somewhere around 90% of the entire population of this country.

So that is the problem and nobody has got the answer for it yet.

They are studying it and hope to get something out before we get through.

Q What have you done on interest charges?

THE PRESIDENT: Of course that is a portion of the problem, but only a portion. Construction itself is still a very great problem. If you don't mind my talking off the record, I can explain what I mean, but this has to be off the record because it involves a specific case.

The last time I saw Owen Young I went into it with him. The GE (General Electric) has been working on a factory-built house that has all the modern conveniences and he said that the lowest they had got the factory house down to was \$4100 or \$4200. Of course that is too high. As he put it to me, he said, "If you and I wanted to build a Ford car in the local machine shops and we went to Mr. Ford and got complete designs for that car and turned it over to the local machine shop to be done by perfectly skilled mechanics, it would cost \$2000

or \$2500, whereas you can buy it from Mr. Ford for \$500."

So, what we are working for and hoping for is that private industry will be able to devise some form of human habitation that will bring better housing more closely within the reach of these 90% of the population I am talking about. Nobody has got the answer yet.

Q Will the Government be willing to subsidize mass production of such houses with a guaranty?

THE PRESIDENT: No use to talk about mass production because nobody has ever discovered it.

Q How many rooms did this \$4500 house have?

THE PRESIDENT: I don't know.

Q Could we take the latter part of that statement you made and put it on the record, the expression of the hope?

THE PRESIDENT: Yes, that is all right.

Q Would the possible tax conference you have been talking about help to reduce the tax cost and thereby --

THE PRESIDENT: (interposing) That is a factor in the long-range payment.

Of course, it is not a factor of the original cost of the house itself.

Q Could you comment on the farm bill as it is taking shape?

THE PRESIDENT: No, it is still taking shape.

Q It has not taken much shape. (Laughter)

Q In that connection, are you going to send a Message to Congress?

THE PRESIDENT: I don't know yet; maybe.

Q Do you have any comment to make on Senator Norris' statement before the Agricultural Committee this morning that no legislation for production control could meet the test of the Supreme Court so long as Monday's

decision stands?

THE PRESIDENT: I haven't seen that. Did he say that?

MR. EARLY: Yes, sir.

THE PRESIDENT: I hope he is overly pessimistic.

Q Has any decision been reached on the processing taxes paid but not impounded?

THE PRESIDENT: No.

Q Mr. President, has any decision been reached on A.A.A. personnel?

THE PRESIDENT: Somebody told me that the Comptroller General has handed out a decision. I have not even seen it.

Q That would just permit the continuation in the pay of persons not engaged in any activities proscribed by the court. Has any Executive decision been made?

THE PRESIDENT: No. Of course the hope on that is that we will get legislation for the benefit of agriculture and, of course, in the meantime we have a very excellent staff and the fewer that it is necessary to lay off the better it is. We hope to get legislation pretty soon.

Q Even if you got the cheap housing, wouldn't you have the question of mass population and expensive land?

THE PRESIDENT: Yes. This is becoming a philosophical discussion. It is perfectly true.

Q Thank you, Mr. President.

## CONFIDENTIAL

Press Conference #267,  
Executive Offices of the White House,  
January 17, 1936, 10.40 A.M.

THE PRESIDENT: A very dull day.

Q We are all looking for big news, Mr. President.

Q The philosopher is here and has some questions.

Q I am not going to ask any.

THE PRESIDENT: We will have a philosophical discussion some day; it is all right.

Q Can I come?

THE PRESIDENT: Yes, sure.

MR. DONALDSON: All in.

THE PRESIDENT: What is the news?

Q That is what we would like to know.

Q What is the handout?

THE PRESIDENT: There isn't any. I have to work it out.

Q There is still a lot of speculation on your attitude toward the bonus?

THE PRESIDENT: I suppose there is. There was last year and there was the year before. This is the third year.

Q What was the reply?

THE PRESIDENT: There was speculation last year and there was speculation the year before. This is the third year.

Q Shall we guess the same way we did last year? (Laughter)

THE PRESIDENT: You are too obvious, Stevie (Mr. Stephenson).

Q Do you want to discuss the outcome of the farm conference yesterday afternoon?

THE PRESIDENT: I am in a difficult position on that because I frankly,



really and honestly haven't read President Hoover's speech last night, except the headlines. I did read the headlines, so anything I say on farming may be interpreted as a reply to him and of course I am not making a reply to him. That is cramping my style because I would like to talk agriculture, but I suppose it would be considered a reply.

I am sort of cramped. I haven't read the President's speech.

Q Didn't you sit up last night to hear that?

