

CONFIDENTIAL  
Press Conference #18  
White House Executive Offices

May 5, 1933, 4.05 P.M.

(There were present: The Secretary of State,  
Mr. Jung of Italy, and the Italian Ambassador.)

Q Can you tell us whether you expect the St. Lawrence Waterway Treaty to go through this session or not?

THE PRESIDENT: I don't know. I am in the same position I was two weeks ago. I have not talked to Senator Pittman about it.

Q How about your conference on the Glass Banking Bill? Have you anything on that?

THE PRESIDENT: You will have to find out from the Secretary of the Treasury and Senator Glass. I believe they talked about it this morning.

Q Do you favor having it passed this session?

THE PRESIDENT: They are still talking about it.

Q May I read you a very brief dispatch. It says that Premier MacDonald told British leaders tonight that he and President Roosevelt are in agreement that if the World Economic Conference is to be a success, that the debt question must be settled one way or the other before the conference ends. "We both pledged ourselves to leave no stone unturned and to use every means in our power to find a way to settle these debts."

THE PRESIDENT: Thank you for telling me about it.

Q In regard to the first part: Are you in such an agreement?

THE PRESIDENT: No.

Q Are any steps going to be taken for the reopening of those banks still closed as a result of the moratorium?

THE PRESIDENT: Oh, gosh, they are working on it over there day and night. RFC is subscribing preferred stock for some banks so that they may open up and others are being opened without the necessity for preferred stock.

Q How about our banks?

THE PRESIDENT: In the District? (Laughter) I don't know.

Q Has Mr. Cox agreed to be a member of the Economic Conference delegation?

THE PRESIDENT: That is what they call a "leading question". It assumes that he has been asked.

Q Has he been asked?

THE PRESIDENT: No comment.

Q Mr. President, with the return of the gentlemen from England and France to their countries, the papers are full of reports of what happened -- reports that are somewhat mysterious to us over here. Could you clarify your position on the debts particularly, at this time?

THE PRESIDENT: No.

Q Or with respect to the consultative pact?

THE PRESIDENT: No.

Q Can you tell us what you have taken up with Doctor Jung this afternoon?

THE PRESIDENT: Everything. (Laughter)

Q Won't you deny these reports that we are going to have a moratorium in June?

THE PRESIDENT: (Laughter). You are being laughed out of court.

Q Your joint statement with Premier MacDonald said that a joint debt agreement had been reached. Does that still stand?

THE PRESIDENT: Whatever was said here and in what they call the official communique still stands.

Q That statement also said that negotiations would be carried on in Washington and London in the meantime. Are they going on now?

THE PRESIDENT: No.

Q When are they going to be started?

THE PRESIDENT: I don't know.

Q Have you decided on what legislation can be put through before the first week in June?

THE PRESIDENT: No.

Q You will have to cut out some of it, won't you?

THE PRESIDENT: I told you the other day that about the only other thing going up there, definitely, is the Public Works

Bill. I think that ought to go up in about a week. I don't know what is up there now in the legislative mill. I cannot discuss that. There is still the possibility of some farm legislation, but it is still in the initial stage.

Q Wouldn't that cause debate and postpone adjournment?

THE PRESIDENT: That is an "if" question. If it is sent.

Q What about this control of industry?

THE PRESIDENT: I don't know. I have been reading a lot in the papers about that. Senator Wagner has a bill and some Congressman has a bill. They are still talking on it. So far as I have any knowledge, there are two things: The first is that there are probably about 350 plans here in Washington, public and private. I should say they are still coming in at the rate of 25 or 30 a day. They are all being discussed before some Members of the Congress and Senate. They still have to be reduced to some form of legislation, so that does not mean anything at all; it means it is merely in the stage of examination.

The only other thing is that the Connery Committee, I think it is, is still working on the Black Bill and I don't know what form it will come out in but, until it comes out in some form, I cannot do anything about it one way or the other. I think everybody does know that

one thing is quite clear. You will have to use this off the record, because it is not in my province to comment. As you know, there is a suggestion that we should not allow products to come into this country that have not been produced on a 30-hour basis. That suggestion is ridiculous because it is a straight out and out embargo on all imports, practically, therefore it is a perfectly impossible suggestion. But, as I say, that has got to be off the record, because it is not courteous for me to comment on a suggestion that is still before the committee.

Q Your talk last night seemed to me to point to some legislation to put those things into effect. Do you expect that at this session?

THE PRESIDENT: Well, that is perfectly possible but again, it is not certain. The suggestion last night was to take care of the problem of the minorities in different industries that are hurting each industry as a whole. It would be some form or some method of controlling those minorities for the benefit of the industry as a whole. Now, what that will result in we do not know yet.

Q Will you comment on Senator Wagner's proposed bill?

THE PRESIDENT: No.

Q Mr. President, it is fair to assume that you desire to have Congress away the first week of June? That is kind of fixed in your mind, is it not?

THE PRESIDENT: No. All I have said about the first of June is that I hope they would get away in time for me to go up.

Q Mr. President, does not the Farm Bill give you a very considerable measure of control over industry that is connected with agriculture?

THE PRESIDENT: Yes, certain forms of industry. It applies to prices of agricultural products.

Q That covers quite a number?

THE PRESIDENT: It covers quite a number, yes; but it does not control as to wages and hours, for example.

Q Mr. President, will your Public Works Bill go up as a separate bill or as part of a larger bill?

THE PRESIDENT: I think it will be all one bill.

Q A separate bill?

THE PRESIDENT: Yes.

Q Will you elaborate on what particular phase of disarmament you discussed with Doctor Jung?

THE PRESIDENT: No. In other words, we cannot elaborate on anything that has to do with the Disarmament Conference in Geneva because we feel, as a matter of courtesy, that that should come from Geneva itself.

Q Mr. President, have you talked over with the Attorney General the new Federal action against racketeering?

THE PRESIDENT: No.

Q Has he suggested some steps on it?

THE PRESIDENT: No.

Q Have you determined in your own mind as to how large a delegation you will send to the Economic Conference?

THE PRESIDENT: I have not discussed it at all.

Q Have you found those three good Republicans for the RFC?

THE PRESIDENT: No; still looking.

Q How about the Interstate Commerce Commission; there is one vacancy there?

THE PRESIDENT: Off the record, not for the present, because we are still talking about the whole problem of the Interstate Commerce Commission.

Q Can you give us any idea of the size of the bond issue for the Public Works program?

THE PRESIDENT: Not yet, except that it won't be as much as 5 billion dollars.

