

CONFIDENTIAL
Press Conference #5
White House Executive Offices

March 22, 1933, 10.18 A.M.

THE PRESIDENT: I think, if you want to make a good guess on the next thing to go up to the Hill, while I cannot give you an exact date yet, it looks as if it will be the next one ready and that is the Farm Credit message and the Farm Credit Bill.

Q Message and bill both?

THE PRESIDENT: Message and bill both.

Q What form will that take?

THE PRESIDENT: And probably about the same time or right after it there will be similar legislation for the small home owners because the legislation for home owners' mortgages will be changed along the same general principles as relief for farm mortgages. We have not yet decided whether it will be approximately the same machinery or whether there will be two sets of machinery. We have not got to that detail as yet.

Q Is there going to be a reduction in interest in that?

THE PRESIDENT: Yes.

Q Have you decided the amount of the reduction?

THE PRESIDENT: No. I cannot give you any more details of it because it will spoil the story, except to say that

there are two main purposes. The first is to tie in to one or two central bodies the eight U. S. Farm Credit agencies that we now have and in that process we will be able to put the Farm Loan Banks on a sounder basis and probably clean up the mess that exists in the Joint Stock Loan Bank. And then the second feature will be the refinancing of farm mortgages at a lower rate of interest.

Q Longer terms?

THE PRESIDENT: Yes, longer terms.

Q That includes the mortgages on homes too, does it not?

THE PRESIDENT: Yes, the same principle.

Q Has a time been agreed upon as suitable for the amortization of farm loans and home loans?

THE PRESIDENT: What is that?

Q A time limit in which a farm loan can be amortized.

I heard some proposal of 30 or 40 years on farms and 15 years on homes?

THE PRESIDENT: I don't know; I have no idea.

Q How soon do you expect this message to be ready,

Mr. President?

THE PRESIDENT: It is hard to set any definite time.

Probably I will have the first draft by Friday.
It depends on how much we have to edit it before it goes up, but I should say it will probably be ready around the beginning of the week.

Q Will this include mortgages held by mortgage companies and land banks?

THE PRESIDENT: No; it would include mortgages held by other mortgagees, banks, savings banks and insurance companies.

Q How small a home will it be?

THE PRESIDENT: Frankly, I have not taken up the home end of it. This is being worked out by the Farm Credit people. All I can say on the home end of it is that the same principle will apply. I do not know the machinery.

Q Around \$8,000, wouldn't it be?

THE PRESIDENT: I don't know.

Q Is there a plan for the Government to take over the mortgages?

THE PRESIDENT: You are going into details.

Q It will require a great, big bond issue, will it not?

THE PRESIDENT: No.

Q Will you indicate whether there has been a scaling down of mortgage face values?

THE PRESIDENT: I think we are going too much into detail on the question of scaling down. We are working on the possibility of using something like the Canadian plan, but we have not got that worked out as yet.

Q Have you abandoned the idea of issuing a disarmament statement at the present time? We rather expected it today?

THE PRESIDENT: All I can tell you is that I have not talked about it since I talked to you last. Nothing has been abandoned.

Q Mr. President, have you had time in your busy days to consider the reorganization plan, now that it is in your hands?

THE PRESIDENT: I am talking to the Director of the Budget on various phases of it every day. That is about as far as we have gotten.

Q You will not get to it until after the emergency?

THE PRESIDENT: No.

Q Do you care to talk again of the insistent rumors being published that the recognition of Soviet Russia is around the corner?

THE PRESIDENT: I think you had better not take cognizance of it at all. We have done absolutely nothing about

it. Off the record, we have been so busy on other things.

Q When do you think you can put in the new pay-cut and reduce the veterans' pension under the Economy Act? How soon do you think you will do that?

THE PRESIDENT: As I remember it, orders have gone out not to take any more people into homes except emergency cases. Frankly I cannot answer the question definitely.

Q They are working on it now?

THE PRESIDENT: They are working on it now, and I imagine some classes will go into effect the first of April.

Off the record, the only thing I have done is to talk to Phil La Follette. He told me about his trip.

Q That is off the record?

THE PRESIDENT: That is off the record; you all know he talked to me (Laughter).

On the veterans thing, the Director of the Budget and the Veterans Administration are going to give a full opportunity to be heard to the various veteran organizations.

Q Will they put their cuts in the first of July rather than the first of April?

THE PRESIDENT: I could not tell you; I will have to ask the Director of the Budget first.

Q Can you give a line on the general legislative situation, and give us any estimate as to when you expect Congress to adjourn?

THE PRESIDENT: No.

Q Mr. President, would it be possible to make this consolidation of Farm Credit agencies subject to executive order? I mean, is legislation necessary for that?

THE PRESIDENT: No, we will have to have legislation. We cannot put through this whole mortgage relief plan without legislation.

Q Mr. President, would you care to comment on the unemployment relief bill and the statement that went up yesterday?

THE PRESIDENT: No, because I might seem to be answering Bill Green. I will tell you, if you will write it in such a way that it does not appear as an answer to Bill Green. You might take it just for background, if you want. In the first place, they all talk about military control and militarization, but that is just utter rubbish. The camps will be run just like those in any big project -- Boulder Dam or anything like that. Obviously, you have to have some form of policing. In

other words, you cannot allow a man in a dormitory to get up in the middle of the night and blow a bugle. (Laughter) You have got to have order -- just perfectly normal order, the same as you would have in any kind of a big job. That is so much for the military end.