THE PRESIDENT: No. (Laughter) No, I had what they call a Diplomatic Dinner.

Q Do you think the Federal Reserve Board names will be coming out soon?

THE PRESIDENT: Very soon.

Q This week?

THE PRESIDENT: Not until the beginning of next week.

Q What do you think of the reflections cast upon Woodrow Wilson by the Senate Munitions Committee?

THE PRESIDENT: I have not read them.

Q Do you care to discuss the breakdown of the London Naval Conference for background?

THE PRESIDENT: I don't think I can. I think you have practically everything there was, the various statements made by the British and by the Americans and the Japanese cover it pretty well. There is not anything much which can be added. It is quite clear.

Q Mr. President have you had any reply on that Philadelphia situation from the Pinchot letter you sent over (to Mr. Hopkins)? (Laughter)

THE PRESIDENT: No.

Q Mr. President, would you care to talk on farm relief if we point out

✓ that you are not replying to Mr. Hoover?

THE PRESIDENT: Yes, I would just as soon do that. As a matter of fact what I was reading over when you came in were two things; first, the Soil Erosion Act of 1935 and, secondly, the statement I made and gave out on October 25 of this past year. I think probably the easiest thing to do is to read the statement of October 25th over, because that gives you a pretty good picture, a pretty good lead as to what the objective has been for a long time. In other words, this isn't anything new.

This statement of October 25th last year referred to the broad policy in relation to agricultural adjustment and of course on that I want to point out again that adjustment does not mean only adjustment downward, it means adjustment upward as well. If a man takes a quarter of his acreage out of one crop and puts it in another crop, he is adjusting one crop downward and adjusting another crop upward. It is an adjustment that is both ways.

I said there were two points and, mind you, this was away back in October.

The first was to carry out the gains already made, thereby avoiding the danger of a slump back into the conditions brought about by our national neglect of agriculture. Secondly, to broaden present adjustment operations so as to give farmers increasing incentives for conservation and efficient use of the nation's soil resources. (Reading)

"The time may come when the Triple A will prove as important in stimulating certain kinds of production as it has been in removing recent burdensome surpluses.

"Tens of millions of acres have been abandoned because of erosion. This jeopardizes both consumer and producer. Real damage to the consumer does not result from moderate increases

in food prices but from collapse of farm income so drastic as to compel ruthless depletion of soil. That is the real menace to the nation's future food supply and has caused farmers to lose their homes. It has hastened the spread of tenancy. It lies at the root of many serious economic and social problems besetting agriculture.

"Already the adjustment programs have made important gains in conservation and restoration of soil fertility. Many millions of acres which farmers have signed contracts to divert from surplus production" --

this, of course, was when the contracts were legal --

"are being devoted to legumes, pastures, hay and other crops which fertilize the soil and protect it from blowing and washing away

"The long-time and more permanent adjustment program will provide positive incentives for soil conservation."

And then I spoke of the more simplified and more flexible program of the future and how it can serve to iron out the succession of extreme market gluts and shortages which in the past have wrecked the structure. And I said further, "I can think of nothing more important to the permanent welfare of the nation than long-time agricultural adjustment carried out along these lines."

That was true last October and it is true today with the exception of the contract method of soil conservation.

The Soil Conservation Act seems to point a way to carry out the broad purposes so we are proceeding on that theory.

Q Does that not also contain a contract method?

THE PRESIDENT: No.

Q Doesn't that permit the Government to lease land?

THE PRESIDENT: Yes.

Q And thereby withdraw it from production?

THE PRESIDENT: The bill says at the beginning,



"It is hereby recognized that the wastage of soil and moisture resources of farm, grazing and forest lands resulting from soil erosion is a wastage of national welfare, etc. The Secretary of Agriculture is authorized to conduct surveys relating to the character of soil erosion, the preventive measures needed, to carry out preventive methods, including but not limited to engineering methods, changes in use of land, to cooperate and enter into agreements with and to furnish financial or other aid to any agency, Government or otherwise, or any person subject to the conditions necessary, to acquire lands or rights or interests therein by purchase, gift, condemnation or otherwise, whenever necessary for the purposes of the act."

The rest is administration.

Q That mentions an agreement. That is out, isn't it, under the AAA decision? You can't have conditions?

THE PRESIDENT: That I don't know. I don't think that has been checked.

It can be done by lease.

Q Does the present statute provide you with sufficiently broad legislative --

THE PRESIDENT: (interposing) It may be necessary to amend very slightly to clarify one or two of the provisions. It would be a very simple amendment.

Q How do you raise the money for this?

THE PRESIDENT: That we haven't got anything on as yet.