Q Will it be a billion?

THE PRESIDENT: No. (Laughter)

Q Have you got a report from the Cabinet conferees as to how much could be done in a short time?

THE PRESIDENT: Not yet. The only thing I can tell you, for information on that, is that I suppose thousands of projects have all been <sup>(S)</sup> lifted, some good, some bad and some thoroughly indifferent. We have the list of all

of those projects. We haven't yet got to the point of putting them through a sieve.

Q If you lend money to municipalities, as proposed, isn't the Government going to supervise the work a little bit so that there is not too much graft?

THE PRESIDENT: (Laughter). I should say, off the record, we will try to eliminate the chances for graft.

Q Isn't the Government going to supervise contracts in some way if they loan money to municipalities?

THE PRESIDENT: Not that I know of.

Q I thought that was the plan?

THE PRESIDENT: You must remember that the municipalities are creatures of the state. A municipality is a corporation chartered by a state and the less the Federal Government has to do with running a municipality in this country, the better off we are going to be in the days to come.

Q But if you loan them the money -- (interrupted)

Q Is there any provision in this Public Works Bill for loans for private construction?

THE PRESIDENT: Not that I know of.

Q Have you determined how you are going to raise that money?

THE PRESIDENT: No, or how we are going to pay it off when we do raise it.

Q Is there anything to report on this Government reorganization?

THE PRESIDENT: No, we have done absolutely nothing about it the last two weeks. I have not looked at it and have not discussed it. I still have Dan Roper's report.

Q Do you think you will be able to go down the river tomorrow to spend the weekend?

THE PRESIDENT: I hope so, but I don't know.

Q Are you going to have a Press moratorium?

THE PRESIDENT: What I would like to do is, after luncheon tomorrow, go down the river and spend the night and come back Sunday afternoon. But I don't know whether I will be able to do that.

Q Will you be taking Doctor Schacht with you?

THE PRESIDENT: No.

Q How about your speech Sunday night. Can you give us a little advance?

THE PRESIDENT: I have not thought of what it will be. It will be more in the nature of a very simple report on what has happened.

Q Are you going to try to make the Inflation Bill clear to the public?

THE PRESIDENT: What?

Q Are you going to try to make the Inflation Bill clear to the public?

THE PRESIDENT: No. I would say, off the record, not the bill but rather the purpose of the Government. There

won't be anything new in it.

Q Will you sketch your policy?

THE PRESIDENT: I would say, sketch the purpose. As to the method, certainly not. I don't know any more than you do. It is the same old analogy of the football game. We know where the other fellow's goal line is and we do know a lot of plays which are possible. But, the next play will depend on the outcome of the current play.

Q Mr. President, I wonder if you will say anything about Doctor Pani's visit?

THE PRESIDENT: Not a thing.

Moratorium until Monday morning -- after tomorrow at Noon.

(The conference adjourned at 4.25 P.M.)

CONFIDENTIAL

Press Conference #19

Executive Offices of the White House,  
May 10th, 1933 - 10.49 A.M.

THE PRESIDENT: Good morning. The really important news is that we are going to have a moratorium on news over Saturday and Sunday.

Q Speaking of moratoriums, did you see the speech that Ramsay MacDonald made yesterday in which he said that an agreement had been reached that we should enter into a consultative pact?

THE PRESIDENT: Careful; don't misquote him, get it right.

Q Will you read it and comment on it, please.

THE PRESIDENT: You can print his language.

Q What was that, Mr. President?

THE PRESIDENT: You can print his language.

Q What he said was that agreements were entered into here --

THE PRESIDENT: What did you say? I will have to read it to you.

Q You will find it on the front page, in the box, in the Times. (Laughter)

THE PRESIDENT: For your information, I will read what he said. I take it that it was properly transmitted.

"One of the points we both considered and had very clearly in front of us was the menace to the tranquillity of mind of Europe which the recent events in Europe had created. We saw quite clearly the new risks with which the Disarmament Conference was being faced.

"Yet I am very happy to say that the United States Government is prepared to play a further part in tranquilizing Europe by agreeing, if the Disarmament Conference comes to anything like a satisfactory issue, to take its part in consultative pacts, the effect of which will be to increase the security of Europe and the safety of threatened nations against war.

"This is a very considerable advance. Secretary of State Stimson began it in that courageous statement he made before he went out of office regarding the need to redefine neutrality and the present government has expressed its intention of going further in making its obligations quite definite and authoritative. An announcement will be made in Washington in due time, when the matter is further considered and its details dealt with."

I will tell you what I am going to do. I will talk to you off the record about it. We haven't got to the point of saying anything, so it has to be entirely off the record and just informative.

Both Platforms, I think certainly the Democratic Platform, favored consultative pacts. Now, what is a consultative pact? It means, and it meant in the Platform, that if all the nations agreed to set up some kind of machinery for consultation in the event

of an act of aggression, we will be very glad to have somebody there to consult with. I consider that to be a step forward. But it is not, and do not get the idea that it means that we bind ourselves in the first instance to agree with the verdict. Now, that is a very different thing. We agree to consult. Therefore it does not tie the hands of the United States in any shape, manner or form and leaves our final action entirely up to us. Now, that is the simplest way of putting it. We in no way - in no way - are limiting our own right to determine our own action after the facts are brought out.

Q Mr. President, did MacDonald give you to understand that that would be sufficient to satisfy the political security demands of Europe?

THE PRESIDENT: Again, I can tell you off the record that that position of ours seems satisfactory to the British and to the French.

Q To what end do we consult?

THE PRESIDENT: Let me again illustrate, off the record. This disarmament proposal of MacDonald's which has been before the Disarmament Conference in Geneva

quite a long time - a good many months - it is divided into two parts. Part one is called security and part two is called disarmament. Parts two, three, four and five are called disarmament and parts two to five bring up for discussion a definite plan for the taking of what might be called the first steps towards the objective. The objective, most simply stated, is to reduce and eventually to practically remove the weapons of offensive warfare, in other words, the weapons of attack. If we can limit and eventually remove the weapons of attack, you automatically build up and strengthen the weapons of defense. If you remove the weapons of offense and thereby strengthen the weapons of defense, you give security to every nation, including the small nations.