Then, on the point of interference with work, there are two things I think which are worth pointing out. This is not competition, because these fellows have no chance to get a job at the present time and 250,000 men, as Arthur Brisbane pointed out this morning in his column, is a mere drop in the bucket. It is just a little step toward the relieving of 12 million people, but it is a practical step.

Then take the other point about competition. To be sure, they are to be paid only a dollar a day but it costs the Government another dollar a day to take care of them and, in the area in which most of these people will work and in which the work would be done, a \$2 a day wage for that type of work would probably be higher in a great many places than what labor is actually paid, or has been paid. You take down in the State of

Georgia where I know something about outdoor labor, even in 1929. In 1929 their pay was about \$1.50 or \$1.75 a day with no quarters, no food, no clothing. From that you will see that it is not so much out of line with the existing wage schedule for that type of work in those localities.

Of course, any skilled labor that is brought in from outside the ranks of those boys will be paid the normal rate for labor.

Q Tell us what means you will take to select the men who have the most dependents?

THE PRESIDENT: That is going to be handled by the Department of Labor and they will probably take the most worthy cases.

Also, I was asking Senator La Follette about the amendment that he got in the last session about the youngsters that are pounding the roads all over the country. The figures vary very much as to the total number, but probably those boys would be given a chance to go into those camps.

Q Will you make a preference of married men over single men or is there --

THE PRESIDENT: Not necessarily, no.

Q There is indicated an enrollment for a period of one year. Will a man be able to get away -- out of the service -- if he gets a better job?

THE PRESIDENT: The whole thing is put in regulations to be issued by the President. The only object of specifying the period is to keep people from dropping out on Monday and coming back on Thursday. In other words, we do not want people wandering in and out -- working one day and not working the next day. In the actual working out of the regulations, if anybody wants to go home because they have got a job or because the wife is sick, they will be given permission to leave. In other words, it will be run on a common sense basis. The purpose of the word "year" in the bill was merely to state some period of time so that there would be continuous employment. It could be made six months or three months or any other period.

Q Don't you want to take that common sense basis out of the category of background?

THE PRESIDENT: That is all right, you can use it.

Q Mr. President, are we going to get beer today?

THE PRESIDENT: Yes, sir; I have had Steve arrange for it in the Cabinet Room (Laughter). The only thing I

said was "no conversation -- just action".

Q How about a Presidential proclamation to make April 7 a National holiday? (Laughter)

THE PRESIDENT: That won't go so well down in Alabama.

Q Mr. President, what will be the status or will you inquire from the Attorney General about those men in the Federal prisons?

THE PRESIDENT: I sent a chit over to the Attorney General late last night to ask him what he thought about it.

Q You sent what over, Mr. President (Laughter)?

THE PRESIDENT: I am using the chit system which I invented in the Navy Department. They are these little slips -- I use them. If I want to inquire about something from the Secretary of War or any one of the Cabinet officers I just send one of these things over written in longhand.

Q Have you got it in mind to release those men?

THE PRESIDENT: No, I read about it in the paper and just asked him to let me know about it.

Q If you would keep a carbon of those chits and send them out to the Press Room, it might be interesting. (Laughter) Does that refer to all Prohibition cases or just those involved with respect to beer?

THE PRESIDENT: I enclosed the clipping which only mentioned beer.

Q What paper was that from?

THE PRESIDENT: I think it was from the Washington Herald, but I am not certain.

Q How is your railroad program coming along?

THE PRESIDENT: I think probably we ought to get something on that within a week or ten days.

Q Is it in final and definite shape?

THE PRESIDENT: No, they are still in the discussing stage. I don't think anything has been put down on paper as yet.

Q Is Ambassador Davis going to join the Peace Club?

The Peace Club is a new invention at Geneva -- Italy, France, Great Britain and Germany are members. Is he going to join that club?

THE PRESIDENT: What are the dues? (Laughter).

Q Well, for us it might be very high. (Laughter)

Q Mr. President, are you taking any part in the plans for the approaching Oil Conference to be held by the Secretary of the Interior with the Governors of the Western States?

THE PRESIDENT: He told me about it. We discussed it. I think it would be more in the nature of a round-table

conference to talk things over.

Q Is it still planned for the Attorney General to go to the Philippines?

THE PRESIDENT: I cannot tell you anything on that yet -- it is premature.

MR. YOUNG: Thank you.

CONFIDENTIAL
Press Conference #6
At the Executive Offices of the White House

March 24, 1933, 4.08 P.M.

THE PRESIDENT: I don't think I have anything I can think of today.

This is just for your information and I suppose you could use it as background. Is this all right to use, Steve?

MR. EARLY: Yes, sir; not for quotation but all right to use as background.

THE PRESIDENT: Not for quotation in any way but just for your information. The question came up about the newspapers accepting and publishing the advertising for beer, right away before the seventh of April. It presented a very nice constitutional point, and the Department of Justice proposes to take a reasonable view of the situation. In other words, that advertising in good faith which is apparent on its face as relating to sales to be made only after April 7 would not be prosecuted. And the Press should be careful to see that there are no violations of the law before the seventh of April. (Laughter) But, if they are honest, anticipatory advertisements dealing with transactions that

would be legal when the time comes, the Department of Justice will not worry very much about them. That is what Homer Cummings has ruled. Moreover, the new law itself authorizes the issuance of preliminary licenses which are not good until the time comes, as well as other preliminary steps of an equally innocent character. This ruling is to the effect that advertisements are comparatively innocent in the same way.