Q Do you propose to amend the Act to provide for additional payments to farmers?

THE PRESIDENT: You mean this Act?

Q Yes.

THE PRESIDENT: As I said, very, very slight amendments.

Q If you lease the land from the farmer and thereby withdraw production, the rental money you pay to the farmer would be about the same thing as the benefit payment under the AAA?

THE PRESIDENT: That would depend entirely on the character of the land. It would not be in every case.



Q Any estimate of the cost of this program?

THE PRESIDENT: No.

Q In case a man had any submarginal land on his farm at all, this would not give you the means for leasing it?

THE PRESIDENT: Yes, but his land might be running out. It might not be submarginal today, but it might be tomorrow.

Q Or some time in the future?

THE PRESIDENT: Yes. One of the things that needs clarification, speaking about amendments: Obviously the purpose of this, although it is not entirely clear, is to prevent the loss of soil fertility. Now, of course, very few of you know anything about farming (laughter) but you can imagine perfectly well a field -- let us bring it down to a field -- where there isn't erosion in the sense that the soil is running off of the field into the creek. In other words, it is not something that when it dries or when it is deposited when the water stops perhaps a mile down, you can pick up in your hand. Nevertheless, that same field may be having a condition where the chemicals in the soil are being carried away. You can't pick up those chemicals in your hand. So, soil erosion, when you come down to a matter of actual fact, may be in one of two forms, the tangible thing that you can pick up in your hand, such as a handful of mud, or it may be the chemicals that are being washed out of the land. For instance, you take Hyde Park: It is an entirely different proposition from down in Georgia. In Georgia Warm Springs the soil itself actually washes off the cultivated fields and eventually you get these great furrows, gullies. At Hyde Park we don't get any gullies except on some of the higher hills. But if I don't rotate crops at Hyde Park, if I keep on

planting corn year after year in the same field, after a while I don't get any corn crop. There are two causes, the first being that the corn itself takes the minerals out of the soil, and the second is that when that land is never put back into pasture, the chemicals in that particular field run off with the rains. That does not make a gully because chemicals are almost intangible; you cannot pick them up in your hand.

That is one of the questions with respect to this Bill, whether it is clearly enough stated that soil erosion is not limited to the physical running off of the soil in the form of ground. Is that clear?

Q On the other basis of interpretation, there would be erosion on every farm in the country.

THE PRESIDENT: Yes, possible erosion.

Q Wouldn't it be actual, because you can't keep growing the same crop on any land without having it deteriorate?

THE PRESIDENT: That is perfectly true.

Q As a practical proposition, who will determine, and how, what land is eroding and what is running away?

THE PRESIDENT: Oh, the same people who are doing it now, the county agents helped by the state colleges of agriculture. Put the entire system under the Department of Agriculture.

Q Would you care to state whether you believe this program would be better in the long run than the original AAA?

THE PRESIDENT: If you read the October 25th statement you will see that this is carrying out what AAA started to do, which was supplemented by the Soil Erosion Act. That is nothing new; no new policy. It is carrying out what we started two years ago.

Q Have you any estimate of the number of acres of crop land which will be taken out of commercial production?

THE PRESIDENT: Probably not take any. In other words, as I said before, if you have a hundred acres all planted to one thing and if you take twenty-five acres and devote it to something else, that does not take it out of production. If you put a field into pasture it does not take it out of commercial production.

Q With the exception of these minor amendments to the Soil Erosion Act, you do not expect to ask for legislation on the subject?

THE PRESIDENT: On the farm end of it. I am not talking about the tax end. That is a different thing. I think we can probably get by with these small amendments and with appropriations.

Q You will have to ask for new taxes?

THE PRESIDENT: That is an entirely different subject.

Q Do you agree that the eleven and a half billion of new financing will jeopardize the bond market?

THE PRESIDENT: Nothing on the controversy on the Hill.

Q No idea of production control in this new conservation act?

THE PRESIDENT: It is not a production control question. It is a question of working for a well rounded agricultural development for the nation.

Q Are you considering a suggestion that came from the Hill to tax the processors for the amount they have paid so far, tax them to get that money?

THE PRESIDENT: Was that in the paper this morning. I haven't read it.

MR. STORM: Thank you. Everybody is stymied. (Laughter)



## CONFIDENTIAL

Press Conference #268,  
Executive Offices of the White House,  
January 21, 1936, 4.05 P.M.

Q We could do with a little of Miami, Mr. President, with all this ice and snow.

THE PRESIDENT: Yes. Gosh, it would be good to get down there. The only thing Mac (Mr. McIntyre) wants is to get down there before the track closes.