The simplest illustration is by asking what are the weapons of offense that render the weapons of defense ineffective? Well, there is gas. You can flood a fort with gas and make it untenable. Then there is heavy, mobile artillery, because you can smash a fort with heavy artillery and you can smash trenches with heavy artillery, and you can smash barbed wire entanglements with heavy artillery. Then there are bombing

planes - probably planes of all kinds - because they can drop things on top of forts, on top of trenches and on top of barbed wire. Then there is what I call land battleships. Those are the perfectly enormous tanks - they are getting bigger and bigger every day - that will walk through a ditch and over various entanglements and very soon, probably, be able to walk over a fort.

If you can eliminate those eventually - I am talking about a long distance picture - if you can eliminate the weapons of defense, you have accomplished something and you have made the nation secure against a sudden attack.

Well, that is something that has got to be done by steps. The MacDonald plan contemplates taking the first step.

That is the simplest way of describing what the MacDonald disarmament plan is and, if the first step can be taken, there is a better chance of being able to take the second step and the third step and the fourth step towards the ultimate objective.

So much for the disarmament class of the MacDonald plan.

Then you come down to what is called part one, security. Part one, security, proposes to set up certain machinery to determine who is the aggressor, and what will be done to the aggressor. There is a desire to work out some means of consultation in the event of an act of aggression in order to implement the Kellogg-  
 [Briand]  
~~Bryan~~ Pact.

Now, what that machinery may be is still very much in the air - the details of it. There are objections to the MacDonald proposal because it presupposes that if a nation commits an act of aggression that then there would be called a conference and that the conference would meet and act as what might be called a jury on the act of aggression complained of. It also presupposes, and here is the weakness of it, that the aggressor nation would be very quietly sitting still during this whole period. That is a practical objection and they are trying to work out some more practical means of consulting together to put some kind of a determination on an act of aggression.

The position that I have taken - this has got to be off the record, I am sorry, because it is a thing that has got to break on the other side if it does

break at all - the position I have taken is that both parties here are entirely ready to sit at whatever kind of a consultative meeting is provided for. The idea is to work out some sort of machinery and then, having sat there, there would be a report to Washington as to what the other nations think and then we will be entirely free to do whatever we want to do. In other words, we would not be bound by the American who happened to be sitting in the consultative pact. He would report home.

Q Mr. President, it seems to me that the consultative pact is almost identical to our relations with the League of Nations.

THE PRESIDENT: It is an entirely different thing. You cannot use comparisons in that connection.

Q So far, they have talked very frequently about consultative pacts.

THE PRESIDENT: Oh, yes.

Q But we always took the stand that we would consult as things came up but do nothing obligatory - not be obliged to consult. With this new arrangement, would we be obliged to consult?

THE PRESIDENT: We would say quite frankly that we would sit in and consult. There is nothing particularly startling about that, when you come down to it.

Q But we have that machinery now.

THE PRESIDENT: Sure. In other words, it sounds like a huge change in policy, but it is very little change in policy. It is an announcement that we are going to do something that we would do anyhow.

Q Would the other countries be more bound by their delegates to the pact?

THE PRESIDENT: As I see it, the MacDonald suggestion was that in this consultation pact, at this meeting, this conference, that the European nations and Russia and Japan should agree, the larger powers, by unanimous vote and the smaller powers by a majority vote. But you had better, some of you, read the language of it, because part of it is still very much in the air. It is simply something to try to build on.

Q Mr. President, inasmuch as Premier MacDonald said something for publication and this that you have said is off the record, cannot you give us something on the record?

THE PRESIDENT: This is study, off the record.

Q But it is not news. (Laughter)

THE PRESIDENT: I'm just trying to be helpful.

Q May we use anything as coming from our own imagination or knowledge?

THE PRESIDENT: No, I think it is just to enable you not to get stampeded by things coming over from the other side.

Q In that connection, there are a lot of things coming over on debts. Do you care to comment on that?

THE PRESIDENT: I will talk off the record also on debts.

Now this is entirely off the record. Do not get stampeded by anything you hear from the other side on debts. Well, I will tell you frankly what the situation is. It is not very much further than it was a long time ago. And the position is exactly the same position that I took, I think it was last November. In other words, that a debtor nation has, at any time, the right to come before a creditor nation and lay its case before the creditor nation. Now, that has not been done by any of them officially. So, you see, we are not nearly as far along as most of

the stories, and especially the headline people, would have you believe.

And then, the other part of it is, if you will read the joint statement of Mr. MacDonald and myself, you will find that that part is wholly true. In other words, that we were informally exploring, that is all. No proposal has been made by us and no proposal has been made by the other fellows or any of them. You know those headlines -- where is the Herald-Tribune? -- I don't blame anybody for writing stories and the headline writers have a bad time of it too because they have so very little space. For example, "U.S. to discuss war debts concurrently at London." That does not say if they want to talk to us, it says they are to talk to us. If our fellows go off to the Economic Conference, they are not going to have authority to discuss debts. That stays with Pop - right here. (Laughter)

Now, if somebody should happen to speak, let us say it is in London, to one of the American delegates -- I almost said who -- about that, probably the American delegate will say, "That is interesting. If you want me to transmit something to the President, I will be

glad to do it," but it is going to stay right here.

Also, the word "concurrently" does not mean that they will gang us any more than I would have suggested that or permitted that two or three months ago. They talk with us individually.

Q But, Mr. President, public opinion, particularly over here, has probably been more stampeded by these headlines than we have. Couldn't we clear it up on our own authority, otherwise they will be still stampeded.

THE PRESIDENT: No, go to the headline man privately.

Q Would you be willing to say what legislation you are going to ask Congress for in order to deal with the situation after recess?

THE PRESIDENT: There again. I have forgotten which story it was this morning, but one of the stories - I guess it was the Times (laughter). Oh, I know, it was Arthur's story.

Q Little Arthur? (Laughter)

THE PRESIDENT: Why, he talked to -- I wish they would put the names down, it would be so much clearer. He says that an Administration leader today - oh, come on and tell me what his name is - and then a whole paragraph

about the impression the Administration leader is supposed to have conveyed. Then he goes on to say that an Administration leader of almost equal rank had another idea and then he gives another paragraph.

For example, there was a story - what was it, three weeks or a month ago - that said there was a possibility that I would send a message to the Congress on debts. Now, I suppose I could have stopped it by saying there is also a possibility that I will send no message to the Congress on debts. Well, that is still the situation. I don't know. I don't know any more than you do whether I will send a message or, if I did send a message, what would be in it. Now, that is literally true, I don't know.

Q Isn't there a possibility that somebody will offer a resolution instead of your sending a message?

THE PRESIDENT: No.

Q Are you giving it consideration or do you not know yet what you will do?

THE PRESIDENT: There isn't enough material to work on as yet. That is the easiest way to put it.