Q Has there been any progress made in working out a plan dealing with municipal indebtedness?

THE PRESIDENT: No.

Q There has been quite a little discussion of it, Mr. President?

THE PRESIDENT: Off the record, we haven't got anywhere on it.

Q Can you tell us something about the status of the Farm Mortgage Bill?

THE PRESIDENT: No, I cannot tell you, although I can tell you what the difficulty is. Now this is just background. As far as we have got now, we haven't the bill down to a low enough interest rate. On the other hand, if we do bring it down to the low interest rate to the mortgagor which we desire, it is going

to make it somewhat difficult to maintain the proposed bonds of the Federal Land Banks at par because the lower the interest, the more tendency there will be to sell the bonds below par, particularly if any of them were thrown on the market. That is the problem which we have not yet solved. I don't know what we are going to do about it.

Q You think you will have the bill by next week?

THE PRESIDENT: Yes.

Q Can you give us anything about the details of the railroad program?

THE PRESIDENT: No, that won't be ready until the end of the week.

Q The House Committee reported out the bill on railroad recapture and holding companies. Do you regard that as part of the program?

THE PRESIDENT: That was approved by the ICC and I told the House Committee that while I had not read the bills, I thought the position of the ICC with respect to the principles of the bill is okay -- as to both bills.

Q Is there any new situation in relation to the foreign debts?

THE PRESIDENT: Nothing at all.

Q Is there any immediate prospect of the removal of limitations on gold exports?

THE PRESIDENT: Not that I know of. You will have to ask the expert who has been working on the gold export problem. I don't know how far he has got.

Q Both the Secretary of War and the Secretary of Navy say they will have to ask you as to whether the Army and the Navy is going to get beer after April 7. Can you tell us your idea on that?

THE PRESIDENT: That is a new one. I would like a little time to think that over.

Q It is not intoxicating. They have expressed their own opinions off the record that they are very favorable (Laughter).

Q Do you expect to issue an order consolidating the Farm Credit organizations?

THE PRESIDENT: Do what?

Q Do you expect to issue an executive order consolidating the Farm Credit bureaus in the Government?

THE PRESIDENT: No, we put that aside until we could get the general Farm Credit Bill finished.

Q Does the general Farm Credit Bill involve the 2 billion dollar bond issue as has been reported?

THE PRESIDENT: No human being can give the faintest idea of how much will be taken up. You cannot call it a 2 billion dollar bill or a 3 billion dollar bill. Nobody knows how many mortgagors will take advantage. Frankly we have not got to that yet, but it won't be anything like 30 billion -- I am quite sure of that.

Q What interest rate are you looking for now?

THE PRESIDENT: I think I had better not tell you as yet. We are trying to get it down.

Q Can you tell us where the money is coming from to finance these bills?

THE PRESIDENT: We are not ready for that. That is part of the question as to whether the farm banks -- the land banks -- would sell these bonds and actually turn over the money to the mortgagees or whether they would turn bonds themselves over to the mortgagees. It might be either or both.

Q Mr. President, at the Press Conference this morning, Secretary Hull said that in his own opinion he saw no reason why this country should not include France in the conversations on the economic conference before any settlement of debts was reached, but he did not know your views on the matter?

THE PRESIDENT: I think I would hold those same views. I see no reason why we should not talk to France on it.

Q How about balancing the budget?

THE PRESIDENT: I worked on it last night until midnight.

Q Suppose you have two billions for this Farm Mortgage and Reforestation?

THE PRESIDENT: That would not have anything to do with the budget.

Q On the Farm Mortgage plan, do you plan to issue Federal Farm Loan Bonds or something of that kind, issued by the Farm Land Bank?

THE PRESIDENT: Yes.

Q What would be the life of those bonds?

THE PRESIDENT: That I do not know.

Q Very long?

THE PRESIDENT: Long-term -- 30 or 40 years.

Q Will you be classing home mortgages in the same class?

THE PRESIDENT: Actually we have not discussed home mortgages because obviously the same principle will apply to home mortgages. In other words, when we get the details and the principles set up for farm mortgages, the same sort of thing would apply to the home

mortgages. On Wednesday I said I did not know whether to include them in the same organization or to set up different organizations.

Q Have you any figures on the number of people who would take advantage of these mortgages?

THE PRESIDENT: It is purely guess work. No human being knows. You will remember when we authorized two weeks ago the issuance of this new currency, people thought that six, seven, eight billion dollars of new currency would be necessary. Actually I think 200 or 300 million dollars has gone out.

Q Are you going to sign the Currency Bill soon?

THE PRESIDENT: I don't know. I have not the faintest idea.

Q Have any organizations asked you to act in any way in connection with the reported persecution of the Jews over in Germany by the Hitler Government?

THE PRESIDENT: I think a good many of those have come in. They were all sent over to the Secretary of State.

Q Is there any indication as when the schedule of reductions in veterans' compensations will be out -- as to how soon?

THE PRESIDENT: They are going to give an opportunity to the veterans to appear and go over them first. I

suppose it will be the first of April; in other words, within a week.

Q How about Government reorganization. Is that likely to come along?