Q Are we going to make Miami this year?

THE PRESIDENT: I hope so.

MR. DONALDSON: All in.

THE PRESIDENT: This whispered consultation in the front row is strictly private. The people want to know when the race track closes in Miami and when we go down there.

Q How about it, Mr. President?

THE PRESIDENT: I hope so.

I do not think there is any news today.

Q Can you make any statement on the conference of farm leaders, just closed?

THE PRESIDENT: Just continuing. We hope there will be a bill in the next two or three days. That you will have to find out from the insiders.

Q Did you say two or three days?

THE PRESIDENT: Yes.

Q Mr. President, can you tell us whether you discussed the question of the retroactive processing tax?

THE PRESIDENT: No, we were talking about the other end of it today.

Q You did not discuss that?

THE PRESIDENT: No.



[principle]

Q Do you plan to have the declaration of principal and policy in the Soil Conservation Act broadened?

THE PRESIDENT: You will have to find that out from the gentleman on the Hill who introduced the bill.

Q I wonder if we could ask one more question on that line: Did the discussion include the domestic allotment plan as provided in the original Bankhead Bill?

THE PRESIDENT: I think you will still have to ask them on the Hill.

Q Did you discuss the Supreme Court decision on the refunding of taxes?

THE PRESIDENT: Only very briefly, the implications of the motion on Monday and its effect on the case of Bailey vs. George, which you will have to look up because I am not going to discuss constitutional questions without the Attorney General present.

Q Did you reach any conclusion on the implications?

THE PRESIDENT: No, just discussing the implications of the apparent reversal of Bailey vs. George which, incidentally, also concerns Section 3224 of the Act of 1867, which is of very great importance.

Q Mr. President, one question on that, in that connection: Isn't it a fact that in the MacArdle, or preceding the MacArdle case, Congress actually asserted its authority to restrict the jurisdiction of the Court?

THE PRESIDENT: That was the 1867 statute I was referring to.

Q Then Congress can restrict the authority of the Supreme Court?

THE PRESIDENT: You will have to read Bailey vs. George where, apparently, the right of Congress was upheld and, apparently, this last decision reverses Bailey vs. George.

Q May I ask whether you have seen the California Law Review for, I believe, last September, which discusses a number of similar cases?

THE PRESIDENT: No.

Q Do you recall old man Bailey's initials?

THE PRESIDENT: Yes. The Bailey concerned was Josiah Bailey himself, but the George concerned was not Walter George -- what George it was, I do not know.

Q Can you tell us what you discussed with Chairman Prall of the Communications Commission yesterday?

THE PRESIDENT: I did not see him.

Q He did not come over?

THE PRESIDENT: No.

Q Can you tell us if you will support the recommendation of Coordinator Eastman for a five-year extension of his office?

THE PRESIDENT: I have not had that.

Q His report was made to you and to the Congress?

THE PRESIDENT: I have not seen it yet.

Q You could not say --

THE PRESIDENT: (interposing) No; I have to see it.

Q Can you tell us when the nominations for the Federal Reserve Board will go up?

THE PRESIDENT: Within the next couple of days, I hope.

Q There is a report that Joseph Carney, of Boston, would be one member?

THE PRESIDENT: There were fifty-seven.

Q It is a pretty good guess to say that Joe Broderick will be one?

THE PRESIDENT: That is one of fifty-seven. I counted them.

Q Can you tell us if Congressional leaders and leaders elsewhere are in agreement on the situation to be solved by the Soil Conservation Act?

THE PRESIDENT: I think so.

Q Can I ask another question on the constitutionality? I wonder whether you care to comment on your reference to Congress having the right to and being able to find a way, whether that is an indication that you hold with Teddy Roosevelt and --

THE PRESIDENT: (interposing) That question was asked two weeks ago and there wasn't any answer.

Q Do you care to comment on the Bonus Bill?

THE PRESIDENT: No.

Q Thank you, Mr. President.

THE PRESIDENT: I wish I could think of something else. It is very dull.

## CONFIDENTIAL

Press Conference #269,  
Executive Offices of the White House,  
January 24, 1936, 10.40 A.M.

Q We got the Passamaquoddy philosopher back with us.

Q (Miss Craig) I will never live that down.

THE PRESIDENT: They call them smoked herrings up there, all the old gang that sits around the grocery store in Welch Pool. The name of that gang was "Smoked Herrings."

Q Where was that?

THE PRESIDENT: Campobello.

MR. DONALDSON: All in.

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

Q Mr. President, the stock market has been going up in the last couple of days, apparently on the strength of reports that a silver re-valuation policy is about to be announced. Anything you can tell us on that?