Q Abroad, do you mean?

THE PRESIDENT: Either abroad or here. There is no material to work on.

Q You said that our willingness to agree to the consultative pact would be dependent on something like success by the Disarmament Conference. What do you consider "something like success"?

THE PRESIDENT: I will say, offhand, that we are one hundred per cent behind the idea of taking the first step in the removal of the weapons of offensive warfare. We are for that step. And we will consider it successful if we can get a substantial part of the proposed step. We want it to be very substantial, because, actually, we would like this first step to go a great deal further than it proposes to go.

Q Is that off the record too?

THE PRESIDENT: Yes, that is off the record, all of it.

Q I wonder if we can get down to something that we can print. Eugene Black, of Atlanta, Georgia, is he going to be president of the Federal Reserve Board?

THE PRESIDENT: Yes, I sent his name up this morning.

Q Is he going to be designated as Governor?

THE PRESIDENT: Yes. I understand - you had better check

this with the Secretary of the Treasury - I understand that Mr. Black has said that he can only assume this for a few months. That is on account of personal and business reasons in Atlanta.

Q Mr. President, there is a third subject that has been very much in the print and that is the tariff. What may happen in the way of getting authority from the Congress to deal with tariff?

THE PRESIDENT: Well, that is still like the debts. There is the possibility of sending something up there in the way of a message. I think there is a greater possibility there, I would say almost a probability, but what it will be, I don't know.

I am a little bit cheered up this morning about tariff, because apparently Great Britain is going along with the temporary tariff truce, and, if we can get substantial unanimity on this preliminary tariff truce between now and the twelfth of June, when we make our motion, there will be more chance of getting the second truce to last through the Conference.

Q What other countries so far would have agreed to the truce - Italy and Belgium?

THE PRESIDENT: Italy and Germany and Belgium, I think.

5 Q Japan?

THE PRESIDENT: China -- I have not heard from Japan. They may have others over there but, of course, there again, Davis may have some that have come into London, but have not come here.

Q Mr. President, do you or do you not consider the solution of the war debt vital to the success of the Economic Conference?

THE PRESIDENT: Have I stopped tickling the soles of my mother-in-law? (Laughter) Yes or no.

I don't know, it is too difficult a question to answer. Are my mother-in-law's feet ticklish? (Laughter) In other words, of course some cleaning up of the debt issue would be a fine thing, but it is not necessarily tied in with the success of the Economic Conference. The two are not necessarily wired together. They may be, what shall I say, "platonic" friends".

Q Mr. President, will you permit me to ask a question on another subject? Do you consider it imperative to pass corrective banking legislation at this session of Congress -- the Glass bill -- or do you wish to

defer it. In other words, are you going to throw your strength behind it at this session or at another session?

THE PRESIDENT: I don't know. In other words, we are all working on the problem of the banking bill. There are a great many factors in it. It is a question of whether all the factors will remain in it or whether it could be worked out to just a few factors. We are still talking about the actual effect of a good many of the proposals. McAdoo was in this morning talking about it. Really, we don't know yet.

Q Let me ask one more question and I will yield the floor. As I understand it, the subcommittee recommended that private banking institutions, like J. P. Morgan, should divest themselves from their security underwriting business as the subcommittee has already provided in the case of other banks.

THE PRESIDENT: I don't know. They have not talked it over with me at all.

Q Has the public works bill been submitted?

THE PRESIDENT: We are meeting at two o'clock.

Q I will be there. (Laughter)

THE PRESIDENT: I don't know, there are lots of people coming. (Laughter)

Q Do you expect that bill to include both the public works and industrial partnerships?

THE PRESIDENT: Yes.

Q How about the Chicago trip? Have you decided definitely as yet?

THE PRESIDENT: No.

Q When the public works bill goes up, will there be a message?

THE PRESIDENT: Yes.

Q When do you think that will be?

THE PRESIDENT: It depends on the result of the conference at two o'clock today. All that will happen at two o'clock today is that we will go over all the suggestions made and have a simple discussion of those questions. Then maybe we will have another meeting tomorrow. I want to get it up as soon as I can but I am not at all certain about this week.

Q Can you give us any idea as to who will be here at two o'clock?

THE PRESIDENT: The Secretary of Labor, the Secretary of

Commerce, the Director of the Budget - those are the only ones I know of definitely - Senator Wagner, Senator Robinson and quite a lot.

(Mr. Early spoke to the President)

THE PRESIDENT: For the sake of our visitors from overseas, I want to repeat very simply that "off the record" means merely "in confidence". It is only for information to prevent, more than anything else, the wrong kind of stories from being written.

Q Do I understand that everything you said on debts is off the record?

THE PRESIDENT: Yes.

Q Your remarks on tariff?

THE PRESIDENT: What did I say on tariff?

Q You said there might be a reservation.

THE PRESIDENT: I think we can use that as background, if you want.

Q Can we say that you approve that dispatch of what Ramsay MacDonald said - the dispatch you read there?

THE PRESIDENT: No.

Q Would you regard the raising of the tariff under the provisions of the Farm Bill as a violation of all these

tariff treaties we are working for?

THE PRESIDENT: I think so. I don't think we can raise any tariffs until the twelfth of June. I don't think it would be necessary.

Q Some of the oil people would like an administrator. How can that be handled?

THE PRESIDENT: I asked several people to look into it.

Q To study whether it would fit in?

THE PRESIDENT: Yes.

Q Do you expect to see Schacht again today?

THE PRESIDENT: This afternoon, I think about three or three-thirty.

(The Press Conference adjourned  
at 11.15 A.M.)

CONFIDENTIAL  
Press Conference #20  
Executive Offices of the White House

May 12, 1933, 4.06 P.M.

THE PRESIDENT: The Farm Bill, as you know, was signed and, as soon as I have had a chance to read the 500 million dollar Relief Bill, I expect to sign it this afternoon, unless I find something wrong with it.

Q Do you expect anybody to be with you when you sign it?

THE PRESIDENT: I don't think so.

Q Has it been decided when the Farm Bill will start to work?

THE PRESIDENT: I have been talking to the Secretary of Agriculture about it and I think he is getting under way in pretty good shape, starting their hearings. The wheat people are here already, the cotton people next week, also the dairy people next week. Those are not the formal hearings that are provided for in the bill. They are just preliminary conferences.

Q Now, when the Farm Bill and the inflation measures have been signed, are you going to enter on the first step or the second step?

THE PRESIDENT: When, as and if.

Q Have you decided which one?