THE PRESIDENT: All I can say is that they are reporting progress.

Q What conclusion did you reach at midnight last night on balancing the budget. Does it look good?

THE PRESIDENT: I cannot give you anything there except really off the record because I am not ready to talk on it yet. But, entirely off the record, we have been checking up on the Treasury income and we are trying to be absolutely hard-boiled about it. We feel -- Lew Douglas and I -- that the previous estimates that the Treasury had made are pretty high. In other words, the income will actually be a great deal less than the last Treasury estimate that was made in February.

Q I have not paid my tax yet.

THE PRESIDENT: And we probably will adopt the attitude of telling the truth and not trying to color the picture at all.

Q The fixed charges on those bonds, those 2 billion dollars of mortgage bonds, are they to be charged against the budget?

THE PRESIDENT: Interest might be charged, but probably there will be very little possibility of it amounting to anything much in the way of an actual charge.

Q We were told that there might be a saving in the Government expenditures of 800 million dollars or more?

THE PRESIDENT: I am not ready to give you anything, even off the record.

Q Is the bill that Mr. Doughton has introduced in the House, calling for a continuation of the gasoline tax, etc., an Administration Bill?

THE PRESIDENT: I don't know about it; I never heard of it.

Q Have you had any reports from the Treasury on the improvement in the Federal Reserve banking position last week?

THE PRESIDENT: No, only what came out yesterday morning with reference to the close of business on Wednesday. That is the only thing I have seen.

Q Mr. President, may I have a little financial instruction? There is a good deal of confusion. The first three moves were obviously of a deflationary character and now it seems as though there is a bill,

like the Agricultural Bill, which would put back into service more employees than had been eliminated. It looks as if this is contradictory to what was done the first week. Can you tell us how that rule works out?

THE PRESIDENT: I think your premise is wrong. I do not think it will put back into service more employees than are taken out. The operation, as far as the Secretary of Agriculture and I have worked on it, will be done largely through local machinery. We will have to have some key men in, obviously, but it is not going to flood the Federal service with a large number of additional employees. It will not be a repetition --

Q I based that largely on what Senator Norris is supposed to have said.

THE PRESIDENT: I don't think so. We will largely use existing local machinery, such as Farm Bureau Agents.

Q Pursuing that a little further, about the financing: What you have tried to save by the first acts, won't that be more than offset by the bond issues?

THE PRESIDENT: Bond issues do not increase the budget, necessarily.

Q It increases the load that must be carried?

THE PRESIDENT: No, not necessarily. For instance, on these farm bonds, if the thing were to work out 100% it would not increase the load on the Treasury, even though it might run to two or three billion dollars. It is the same way with the Home Loan bonds.

Q It is largely a matter of method, whether these things are included in the budget or set aside as a separate charge?

THE PRESIDENT: Let me give you a concrete example: Suppose the Farm Land Bank takes over a mortgage and gives bonds for that mortgage. There has to be a Government guarantee for the interest on those bonds, but it does not matter when the guarantee would have to be put into effect at all. So long as the interest is paid by the mortgagor to the Federal Land Bank, there is no charge on the U. S. Treasury. In other words it might very possibly, through a failure of the system outlined, create a charge but not by any means of necessity.

Q What about the 500 million dollar loan for direct relief and the money for the Public Works program?

THE PRESIDENT: Whatever is passed away -- 200 or 300 or 500 million dollars for direct relief, that is a

direct charge. There is no question about it.

That is a direct charge but we have ^{not}~~not~~ to keep ^{* RL, 9/23/55} people from starving and it is done on that basis.

It is an emergency measure.

Q But the Public Works program could be spread out over fifty years?

THE PRESIDENT: Yes, that is a bond proposition.

Q There is some interpretation placed on the unemployment bill now pending in Congress to the effect that it is broad enough to include work of any other kind than Reforestation as you suggested last week, such as, say River Improvement or Road Improvement. Is there any intention to include other than Reforestation?

THE PRESIDENT: No. It is meant to come within the scope of land use and that does not mean building any roads under the Federal Highway Improvement Plan. It might include roads going up to the middle of the forest; it might include trails, but that has nothing to do with the Road Building Plan of the Government.

Q All over the United States?

THE PRESIDENT: Yes.

Q With reference to the budget: Is it fair to ask whether it will be possible to balance it in any particular year?

THE PRESIDENT: There again you have to go into a long detailed explanation of what you mean. What do you mean, "balance the budget"? Do you mean balance the budget on expenditures or balance the budget in relation to the normal expenditures of the regular Government operation.

Q That is taken care of by bond issues?

THE PRESIDENT: Yes, it depends entirely on how you define the term, "balance the budget." What we are trying to do is to have the expenditures of the Government reduced, or, in other words, to have the normal regular Government operations balanced and not only balanced, but to have some left over to start paying the debt. On the other hand, is it fair to put into that part of the budget expenditures that relate to keeping human beings from starving in this emergency. I should say probably not.

Q That might be taken care of in the bond issue?

THE PRESIDENT: Yes, that might be taken care of in the bond issue. It is very important to differentiate between normal running expenses of the Government and emergencies. For instance, suppose the City of New York was destroyed overnight by an earthquake

and you had a loss of seven million lives and a great many billions of dollars of property. Should the reconstruction of the city and the relief of the relatives of seven million people killed -- should that come out of the ordinary running expenses of the Government? That is an extreme case, but it illustrates the point. You cannot let people starve, but this starvation crisis is not an annually recurring charge.