THE PRESIDENT: Do you want a real tip, Fred?

Q (Mr. Storm) Yes, sir.

THE PRESIDENT: Keep out of it.

Q In other words, there won't be any new policy?

THE PRESIDENT: I have nothing to say on it at all. You can say I never heard of it. It is just another one of those things, as they say.

Q Any decision been reached on taxes for the soil conservation program?

THE PRESIDENT: No; still studying it.

Q Any general ideas on it?



THE PRESIDENT: No.

Q It appears from this morning's paper that the Senate Subcommittee on agriculture held the new agricultural plan unconstitutional.

THE PRESIDENT: It depended on which paper you read.

Q I read several.

THE PRESIDENT: They all had different stories. I was very careful to note it, therefore I cannot comment on it.

Q Are you going up on the Hill in the next few days? (Laughter)

THE PRESIDENT: I thought I might take a drive Sunday afternoon.

Q When may we expect action on the bonus?

THE PRESIDENT: That I cannot tell you; in other words, I won't tell you.

Q This week --

Q (interposing) Can you tell us whether you are going to sign or veto the bill?

THE PRESIDENT: No, Stevie (Mr. Stephenson).

Q Will you discuss Governor Davey's harmony visit yesterday?

THE PRESIDENT: No. He is coming to see me again today.

Q Another delegation with him?

(The President did not answer.)

Q Have you made a recommendation for the appointment to the Southern Ohio judgeship?

THE PRESIDENT: No, I have not yet.

Q How about the Federal Reserve?

THE PRESIDENT: The Federal Reserve appointments, I think, will go up on Monday. I can tell you they are all ready, except one. Six out of seven are ready and they would have gone up had the Senate

been in session. Six will go up on Monday, maybe seven; I do not know yet.

Q Is it the Tenth District appointment that has not been decided yet?

THE PRESIDENT: Oh, I couldn't tell you which one it is. And, by the way, there are twelve districts and only seven appointments, so we cannot cover all the twelve districts.

Q Mr. President, there is considerable talk on the Hill at the moment of extending the present Neutrality Act instead of attempting to get the new act through before the twenty-ninth of February. Can you tell us what the idea is?

THE PRESIDENT: Thank you for the information.

Q On silver, there is also some discussion up there that the Government is going to establish a free gold market, whatever that is. It sounds very good. (Laughter)

THE PRESIDENT: I think it sounds grand.

Q Yes, I am for it.

THE PRESIDENT: Can anybody go in and help themselves?

Q That is what it sounds like. (Laughter) Anything to that?

THE PRESIDENT: No, except I think we will be all glad to go into a free gold market and help ourselves, if it is really free. Is there any catch in it? (Laughter)

Q I am afraid so.

THE PRESIDENT: I am, too.

Q Mr. President, do you think the policies outlined in your October 29th (25th) statement can be carried out through grants to the states?

THE PRESIDENT: Let me see the October 29th (25th) statement. Yes, that is the one I had the other day. After all, we are talking about different things. You are talking about details of machinery and I am talking about the objective.

Q Do you think that objective can be reached through grants to the States?

THE PRESIDENT: As a way. There are five different ways to my certain knowledge. What I am looking for is the objective.

Q Do you care to comment on suggestions for State A.A.A.'s?

THE PRESIDENT: That was one of the newspaper stories this morning.

Q The guessing record is on a kind of low average today, Mr. President.

THE PRESIDENT: Yes, bad.

Q What do you regard as the objective in that case?

THE PRESIDENT: Well, you can put it as we stated it (in this statement of October 25th) or you can even use what I said up in New York as quotations from T.R. I would say, to so manage the physical land use in the United States that we will not only maintain soil fertility, but we will hand back to the next generation a country with better productive power and a greater permanency for land use than the one we inherited from the previous generation. That is the broad objective. We have got to go a long ways to catch up with the mistakes of the past so as to make the United States, as a whole, as productive as it was a hundred years ago.

Q May that be used in quotations?

THE PRESIDENT: I think so, if you will let me look it over.

Q Do you think those objectives can be reached without amendment to the Constitution?

THE PRESIDENT: I hope so.

Q The Senate Judiciary Committee has appointed a subcommittee to study proposed constitutional amendments. The chairman of that committee, Chairman Logan from Kentucky, has introduced his own proposed amendment. Have you read that?

THE PRESIDENT: When did they do that? Yesterday?

Q Yes, a subcommittee of five.

Q Is there anything going on we should know about in the field of currency stabilization or arrangements with England or France?