THE PRESIDENT: No.

Q There is an impression around the Treasury that you may not have to enter upon inflation on account of prosperity. Are you looking at it that way?

THE PRESIDENT: You think that is Treasury?

Q Some of the Treasury officials, probably.

THE PRESIDENT: (Laughter) When, as and if means that when, as and if action is taken there will be an announcement to that effect, but we cannot prognosticate.

Q Senator Wagner told us about the Public Works Bill.

THE PRESIDENT: I am going to work on it tomorrow and the next day and I hope to get at it on Monday or Tuesday. I think that -- well, what you have heard about it so far, what has been printed, is substantially accurate. It will run probably around \$3,300,000,000, bearing in mind that there are additional non-budget appropriations for about \$1,900,000,000 more.

That means that if I were writing the story, I would put it this way: That we are going to come awfully close to balancing the regular budget of the Government. There has been much rather loose talk about 5 billions for public works. Well, actually if we get \$3,300,000,000 for public works of various kinds, we have to add to that the various sums that are being appropriated, such as the additional sum for the farm mortgages and another additional sum for home mortgages, the RFC money on

self-liquidating projects, etc. There are a dozen different items that put up to about \$1,900,000,000, so that the total amount that the Government will have to finance over and above the budget would run to about \$5,200,000,000. It is a very, very large sum.

Q That is for one year, is it not Mr. President?

THE PRESIDENT: I think it is expendable over a period of two years but, of course, you and I know that they might add to it during the second year. In other words, it is not a final figure for two years. We hope, of course, that as much as possible will be spent on the Public Works program during the first year because we are seeking projects that we can start as quickly as possible and trying to avoid those on which a great deal of preliminary work must be done.

Q Has it been decided how much taxes --

THE PRESIDENT: That will involve probably additional taxes for about \$220,000,000. I would not guess on what recommendations I will make, that is for the raising of the \$220,000,000, for the very good reason that I have not made up my own mind.

Q Will there be a sales tax?

THE PRESIDENT: I suppose there have been, I would say, roughly

in the neighborhood of thirty different forms of taxation -- oh, probably more than that, I would say, probably fifty or sixty different forms that have been suggested. We are still in the period of discussing them and literally and truly we have not made up our minds. I have to decide it probably in the course of the next 48 hours.

Q There is some talk of a bond issue which is to be sold widely, like the Liberty Loan?

THE PRESIDENT: That is an entirely different subject that you are bringing up about how to get the \$5,200,000,000. I don't know how we will do that. We have not discussed that yet.

Q Have you decided how the \$3,300,000,000 will be divided or allocated for public works?

THE PRESIDENT: No.

Q That is left for further discussion?

THE PRESIDENT: We have tentative figures, but they are still tentative.

Q This will be part of your Controlled Industry Bill?

THE PRESIDENT: I would put it this way: I think the probability is that the partnership with industry bill will be put into some bill, but that is not finally decided.

Q Will you tell us about the partnership with industry bill -- how that is shaping up?

THE PRESIDENT: Well, they are still in the discussion stage. Senator Wagner is having a meeting with the committee but I think the committee wants to give you the news themselves, so let them talk about it.

Q Are you reaching a point where you may require Federal licenses?

THE PRESIDENT: No, haven't got to that point. Probably the Committee of Manufacturers would very much like to have a story come from themselves. That would be all right. Get in touch with them and give them the credit for it.

Q Can you tell us where you put the oil industry in this general bill?

THE PRESIDENT: No.

Q What is the status of the Oil Bill. Mr. Ickes, I understand, has submitted a plan?

THE PRESIDENT: I am in the status on that of having half prepared a letter to the committees in Congress -- not a message -- simply setting forth what has happened up to the present time.

I think, off the record, you can guess that I will probably not make a specific request or specific recommendation to Congress, but will give them all the facts that the Secretary of the Interior has brought out up to the present time for them to act on if they want to.

Q On the subject of balancing the budget: In that process will you transfer any of the Public Works programs, or the Public Works over to the Public Works projects?

THE PRESIDENT: No -- wait a minute. I think that there are some of the river and harbor things, upper Mississippi for instance, on which work has been stopped by Executive Order, which will be transferred. The amounts, however, are comparatively small.

Q Do you care to discuss with us, in general terms, what that \$3,300,000,000 on Public Works is to be spent for?

THE PRESIDENT: I wish Lewis Douglas was here because I cannot -- I can only give you such an incomplete picture. For example, highways will be included in that --

Q Grade-crossing eliminations?

THE PRESIDENT: No.

Q Naval construction, Mr. President, would Naval construction go in?

THE PRESIDENT: Probably.

Q Airplane construction?

THE PRESIDENT: That I don't know. There will be pretty wide discretion. For instance, here is a thing I can tell you off the record only; this is just for your information. On the question of airplane construction, I would like to

have a clause that will give me permission, a little later on, to put it in, but that depends entirely on what happens at Geneva. In other words, if things go through at Geneva, it would probably be out of the window and if things do not go through at Geneva, I would probably want to get airplanes.

Q Don't you think it would be a good idea to just sort of hint that? (Laughter)

THE PRESIDENT: I think you could just barely hint it.

Q Just a little? (Laughter)

THE PRESIDENT: We would much rather do all sorts of more useful things than that, if Geneva will let us.

Q But, if we have to, we will?

Q Somebody has asked if you have already hinted that?

THE PRESIDENT: Nothing; that would be like using the Big Stick.

Q The French Government has indicated that they will pay their December 15 payment if they can get postponement of the June 15 payment during the negotiations?

THE PRESIDENT: Off the record, that is not anything new.

Q It is a bit new in that it has been told to the Chamber of Deputies. That part is new?

THE PRESIDENT: Additional.

Q They said they were going to take that up with the Ambassador here?

THE PRESIDENT: I haven't heard a thing.

Q In the joint communique issued today in regard to the conversations with the German, Dr. Schacht, intimated or, rather, stressed the necessity for military disarmament. How does he reconcile that with Germany's action in deadlocking the Geneva Conference by their demand to re-arm?

THE PRESIDENT: I think you will have to ask him that.

Q There has been a proposal with respect to some power and flood-control reservoirs. I understand the engineers have made a report on it. Has it reached you yet?

THE PRESIDENT: To be perfectly frank, I never heard of it but any project of that kind, which would be possibly partly self-sustaining, would be one of those that could be considered. Of course projects that have already been engineered and surveyed will probably have more favorable consideration than projects which have not been surveyed because they are all ready to go to work on them.