I think that is the easiest way of illustrating what we are trying to do in regard to balancing the budget. I think we will balance the budget as far as the ordinary running expenses of the Government go.

Q Do you still regard these relief funds as loans to States?

THE PRESIDENT: No. If any State or municipality proves that it has done everything that it could do and is incapable of doing more, then there is an obligation on the part of the Federal Government to give the balance that is necessary to prevent starvation. Now, up to the present time we have regarded that as a loan. There are a great many States that will

have to have aid this coming summer and winter, and we know perfectly well that they will never be able to repay that aid. Why not look the facts in the face and instead of calling it a loan, when we all know it won't be repaid, why not call it a grant, because that is what it is? We should be honest about it.

Q Do you think that is a definite charge against the budget?

THE PRESIDENT: Or against bonds; that would come under bonds.

Q May I put in an "if" question? If, as the wire reports say, a Milwaukee brewery sends you the first two cases of beer, will you accept it?

THE PRESIDENT: That is an "if" question. (Laughter)
Off the record, strictly off the record, I will have to ask my wife.

Q We know the answer. (Laughter)

Q Thank you, Mr. President.

CONFIDENTIAL.

Press Conference #7

White House Executive Offices,
March 29th, 1933, 10.28 A.M.

Q What type of organization are you going to set up to mobilize the unemployed on this forestation program?

THE PRESIDENT: I cannot tell you anything definite yet. Probably I will have to have somebody to act as director of the whole works, but that means, of course, that he will have to work through existing Federal agencies. For instance, on the initial enrollment, it will be the Department of Labor plus Army facilities, such as trucks and things like that. Then the actual taking in of the men to camp and maintaining them at camp will be an Army feature and the actual work supervision - the supervision of the work will be either an Interior problem or an Agriculture problem, one or the other.

Q Or both.

THE PRESIDENT: Or both.

Q Will that mean concentration camps?

THE PRESIDENT: Do not use that word. It sounds too much like that which some of us older people remember as used in the Cuban episode of 1907 and 1908. I do not know what you could call them. They are merely way-stations to be used on the way to the camps, at which the boys will be properly treated, outfitted and given a complete medical examination. That is about all.

Q Why not call them cantonments?

THE PRESIDENT: Well, a cantonment has a more permanent sound. I hope that we can keep them there just as short a time as possible. The

Army, in talking in a preliminary way, says two weeks. I think that is much too long. I think we could keep them in camp a maximum of one week, which would be quite enough. It saves money to keep them out on the job as long as we can.

Q How soon do you think we can get them out, Mr. President?

THE PRESIDENT: I should think we can get the first people enrolled within two weeks after the passage of the bill. That means they probably could not get to camp until three weeks. Of course, we cannot start off with 250,000 at one time. That will take quite a while.

Q What is new, Mr. President?

THE PRESIDENT: I have something about the Securities Bill today. I dictated the message just before I left the White House and it has not gone up yet. There are copies out there. The general idea is that it does provide publicity rather than any guaranty to the investing public. What we want to avoid is having the public think that an issue of securities which has been filed, or the facts on which have been filed with the Department, and where a license has been issued, is necessarily a good investment. Of course, that is not so at all.

Well, the simplest example is this: If a company is organized to develop a gold mine and they have got what they and the engineers honestly believe to be a perfectly good speculation and it is not over-capitalized, there is no reason why they should not get a license to operate provided it is said to the public that it is, like most gold mining operations, a speculative venture. Of course,

it must be started in good faith. In other words, what we are trying to do is to get the kind of publicity information as to each issue before the investing public so that, if they then invest, they will know at least that the representations that have been made to them are true.

What I am saying to Congress in the message - I don't suppose you will use any of this before it actually goes to Congress - is that it applies the new doctrine of caveat **vendor** in place of the old doctrine of caveat emptor. In other words, "let the seller beware as well as the buyer." In other words, there is a definite, positive burden on the seller for the first time to tell the truth.

Q You speak of licensing arrangements. Who will govern that?

THE PRESIDENT: You will have to read the bill because it is thirty pages long. I tried to cut it down but found it impossible.

Q Will we have to get it here or up at Congress?

THE PRESIDENT: There is one copy here and two copies there. You will have to wait until they are printed. Steve, see if you cannot get a **force**, get hold of that bill and try to make a short summary of it.

MR. EARLY: It is 35 pages long.

Q Try to put it in 100 words. (Laughter)

THE PRESIDENT: Can you put it in 100 words, Steve?

MR. EARLY: It is very technical. There is one copy of it here and that has got to go with the message.

THE PRESIDENT: I think there are two up there already. Huston Thompson took two up yesterday.

Q Does this bill complete the program or is there more to come?

THE PRESIDENT: What we are trying to do, among other things, is to carry out the Democratic platform and the big objective is to restore the old idea that a person who uses other people's money is doing so in a fiduciary capacity. That applies whether he is a dealer in new securities or whether he is a dealer in old securities. The same thing applies to commodities. In other words, a person who works in an exchange, either stock or commodity exchange, is acting as the agent for other people so that he is acting in a fiduciary capacity.