THE PRESIDENT: I do not think there is a thing going on at the present time. I do not think there is a single conversation or negotiation.

Q In that connection, we keep getting reports from New York that there may be a monetary statement over the week end. Do we need to look for one?

THE PRESIDENT: I think you had better take the same advice I gave you the other day. Keep out of it.

Q In Morgenthau's (Secretary Morgenthau's) testimony last week before the Senate Finance Committee, he was speaking of refinancing and new financing that might be necessary under certain circumstances. He mentioned a figure for relief of \$2,000,000,000, which, to my mind, was the first intimation that that would be the amount asked.

THE PRESIDENT: No. I think you will find, if you read all his testimony about it, that he was taking some kind of a figure to illus-



trate a general total rather than any specific figure. He kept within -- all he was intending to do was to keep within the amount which I gave, which to date has been appropriated for relief, and still leave us with a lower deficit the following fiscal year than this fiscal year. What was it? two billion, two hundred and something millions? There is no --

Q (interposing) He was following what you said in your Budget Press Conference.

THE PRESIDENT: Yes. There was no set, individual, particular figure because we won't make up our minds until sometime around the first of March at the earliest and, maybe, a little later. The more time we get on it, the better the information.

Q In your Budget discussion you recommended that the hundred-million-dollar use of custom revenues for farm subsidies be stricken out. Has the situation since the result of the Supreme Court modified your desire to take that out?

THE PRESIDENT: I think that was based on a matter of principle that we should not earmark specific revenues for specific purposes.

Q Mr. President, are you planning a single Public Works measure, or will the various items, such as rivers and harbors, be distributed among the different bills?

THE PRESIDENT: Rivers and harbors are in the Budget already. Practically all public works, in the usual sense of the term, are already in the Budget.

Q Mr. President, has the Bonus Bill come back again to the White House? It was sent over for study.

THE PRESIDENT: The Bonus Bill physically has never left the White

House and never does.

Q Have you your reports?

THE PRESIDENT: They are coming in.

Q Thank you.

Q You said you were going up Sunday? (Laughter)

Q You had better go up Saturday night.

THE PRESIDENT: That would be the time to go. No, I am doing something else Saturday night. (Laughter)

CONFIDENTIAL

Press Conference #270,  
Executive Offices of the White House,  
January 28, 1936, 4.10 P.M.

(Vice President Garner was present at this conference. He explained his presence by saying, "You came in so fast that I had no way to get out of here, so I will stay.")

MR. DONALDSON: All in.

THE PRESIDENT: The only news that I have is that the Vice President is here under duress. He tried to get out but he was too late, so I will use him to hide behind. I haven't any news at all.

Q Mr. President, in the light of recent developments, including the bonus and the invalidation of the processing tax, do you plan to submit a new tax proposal to the Congress this session?

THE PRESIDENT: There isn't any news. We are still studying the tax situation.

Q They seem to be waiting up there?

THE PRESIDENT: It is still being studied.

Q Does that mean it will be about March first before --

THE PRESIDENT: (interposing) I haven't any idea.

Q Your supplemental Budget estimate?

THE PRESIDENT: That is an entirely different thing. That will be the relief question and that will be as late as we can make it. It depends on the probable date of adjournment. My thought on relief was to send up the figures about a month before the probable adjournment of the session.

Q Mr. President, would you care to tell us something of your conversation with Commissioner Helvering on the Kansas situation?

THE PRESIDENT: We did not confer on the Kansas situation.

Q How soon and in what way will you make known your selection of the

California delegates to the convention?

THE PRESIDENT: I have no idea. It is still in very preliminary stages.

Q There were reports you might indicate by the end of this week --

THE PRESIDENT: (interposing) Oh, no.

Q Does that mean you will select the delegates?

THE PRESIDENT: I have no idea.

Q I wonder if you could tell us whether the Navy's action in boycotting the Eleventh American Women's Convention for National Defense --

THE PRESIDENT: (interposing) I never heard about it until three minutes ago when Steve (Mr. Early) showed me the headline in the paper. I can't comment on it.

Q You and the Vice President talking about the convention, by any chance?

THE PRESIDENT: No. No, sir. What an idea!

Q Would you care to say what you were talking about?

THE PRESIDENT: Talking about fishing and hunting.

Q In those clothes? (Laughter)

Q Did you discuss with the Vice President your proposed trip to Texas?

THE PRESIDENT: We haven't gotten to that but I think it is coming along pretty well.

Q What were you fishing and hunting? (Laughter)

THE PRESIDENT: That is the most pertinent and sensible question that has been asked for a long time in a Press Conference. It is all right.  
(Laughter)

Q Not for smoked herring? (Laughter)

Q Mr. President, have you given any consideration to the proposal to consolidate all the investigative agencies under the Treasury Department under one head?