Q What about the report that you are going to London. Anything more about that?

THE PRESIDENT: I have said once that I was not going. That is all I can possibly say, that I am not going.

Q There have been reports --

THE PRESIDENT: (Laughter) I am sorry to spoil a good story, but I am just plain not going. I have not even got under consideration the possibility of changing my mind.

Q In connection with Public Works, I understood you to say that you have not decided about the financing method, whether it is to be bond issues or some other kind of financing?

THE PRESIDENT: As to the method of raising money? No, that depends on all sorts of things. I don't know how we are going to do it.

Q There are other means than by bonds?

THE PRESIDENT: Yes.

Q On the Public Works, do you contemplate that part of the money will be used for slum clearance and such things?

THE PRESIDENT: I think there will be an authorization in the proposed bill for going ahead with slum clearance. The problem of slum clearance as, for example, in the City of New York is the problem of actually getting the land in big enough parcels quickly. For instance, if you start the assembly of an entire block on the lower east side, you may be able to get 38 parcels out of 40 parcels, and two owners will hold you up. The question is whether we can work out anything that will accelerate the ability

of non-profit-making local corporations in getting the land, so that if there are a couple of real estate people who hold out on you, you can go ahead and condemn that land and get the proceedings through quickly. If we can do that, we can go ahead with a great deal of slum clearance in this country. It is the practical question of getting the land.

Q You cannot take under the right of Eminent Domain?

THE PRESIDENT: I don't think you can.

Q That is what you want?

THE PRESIDENT: Yes, we are looking into that problem now to see if we can get rid of the recalcitrant minority, the same way that we want to get rid of it in industry.

Q Have you decided whether you will send a special message on tariff?

THE PRESIDENT: There is nothing more on it since last Wednesday or a week ago.

Q Much has been said on inflation. Apparently the Federal Reserve Banks have no immediate plans on open-market operations?

THE PRESIDENT: I don't think -- I haven't anything on that one way or the other.

Q Anything on the Ambassador to Germany?

THE PRESIDENT: No.

Q Are you ready to announce your delegation to London yet?

THE PRESIDENT: No.

Q Are you going away over the weekend?

THE PRESIDENT: I'm going down the river on Sunday.

Q Are you going down to the Preakness tomorrow?

THE PRESIDENT: No; I'm working on this other thing tomorrow --  
the bill.

Q The only thing I am doing to do over the weekend is to see Lewis Douglas tomorrow evening and I will probably see Bob Wagner tomorrow or Sunday. We have things in pretty good shape. When it comes to the final details I will probably see Bob Wagner, and Senator Walsh and somebody from the House, I don't know who but probably Doughton, Lew Douglas, Dan Roper, Miss Perkins and Secretary Ickes and that is about all. They will be the only ones and they will drop in for an hour, just informally, to work on the bill. There will be no formal conferences.

Q In your partnership-with-industry bill, is there any provision considered for refinancing the rehabilitation of private industry?

THE PRESIDENT: No.

Q Will the 30-hour week bill to be reported to the House be shelved to make way for this partnership?

THE PRESIDENT: I don't know; that depends a little bit on the procedure up there. I couldn't tell you. You

know what happened in the Farm Relief Bill. It became three bills in one.

Q You said that there would be a possibility that you would have some request to make of Congress for authority with respect to war debts. Is it a probability now in the face of the French action?

THE PRESIDENT: There has been no change since last Monday.

Q As to the European conferences, can you give us your impression, off the record, as to whether we are getting anywhere at all?

THE PRESIDENT: I don't dare talk on it extemporaneously, that is my trouble. I would say, off the record, that things are in better shape than they were when the conferences began, because then we had nothing to go on at all and today we have something pretty definite to go on. I think the Secretary of State got word from London this afternoon -- you had better check with him -- that there is practical agreement on the part of the eight powers represented on the organizing of the conference.

Q That has been announced?

THE PRESIDENT: Now, there we have something tangible.

Q Is it tangible, considering all the reservations that have been made?

THE PRESIDENT: I think so, yes. It is pretty tangible and it is a step toward the goal. Furthermore, we are substantially agreed on the various economic principles. And I think the course of disarmament has been distinctly clarified. In other words, as a result of a month's work, the general atmosphere, I feel, is distinctly better.

Q Would there be any objection to writing generally along those lines?

THE PRESIDENT: Writing along those lines; that would be all right.

Q Has Mr. Peek accepted the position of Administrator of the Farm Bill?

THE PRESIDENT: Yes.

Q He has accepted? Will he have a free hand in promulgating the rules and regulations?

THE PRESIDENT: Yes.

Q Have you any comment on the Economy Act -- veterans' payments?

THE PRESIDENT: No, except that the Director of the Budget and General Hines are working on it. I can tell you this, off the record, that the rumors that we are going to close the hospitals are wholly unfounded. They will stay open and we will try to keep them open. I think

there has been a weakness in the Veterans' Administration and it has been in the Regional Offices. We are going to try to make the work of the Regional Offices that pass on regional cases more humane and less tied around with red tape and more practical. We want to see that they give quicker action. In other words, I am trying to get at the meat of the individual case rather than depending on definite hard and fast rules.

Q That would be in the application?

THE PRESIDENT: Yes.

Q Have you, by any chance, changed your mind on the bonus in any way?

THE PRESIDENT: No.

Q Can you tell us what time limit would be placed on the operation of those new taxes?

THE PRESIDENT: I couldn't tell you that because we haven't chosen the taxes yet.

Q Have you received a draft of the bill from Senator Wagner as yet?

THE PRESIDENT: No, not yet.

There will be a moratorium from tomorrow noon until Monday morning.

(The Press Conference adjourned at 4.23 P.M.)

**CONFIDENTIAL**

Press Conference #21

Executive Offices of the White House,

May 16th, 1933 - 4.03 P.M.

THE PRESIDENT: The only real bad news I have is that five gentlemen, three of them gentlemen of the press and two of them Secretaries to the President, are resigning their positions, saying over the radio last night that they had a very handsome offer to sing on the Cascaret Hour. (Laughter) Mr. EARLY

MR. EARLY: Only one of the Secretaries sang - I did not.

Q No kidding; we have been very seriously maligned. We would like a real testimonial for our friends.

MR. McINTYRE: Dutchess County sent down some congratulations today by way of Western Union.

Q The only ones?

THE PRESIDENT: They are very good judges of music in Dutchess County; that is all right.

MR. DONALDSON: All in.