This particular message only takes up one phase and that is the issuing of new securities. Then the other phases might be described. You can say that there are three other phases: The first is the regulation or supervision - you had better call it the latter - of the buying and selling of securities and commodities. That we are not ready on. We are working on it and it will probably take another week or ten days. Of course, there are all sorts of complications and I think the Fletcher committee is also working on that phase of it. They may have to do some more looking into the problems and analyzing them from the standpoint of the information they are gathering through the hearings.

Then the third phase would relate to the fiduciary position of directors and officers of corporations and their subsidiaries. That would be just to restore the old -- I was going to say the old Biblical rule, but I don't think they had corporations in

those days, but it amounts to that. The idea is that they are trustees for the stockholders.

The fourth phase primarily relates to banking. That takes up the question of affiliates and the separation of investment buying and selling from banking and separation of commercial banking from trust banking, and it also covers the matter of private banking affairs, bringing them in under the same rule that governs public banks and things of that kind.

Well, we are working on all that and we are not ready yet; it will take another ten days.

Q Is it contemplated, do you know, to force the exchanges to incorporate?

THE PRESIDENT: I don't know. I have not had any conference on that.

Q I notice one of the papers hinted that Samuel Untermyer was commissioned by you to draw up --

THE PRESIDENT: He has been working two or three months but, for that matter, half a dozen people have been doing that.

Q Do you propose to put this whole program before this session of Congress?

THE PRESIDENT: It might take too long on part of it to get it all in. It is a very complicated thing.

Q I wonder if you are in a position to say now what you are going to do about the public building program.

THE PRESIDENT: That will not come up until after the departmental savings are taken up. I will probably have a story for you on that by the end of the week. In other words, the immediate

savings fall, roughly, under three heads: One, the Veterans' Administration, the other the Civil Service and the third the reorganization of Government departments and cutting out of functions.

I think probably you will have that some time Saturday or Sunday.

Q Is it too early to say whether or not you contemplate ~~that~~ --

THE PRESIDENT: Then, after we get that done, we will take up Public Works.

Q Mr. President, there is some talk that flood control money may be used in the unexpended balances.

THE PRESIDENT: No; we won't use any of this unemployment money on authorized flood control work.

Q I mean, the unexpended balances in the Treasury may be used in the forest work and taken away from the flood control. I don't suppose you have any such idea.

THE PRESIDENT: I would have to ask Lew Douglas, because some of it has got to be re-appropriated by the next Congress. It was re-authorized by the bill passed yesterday but it has got to be re-appropriated.

Q There are 25 millions of the 39 millions appropriated from the last Congress. They say, down to the War Department, that they do not know whether that is going to be diverted to reforestry, or continued by letting new contracts on water-ways. For example, on the Missouri, we have 15 thousand people working.

THE PRESIDENT: Yes. I cannot tell you about any individual project. I would have to ask Lew Douglas.

Q How is your railroad program coming along?

THE PRESIDENT: Oh, I hope next week. There again, it is one of those things that is terribly complicated and you have to have groups working on it.

Q Have you settled on a coordinator, if that is the idea?

THE PRESIDENT: No. You mean on whether we will have a coordinator? I think you can make a pretty good guess because there will be a Federal coordinator. The chances are that there will be one man with regional men under him.

Q May we turn to the foreign field for a moment --

THE PRESIDENT: Incidentally, on the railroad thing, we see no reason why there should be any expense on the Federal Government, because the coordinator and his staff will be just as small as we can possibly make them and will be a charge on the railroads.

Q Will they be Federal officials?

THE PRESIDENT: I don't know -- oh, yes; Federal officials. I don't know what the methods are here, but, for instance, in the State of New York, the cost of the Banking Department is paid for by the banks and the cost of the Insurance Department is paid for by the insurance companies. In other words, at the beginning of the year or the end of the year, they figure out how much the total cost of the Department is and they allocate that to the various companies that are inspected. It is my idea, if it is possible under the Federal law to do it, to do something like that with respect to the railroads. It will not be an expensive operation on the part of the Federal Government, therefore, and it will

cost the railroads very little.

Q Therefore the Government will not assume any operating losses or guarantee bonds or interest on bonds?

THE PRESIDENT: I hope not.

Q What will be the purpose of the coordinator?

THE PRESIDENT: To cut out duplications, is the easiest way of putting it.

Q Is it to be a coordinator on railroads alone or with respect to all transportation?

THE PRESIDENT: I don't know; we haven't got as far as that yet. Eventually, as you know, we hope to tie in all transportation under the same Government supervision.

Q Will you have the emergency bill first and then the long-time proposition to come up?

THE PRESIDENT: I don't know; I haven't got to that yet.

Q Would you care to comment on the local stories about the changes in the I. C. C. and Federal Trade Commission? There have been stories that they may be abolished.

THE PRESIDENT: Yes; they won't be abolished. That is a pretty good guess.

Q To get started on foreign affairs for a moment. I understand that the Senate Foreign Relations Committee has taken action on the American adherence to the World Court. Is it your desire, can you tell us whether you want the Senate to act at this session?

THE PRESIDENT: Not even off the record. You can make a guess.

Q Getting back to that railroad question, will your plan require legislation?

THE PRESIDENT: Yes, undoubtedly. In other words, we are still working on principles and haven't got to the details as yet.

Q Will the coordinator be a railroad man?

THE PRESIDENT: I have not thought of that.

Q How about the veterans' regulations that are due some time this week?