THE PRESIDENT: I only just got it. There are a certain number of grave difficulties in the way. The objective is a sound one but it will take a great deal more study. For instance, there is one department, the Narcotics Bureau, which, under a treaty or under the general international agreement, is supposed to be a separate organization. Then there is another question in regard to the Internal Revenue Service. Part of their work is what might be called routine, and the other part of their work is investigatory in the sense that it would come under some kind of special investigation service. Probably those would have to be separated, so we are still studying. We have not come to any conclusion.

Q Anything new on housing?

THE PRESIDENT: Not a thing.

Q Can you tell us anything about plans to finance the thrift bonds?

THE PRESIDENT: You will have to ask the Treasury. On those thrift bonds, we had a long talk yesterday with the Commanders here just to get the record straight so that we will agree more or less on the dates. General Hines studied the thing carefully and he figures it will take between 2500 and 3000 people to do the computation and filling out of 28,000,000 or 38,000,000 different pieces of paper. There are 7,000,000 computations to be made alone, and working at top speed, with that staff, probably we will be able to get the first of the thrift bonds out about the first of July and it will then take between six and eight weeks to get them all out. The three National Commanders who were down here yesterday understand that delay and are explaining it to the veterans all over.

Q Mr. President, the newspapers report that Democratic leaders on the Hill are again pushing the Tydings-McCormack Bill. Can you comment on

that?

THE PRESIDENT: I have not heard anything about it. I do not think there is anything else.

Q Thank you, Mr. President.

## CONFIDENTIAL

Press Conference 271,  
Executive Offices of the White House,  
January 31, 1936, 10.40 A.M.

Q Good morning. Congratulations (on your birthday), Mr. President.

THE PRESIDENT: Thank you.

Q Did you have a good time last night?

THE PRESIDENT: Ask Steve (Mr. Early) if he had a good time.

Q We will put him on the spot.

THE PRESIDENT: Did you ever see a Cheshire cat? It can't do anything but smile.

Q Did he five-card them to death again?

THE PRESIDENT: Yes.

Q How is Louis (Mr. Howe)?

THE PRESIDENT: Fine, perfectly fine. He had a good time up there. If you want to borrow money, you know where to go.

Q If you need five or ten dollars.

Q At lunch today we will get it.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any particular news this morning.

Q Anything to say about the tax program?

THE PRESIDENT: No, it is in the study stage.

Q What taxes were you discussing yesterday?

THE PRESIDENT: Just the study stage.

Q Yesterday there were debates in the House over relief bills, both individual and the omnibus relief bills, and Taylor of Colorado said it was the fault of the House and the Senate and the President for approving these relief bills. One of the bills that came up was \$900,000. for the

International Sales Company which has been pending since Burt Cochran's time and it was passed the other day under unanimous consent. Have you any thoughts -- they said that the Budget could not be balanced as long as those bills were going through because there was no way to oversee them. Have you any news on that?

THE PRESIDENT: Of course it is difficult to have any general views because it would depend on the specific case. Of course the usual rule is for them to go to the Court of Claims and most of those private claims can be taken care of and are taken care of in the Court of Claims. But on most of the bills themselves, like this International Sales case, although I have never heard of it, probably there is some reason why they cannot go before the Court of Claims. Then, in the first instance, it is within the discretion of Congress to say whether that bar from the Court of Claims will be lowered so that they can go before the Court.

Most of the vetoes I make of these private bills, these claim bills, is because the Government's defense is taken away from it by the bill. That is just a rule-of-thumb thought. If there is some good reason in equity why they should go before the Court of Claims, so long as the Government's defense is not taken away from it, we would just as soon have them go to the Court of Claims.

Q Usually they went on the private calendar and one or two members could object. But now they bring in an omnibus claims bill and that enables an individual bill, which would not otherwise get through, to go through.

THE PRESIDENT: The general rule on an omnibus bill is that you do veto it if it contains a number of cases where the Government's defense is taken away.



Q There was a rule recently made whereby they can do that.

THE PRESIDENT: Most of them I have vetoed have been on individual claims bills.

Q Isn't that particular bill based on depreciation in Russian rubles?

THE PRESIDENT: Yes.

Q Would that be a claim for losses with respect to the dollars?

THE PRESIDENT: Yes, it might very easily because I do not know how many private claims there are.

Q In that case there would be about a hundred billion dollars involved in the claims. (Laughter)

Q Do you recall how many of those bills you have vetoed?