THE PRESIDENT: I think it is better to have you come in this afternoon rather than tomorrow morning because most of the news broke today.

**CONFIDENTIAL**

Press Conference #21

Executive Offices of the White House,

May 16th, 1933 - 4.03 P.M.

THE PRESIDENT: The only real bad news I have is that five gentlemen, three of them gentlemen of the press and two of them Secretaries to the President, are resigning their positions, saying over the radio last night that they had a very handsome offer to sing on the Cascaret Hour. (Laughter) Mr. EARLY

MR. EARLY: Only one of the Secretaries sang - I did not.

Q No kidding; we have been very seriously maligned. We would like a real testimonial for our friends.

MR. McINTYRE: Dutchess County sent down some congratulations today by way of Western Union.

Q The only ones?

THE PRESIDENT: They are very good judges of music in Dutchess County; that is all right.

MR. DONALDSON: All in.

THE PRESIDENT: I think it is better to have you come in this afternoon rather than tomorrow morning because most of the news broke today.

Q Some of it broke this morning.

THE PRESIDENT: If you want to ask questions, I think you had better ask them.

Q Mr. President, isn't it a fact that the very fact you sent a message to Moscow means that you recognize the existence of the Soviet Government?

THE PRESIDENT: I think probably the easiest way to answer that is this: That that list of countries was the list of the countries participating in the World Economic Conference and the Disarmament Conference.

Q Some of the people up on the Hill are interpreting that to mean that the United States -- that the next move is to recognize Soviet Russia.

THE PRESIDENT: No, that was just sent to the people participating, that is all. That is the beginning of it and the end of it.

Q Mr. President, have you received any reaction from abroad on your message?

THE PRESIDENT: No. Has anything come in over the wires of the Press Associations?

Q Our wires just say - the sum and substance of them - that they are studying it.

Q Our reports are that Italy has accepted it.

THE PRESIDENT: Really? Well, that is quick action.

Q That was the United Press report.

Q Suppose the non-aggression pacts and trouble cropped up in China? In that case, would you be permitted to send soldiers or marines there to protect our nationals?

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

Q How does it apply to the South and the Far East, as far as Japan and Manchuria are concerned?

THE PRESIDENT: All I can say is that I hope this will go into effect. In other words, cross bridges such as that when we come to them.

Q I take it that this is aimed at the European situation --

THE PRESIDENT: The whole World; it is aimed at the whole world situation.

Q Is it directed chiefly to Germany?

THE PRESIDENT: No, the whole World.

Q Can you give us the names of the delegates to the Economic Conference?

THE PRESIDENT: The Secretary of State, Governor Cox, Senator

Pittman, and that is all so far. I don't know who else will go. Nobody else has been asked as yet.

Q Have you determined on the number?

THE PRESIDENT: No.

Q Mr. President, what reason have you to believe that nations which will violate the Kellogg Pact and thus violate their words, would any more observe a Pact of Non-aggression?

THE PRESIDENT: Just the general hope that nations will, more and more, respect their treaties.

Q Do you have any intention --

THE PRESIDENT: That is all you can say on that.

Q It is somewhat the same sort of type of treaty, isn't it?

THE PRESIDENT: Well, section four is a pretty stiff thing. If people sign up on section four, it is a pretty difficult thing to get around. It has to do with sending your armed forces beyond your own frontiers.

Q You regard that as an advance beyond the Kellogg Pact?

THE PRESIDENT: It is an absolutely definite thing.

Q What about the forces already on the outside, like the Japanese forces?

THE PRESIDENT: As I said, there are -- I will have to say

this off the record entirely -- there are three situations at the present time where there is actually armed conflict going on. All we can say is that we hope that those will be resolved into a peaceful situation. That is about all you can say.

Q Those conflicts are in the Far East and where else?

THE PRESIDENT: Two are in South America. One of them is the war which Paraguay has declared - I don't know whether Bolivia has declared war or not - and the other is a war going on between Colombia and Peru in which neither side has declared war.

Q In case hereafter a country, in violation of section four, did cross a border, would we consult with other signatories of the Kellogg Pact about that?

THE PRESIDENT: On consultation? Why, under the Kellogg Pact, we have agreed to consult and, of course, in a question involving the peace of the world, there is no reason why we should not consult.

Q There was some comment on the fact that there was no mention of the consultative pact in these messages.

THE PRESIDENT: I should say again, off the record, on that, that the question of consultative pacts are really

details in carrying out principles.

Q Could you tell us whether the non-aggression features of your proposal are to be made part of the Kellogg Pact, or are these new treaties?

THE PRESIDENT: Those are details I have not considered at all.

Q How long have you been working on this?

THE PRESIDENT: About four months.

Q About four months?

THE PRESIDENT: I started working on it in January.

Q Similar statements went to Italy and Great Britain. Is this a concerted thing?

THE PRESIDENT: No, I have not consulted with anybody at all on this except the Secretary of State.

Q Mr. MacDonald?

THE PRESIDENT: No. It is probably more news to them this morning than it was to the Press last night. I had no communication with them at all.

Q In considering this matter of non-aggression pacts, have you examined at all any of the non-aggression pacts that have been put into effect between Russia and her neighbors and Russia and France? Have you examined any at all?

THE PRESIDENT: No, this is world-wide.

Q Yes, I know, but I was just wondering if, in considering this matter of non-aggression pacts, you had looked into the wording of those and the effect of them.

THE PRESIDENT: No, I have not at all.

Q Under the non-aggression pact, is the United States free to send Marines into Latin American countries to protect life and property?

THE PRESIDENT: Yes.

Q It would be?

THE PRESIDENT: Yes. I told you, off the record, that the places where war is actually going on have to be specially treated.

Q In China, the Marines and the others who are stationed there under treaties have nothing to do with this proposal?

THE PRESIDENT: No, it has not. Of course, our Marines and soldiers in Tientsin and Peking are there under international treaties already in existence.

Q That does not enter into non-aggression at all?

THE PRESIDENT: No. Of course, number four says specifically (reading) "I therefore propose a fourth set concurrent

with and wholly dependent on the faithful fulfillment of these three proposals and subject to existing treaty rights."

Q This will be the chief thing in the Disarmament Conference?

THE PRESIDENT: I don't know.

Q Won't you follow it up by making --

THE PRESIDENT: This was telegraphed to Davis last night.

Q Who will lay it before the Disarmament Conference?

THE PRESIDENT: I don't know.

Q Did he have instructions to that effect?

THE PRESIDENT: I don't think any instructions have gone out.

It is a statement from his own government.