THE PRESIDENT: The veterans' regulations have been drafted and the Director of the Budget and General Hines are giving a chance to the veterans' organizations to come in and look them over and make suggestions.

Q Is that going on now?

THE PRESIDENT: That is going on now.

Q Do they, in any case, curtail the benefits paid to directly service-connected disabilities?

THE PRESIDENT: I cannot tell you. I don't think they do. I think there is a percentage provision in the bill.

(The conference adjourned at 10.40 P.M.)

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CONFIDENTIAL
Press Conference #8
White Office Executive Offices

March 31, 1933, 4.12 P.M.

THE PRESIDENT: Here is my first salary check. I will
now be able to pay the National Press bill.

Q The first thing, Mr. President?

THE PRESIDENT: The first thing, yes. (Laughter)

Q There seems to be a good deal of contention up on Capitol Hill, Mr. President, as to whether or not this securities law you sent up applies to existing securities or only to new issues. Several Senators have looked it over and say they cannot find anything in it which limits it to new securities and they are all wondering whether it is intended to apply to all issues.

THE PRESIDENT: I cannot say, because it is a brand new point. I had not thought of it at all. I should say, and this is snap judgment and off the record, that you have got to check up with the Attorney General -- I would say that it would apply, of course, to all new issues and also to any advertised sale of old issues. In other words, sometimes you find a banking house which assembles or collects a good many thousand shares of some old issue and advertises that for sale.

I should say, offhand, that it would apply to that type of old issue.

Q Mr. President, will the Tennessee basin be dealt with independently?

THE PRESIDENT: Yes, that will be a separate bill and probably a separate message. I am working on it at the present time and expect to have a conference with Senator Norris and two or three other gentlemen from the House and Senate within the next couple of days.

Q That will precede the general Public Works program?

THE PRESIDENT: The idea will be to get the bill in shape. I hope so, because the Public Works bill won't be done for some time and this Muscle Shoals, Tennessee basin thing ought to be ready in a week.

Q Has anything come of the labor conference today?

THE PRESIDENT: I have not heard.

Q You say that the Public Works bill will not be ready for some time. Will it be this session?

THE PRESIDENT: Oh, yes.

Q Will waterways be put up on a self-liquidating basis?

THE PRESIDENT: You must have been talking with some of the people --

Q I have been reading the Baltimore Sun. (Laughter)

THE PRESIDENT: This is what I said to those who conferred with me yesterday. There is no reason why it should not be printed. Here is the general thought that I have had in mind for a great many months: The Government spends - oh, I cannot give you the exact figure but it is somewhere around 60 million dollars a year in the maintenance of existing aids to navigation. Now, that includes the Lighthouse Service and the Buoys Service and maintaining dredged channels and icebreaking and things of that kind. In a good many other countries that annual maintenance charge for existing navigational facilities is borne by the users of the service. For example, in England, the tonnage that uses English waters is charged a very low tonnage tax, which is sufficient for the maintenance of all of these aids for navigation and keeping the channels dredged out, etc.

So, what we are exploring here, is the possibility of some kind of a very small tonnage tax on everything that floats -- that is the easiest way of putting it -- everything that uses navigable channels and see if we cannot bring in to the Federal Government annual revenues which will approximately meet these expenditures.

That is what I thought.

Q Would the Inland Waterways Corporation pay that tonnage tax also?

THE PRESIDENT: I don't know; I should think so, off-hand.

Q Can you tell us the plans for the Reforestation project. Have the details been worked out for putting that into effect?

THE PRESIDENT: No.

Q On the self-liquidating policy, would that apply also to the construction of new waterway projects. We got an idea, from talking to the Members of Congress, that these waterway projects have been approved by the Army engineers. Do you think they should be self-liquidating as well?

THE PRESIDENT: No. What I talked about to them was an entirely different matter. When you come down to a Public Works program, what we want to do is to pick out in this emergency the projects which will use the greatest amount of labor. A very simple example, for instance, is that when we were dredging the Hudson River from New York to Albany, it was done by very, very large dredges. The Government spent about ten million dollars on it and probably the amount that went

for direct labor out of that ten million dollars was exceedingly small. Most of it was a mechanical dredging job and most of the money went into equipment. Now that is the kind of thing that we will not recommend in the Public Works program. We are setting for ourselves a definite objective and that is to recommend only the kind of public works that will employ the largest percentage of direct labor. That is the principle.

Q Does the St. Lawrence Waterways come within the range of works projects?

THE PRESIDENT: Yes.

Q That is a future power development, although it certainly would employ labor?

THE PRESIDENT: Yes.

Q May we switch over to the foreign field for a moment?

We understand that France has been sending some hints on the World Economic Conference to Washington. Can you tell us your attitude on that?

THE PRESIDENT: I have not heard anything about French hints. I can only talk about it entirely off the record at this time. It has been suggested that Prime Minister MacDonald be named chairman and that the conference be held in London.

Q He has been named chairman?

THE PRESIDENT: He has been named chairman and of course it simply is one of those things we cannot discuss at all.

Q There is another report that you intend to appoint both Republicans and Democrats to the delegation. Have you been considering that?

THE PRESIDENT: I had not thought of what the politics were. We have got a fairly good group that is working on it at the present time, and I don't know their politics. I don't know what the formal and official delegation will be -- it might be three or it might be twenty-three. I don't think there will be much politics in it.

Q You said you would allow beer to be served in the Army and Navy?