THE PRESIDENT: No, but there have been an awful lot of them.

Q Have you completed your study of the Ship Subsidy Bill?

THE PRESIDENT: No, not yet.

Q Will there have to be a tax bill?

THE PRESIDENT: Oh, yes.

Q About how much?

THE PRESIDENT: That I don't know. There is only one thing worth talking about with respect to taxes because the thing is really in the study stage. I cannot go into detail at all, except on one thing. Obviously if a farm bill goes through, it has to be paid for and it has to be paid for through substitute taxes. In other words, it does not make any difference whether the Supreme Court outlaws certain taxes or Congress repeals certain taxes. If you substitute new taxes to help the Treasury out to that extent, they are not, strictly speaking, new taxes. In other words, it is a nice, fine point of English which perhaps some people will get. A "new" tax has a connotation of an

"additional" tax. Now, if on the one hand you lop off, let us say, 500 million dollars of taxes and bring in a bill for 500 million dollars of additional taxes, that would be a billion dollars. Therefore, you see, "new" taxes is not, strictly speaking, the right word. "Substitute" taxes is more correct.

So, if this decision has lopped off about 500 million dollars of taxes or if Congress repeals 500 million dollars of taxes and you enacted another 500 million dollars to take the place of it, those latter taxes are not, strictly speaking, "new" taxes in the sense of the word. They are "substitute".

Q Will new taxes be necessary to pay the bonus?

THE PRESIDENT: You mean additional taxes?

Q Yes.

THE PRESIDENT: That is under study.

Q Representative Vinson thinks there will be \$2,000,000,000. available out of the \$5,000,000,000. appropriation fund for that.

THE PRESIDENT: You mean the \$4,000,000,000.?

Q Yes.

THE PRESIDENT: Why, no; that is all allocated.

Q If it has not been expended, what will happen to it?

THE PRESIDENT: Blocked, most of it.

Q Over what period will the financing of the sinking fund for the bonus be arranged? Ten years; twenty years?

THE PRESIDENT: Those are details we are still talking about.

Q Do you expect to send a Message up on revenue?

THE PRESIDENT: I do not know; we have not got to that stage yet.

Q Will you have to see how much is taken in cash? Will you have to wait

and see to what extent the veterans take this bonus in cash before you make up your mind?

THE PRESIDENT: No. We won't know that until July or August and we can't wait until then.

Q You say the relief money is allocated. Can we take it that you do not intend to use any relief money for paying the bonus?

THE PRESIDENT: I cannot; it is allocated. We cannot use it; otherwise some people will starve.

Q It has not been used?

THE PRESIDENT: The alternative is that we will take people off relief and let them starve. That is easy.

Q What type of taxes are you studying?

THE PRESIDENT: (no answer)

Q May I ask if you are in touch with the Pacific Coast Marine situation?

THE PRESIDENT: I talked with Perkins (Secretary Perkins) about it two days ago and have not talked to her since. I do not know the latest developments.

Q Are you taking any action in the coal situation in the Mid-West -- Governor Herring?

THE PRESIDENT: We got a telegram yesterday afternoon from Governor Herring and I think that was referred over.

Q It was referred where?

THE PRESIDENT: To Miss Perkins (Secretary Perkins).

Q Could you comment upon the communication from the Marines on the Coast, which I understand they sent to you, charging that the ship owners and their bankers are preparing to let loose considerable violence?

THE PRESIDENT: Only what I said. I talked it over with Miss Perkins two

days ago and not since.

Q Will you recommend passage of the Costigan Anti-lynching Bill?

THE PRESIDENT: No; that is pending legislation.

Q Have you settled on the last member of the Federal Reserve Board yet?

THE PRESIDENT: Not yet; probably not until next week.

Q Anything new on housing? Senator Wagner's speech last night in New York was taken to indicate that the Federal Government would abandon direct financing?

THE PRESIDENT: That is still very much in the study stage.

Q Will the payment of bonus to veterans who are on relief affect their relief status at all?

THE PRESIDENT: That is being studied too.

Q Are you enjoying the radio campaign lately?

THE PRESIDENT: No, but I was given a radio set last week and I think I will have to listen. You know I have never been much of a listener-in on the radio. However, I was given one last week.

Q Who gave it to you?

THE PRESIDENT: The whole gang.

Q Did they advise you to listen?

THE PRESIDENT: Yes, they thought I should hear more grand opera. (Laughter)

Q With Al Smith as the prima donna? (Laughter)

THE PRESIDENT: So I am tuning in tomorrow afternoon on the Metropolitan Opera House.

Q It happens to be "Carmen."

Q Thank you, Mr. President.