Q Do you care to say at this time whether you are willing to participate in an international commission to supervise disarmament?

THE PRESIDENT: I have not considered that at all, Steve.

(Francis Stephenson)

Q Mr. President, have you considered the possibility --

THE PRESIDENT: In other words, these are principles. We have not gone any further.

Q Have you considered the possibility of sanctions against aggression?

THE PRESIDENT: No; that would be the same thing, it would be a method of carrying out the principle.

Q I assume that Secretary Hull will be Chairman of the Economic delegation, won't he?

THE PRESIDENT: Yes.

Q Will Cox act in his stead when he comes back?

THE PRESIDENT: I don't know; I have not considered that.

Q Will you send up a message tomorrow?

THE PRESIDENT: I hope so, if Mr. Douglas and I get finished this afternoon.

Q Are you ready to recommend any specific tax yet?

THE PRESIDENT: That we don't know yet. It is literally true that our batting average has been perfectly terrible on that. The team has got to improve its average.

Q We will have to have help.

Q I think the captain isn't giving the signals right.

THE PRESIDENT: As a matter of fact, it really is true, just as much as it was last week, that we have not decided on what we are going to say about taxes.

Q Some of the conferees said that they did not see how you could get it except through a sales tax.

THE PRESIDENT: I don't know. It is literally true that we have not made up our minds as to what we are going to say to Congress tomorrow.

Q Are we going to let Congress write in the tax --

THE PRESIDENT: We have not made up our minds as yet.

Q Are you going to Chicago for the World's Fair; do you know yet?

THE PRESIDENT: I don't think I dare go. I have asked the Vice President to go in my place.

Q That is definite, is it not?

THE PRESIDENT: There will be a statement for you after the conference on that. You see, with this thing breaking here, I do not see how I dare be away for a couple of days.

Q Did you get a message from eight governors, with the exception of Governor Horner, asking you for something on this proposed St. Lawrence Waterways?

THE PRESIDENT: I might have a telegram or a letter.

Q Do you intend to go into it?

THE PRESIDENT: As to that again, I don't know.

Q Regarding public works, can you safely say that it will be a bond issue to cover the cost?

THE PRESIDENT: No, Fred, I frankly don't know how the actual money will be raised. That will depend on the Treasury program. I don't think we can make any guess on it.

Q Are you working on it?

THE PRESIDENT: In other words, it will be up to the Secretary of the Treasury to get the money. It may be a bond issue, it may be a short-term loan from the banks, or a long-term loan from the banks. We will leave it to the Secretary of the Treasury to get the money.

Q Would you require additional authority in that respect?

THE PRESIDENT: No, he will do it under his existing powers.

Q In other words, there is no intention of your going out to borrow three billion three hundred million dollars or five billion two hundred million dollars through bond issues. What you are going to do is to borrow when and as needed, isn't that correct?

THE PRESIDENT: Yes. I don't know the method. The Secretary of the Treasury has all sorts of methods to get money for the Treasury and he may use any or all of those methods.

Q How can you determine how much taxes you need to raise?

THE PRESIDENT: The amount appropriated is three billion

three hundred million dollars and in some way, under the many methods which the Secretary of the Treasury can use, we are going to raise three billion three hundred million dollars. We do not need to raise it all at once because it will be a long while before we need the amount for payrolls and contracts and things like that. That is why you have to have taxes.

Q The point is that you may not need all of it for recovery and then if you do not spend it you will be in the position of raising larger taxes than you may have needed?

THE PRESIDENT: Yes, but the tax, whatever it is, may be reduced or eliminated by the President.

Q Then it would be flexible?

THE PRESIDENT: Yes.

Q Is the proposed tariff bill also going to make it obligatory not to have any inflationary moves? I understand it to say that economic conditions shall not be changed until after the Conference. If you did anything of an inflationary character would not that change economic conditions?

THE PRESIDENT: What do you mean? Do you mean on the tariff?

Q Does not that propose that we shall not change economic conditions until after the conference?

THE PRESIDENT: I don't think it says that. I have forgotten the actual wording, but it certainly did not say that.

Q Wouldn't anything of an inflationary character change the tariff duties and the economic conditions somewhat?

THE PRESIDENT: Not necessarily.

Q As to the money for this three billion three hundred million dollar public works program, if provision two of that inflation bill was applied - that is the green-back provision - would that nullify the necessity of raising money to pay it off - to amortize it? In other words, suppose you financed some of these public works by applying the inflation bill, which permits the Government to create three billion dollars in currency.

THE PRESIDENT: No, that is three billion dollars in currency to buy outstanding Government obligations. That is a very different thing. You cannot just start the printing presses going.

Q I am talking about the provision which permits the Government to create three billion dollars in currency.

THE PRESIDENT: It merely lets you substitute three billion dollars in currency for three billion dollars existing debts. That is a very different thing from what you are saying.

Q Does that apply to the section that permits the issuance of three billion dollars in greenbacks?

THE PRESIDENT: It does not apply, unless you put the clause on that they are to take the place of three billion dollars of bonds.

Q There is a provision there for three billion dollars of Federal Reserve Bank notes.

THE PRESIDENT: That is a different thing. Those will be issued against different assets which are turned into the banks.

Q That is the provision I had in mind. If you applied that provision, used the money raised through that provision to pay off some of these public works, would you still have to raise money for additional taxes in order to amortize that debt?

THE PRESIDENT: Oh, yes; but you do not pay for these public works by printing greenbacks. You cannot do that.

Q Why not?

THE PRESIDENT: How could you?

Q Well, you have so much in the way of Government assets.

There is nothing to prevent the Government from issuing Treasury notes or Federal Reserve notes against those and paying off these obligations.

THE PRESIDENT: Nothing. Go ahead, Lewis.

MR. DOUGLAS: If the Government borrowed directly from the Federal Reserve Banks, it still has to pay interest on the sum it is borrowing and still has to make provision for amortization. Under the greenback provision, there is no authority to issue greenbacks except for the purpose of meeting maturities or for the purpose of purchasing bonds and other existing forms of Government obligations.

Q Have you decided on what you are going to do with the Thomas amendment, or are you going to let it ride a while?

THE PRESIDENT: When, as and if.

Q Has anything been done on the Veterans thing?

THE PRESIDENT: I am waiting on a report from the Veterans Administration.

Q How about the liberalization of service-connected cases?

THE PRESIDENT: That is being gone over at the present time and there will be new regulations after the first of July.

(The Press Conference adjourned  
at 4.20 P.M.)