THE PRESIDENT: I merely told you about the displacement of ships the other night. (Laughter) You will have to get the official information from the Secretary of the Navy and the Secretary of War.

Q We did.

THE PRESIDENT: Then they told you that there won't be any beer served on ships or at the Naval Academy. (Laughter)

Q Has any action been taken on the recommendation of the oil conferees?

THE PRESIDENT: Not yet. The Secretary of the Interior is bringing me a report. I have not read it yet.

Q There is a statement to the effect that they expect another order from you suspending operation for fifteen days.

THE PRESIDENT: An order from me?

Q Yes, sir.

THE PRESIDENT: Who made the statement?

Q Judge Ames, President of the American Oil Institution.

THE PRESIDENT: That would be unconstitutional.

Q How about a request --

THE PRESIDENT: A request? I will have to consult with Thomas Jefferson as to how far -- (Laughter)

Q Do you feel like giving us any background about your visit with the Japanese, Mr. Matsuoka?

THE PRESIDENT: No background, because I had a very pleasant conversation about when he was a student at the University of Oregon and how his classmate later became my classmate. It was a very friendly talk -- just a friendly talk.

We are having a meeting tomorrow afternoon at two o'clock for the railroad people.

Q All sides? A meeting of the comittee that had been forming this or others?

THE PRESIDENT: Mac can give you the names of the people coming in.

Q It is a general conference?

THE PRESIDENT: It is a general conference. Donald Richberg will represent the brotherhood and I think Mr. Prince will be here and Carl Gray of the Union Pacific will be here and several of the people that had been working, including the Secretary of Commerce. There will be about fifteen of them. Isn't that right, Mac?

MR. McINTYRE: Yes, sir.

Q Of course those reports are for your information, are they not?

THE PRESIDENT: Tomorrow is really the first opportunity I will have had to go over all the suggestions which have been made.

Q Are there insurance representatives, Members of Congress, Labor representatives and others?

THE PRESIDENT: Labor.

Q What is the status now of the new veterans' regulations?

THE PRESIDENT: They held a meeting with the veterans yesterday afternoon and had another one this morning.

They were just going over suggestions. That is as far as they got so far.

Q Is it your idea to put the reductions into effect on July 1 or immediately after April 1?

THE PRESIDENT: I may be wrong on this, but I think almost immediately. (Mr. McIntyre spoke to the President)

Mac says that Lewis Douglas and General Hines will have the report in some time late this afternoon and they want it to come out as soon as possible and therefore that answers your question.

Q Do you know how much will be saved by this order?

THE PRESIDENT: No, we have not the figures yet.

Q Will there be any reductions?

THE PRESIDENT: I have not seen them.

Q Will there be any reductions with respect to those who sustained their injuries in the war?

THE PRESIDENT: Some, not all. It depends on the schedule it comes under.

Q Mr. President, the Senate Agricultural Committee is going to visit you this afternoon. Do you know what the situation is?

THE PRESIDENT: I want to hear what they have to say.

Q That will take a long while.

Q The scientific world has received your nomination of Dr. Briggs to the Directorship of the Bureau of Standards as evidence of your intention to keep politics out of the Government's scientific work. I wonder if you care to give any assurance that in reorganization work the scientific work will be continued?

THE PRESIDENT: I have not the faintest idea in 99 out of 100 of these technical positions whether the incumbent or new nominee is a Republican or a Democrat. It does not enter into consideration at all. For all I know, Dr. Briggs may be a good democrat.

Q Mr. President, what is the status of your Attorney General. Is he going to remain?

THE PRESIDENT: Nothing on that now.

Q You said three weeks. (Laughter)

Q How about reorganization? You said that might be either Saturday or Sunday. Is there anything new on it?

THE PRESIDENT: No, we did not even get to it in Cabinet meeting today. We deferred it until next Tuesday. We had many other things to talk about.

Q What did you take up? (Laughter)

Q There are reports from London which indicate that debt conversations may be resumed in June. Is there anything on that?

THE PRESIDENT: I haven't heard a peep about debts.

Q Do you expect France to make a deferred payment before the Economic Conference?

THE PRESIDENT: I had better not say anything about that one way or the other, except to say, off the record, that hope springs eternal.

Q Is the Farm Mortgage program near completion?

THE PRESIDENT: I think we are getting somewhere.

Henry Morgenthau was up with the committee this morning. If we actually get somewhere during tomorrow and Sunday I am going to get an extra out Monday or Tuesday. But you had better not make that definite -- that is only a real hope.

Q In that connection, Mr. President, is there any likelihood of setting up a new Federal Farm Credit Agency?

THE PRESIDENT: No. There is no reason why I should not tell you what we are working on. At the present time we are trying to avoid setting up a new United States Credit Bank. We want to use existing agencies as far as we can. We find that the present Farm Land

Banks -- there are twelve of those organizations -- can issue consolidated bonds. In other words, they can use them all over the United States. That is a very advisable thing. We apparently can do it without building up much in the way of new machinery. It would mean putting in here, under Henry Morgenthau, Jr., a consolidated bureau of some small size to supervise the work as it is done all over the United States.

Q Thank you, Mr. President.

THE PRESIDENT: A week from today, gentlemen. (Laughter)
(The President evidently meant that beer would become legal on April 7.)

(The Press Conference adjourned at 4.27 P.M.)