

CONFIDENTIAL

Press Conference #26

Executive Offices of the White House,
June 2nd, 1933 - 4.12 P.M.

THE PRESIDENT: The Attorney General is waiting for me and right after I see him, if I have time, I think I will take my first swim this afternoon.

Q It is a beautiful pool.

THE PRESIDENT: The other day, just at the close of the conference, somebody asked me about the reorganization of the Departments and I'm afraid I did not make myself clear on it. The result was that there have been all sorts of stories saying that the reorganization has been halted, that the saving of money will not be made and that the reorganization is off indefinitely and so on.

If you don't mind, I will just talk to you off the record or for background or anything you like, about the general subject of reorganization. In the first place, it is entirely erroneous to assume that it is in the reorganization of Departments and Bureaus that you save money. That is a very easy fallacy to fall into. Where you save money is by lopping off

debts and lopping off employees and stopping the spending of money.

Now, as a matter of fact, with or without reorganization, we are actually in the process of saving about a billion dollars, which is about twenty-five per cent of the total Government expenditures. In other words, there is no change from what I said about a month ago on that and reorganization of Departments hasn't anything to do with it - not a thing. Let me give you a very simple example that will illustrate what I mean: The Department of Commerce appropriation was forty-one million dollars. Now, there is in process, various reorganization ideas with respect to the Department of Commerce, but they have absolutely nothing to do with the fact that the Department of Commerce is saving twelve million dollars. In other words, regardless of reorganization, the Department of Commerce is lopping its activities down to twenty-nine million with the further promise that through reorganization and consolidation they will probably be able to take off another million and a half. Now, there is a very good illustration. In other words, reorganization and consolida-

tion will only save about a million and a half and the lopping off of functions will save about twelve million dollars.

Just let me give you another illustration: By a consolidation of the purchases of supplies for the Government - things like typewriters and desks and pens and things like that - putting it into some kind of central purchasing organization and standardizing the Government material, we will be able to save probably several millions, two or three, but it is a drop in the bucket compared with the billion dollars that we are already saving through lopping off of functions. So, the importance of reorganization is very grossly exaggerated when it comes down to a question of dollars and cents. But, when it comes down to a question of efficiency, it is a very important thing and we are doing that pretty fast. That is being done particularly by intra-departmental orders that do not have to go to Congress. Those are coming right along; I suppose I sign one almost every day. The thing is in process. Then there are orders affecting inter-departmental work. Part of that can be carried through without submitting it to Congress. Then there will be others which will be submitted to

Congress before they go home.

So that the reorganization, instead of being halted at all, is proceeding in a perfectly orderly way. It simply means that the complete program won't be finished and there will be -- (interrupted)

Q But the saving will go right ahead?

THE PRESIDENT: Yes, the saving will go right ahead. Another good illustration is for instance with respect to the foreign commerce attachés of the Department of Commerce. Now, there is a very good illustration. You had better check on these figures because I am not at all certain that they are right. There are two hundred and fifty of them running all around the world having a grand time. Now, where is the saving on that? It is in eliminating all but about fifty of them and there is your saving.

I am going to send the Congress, either this coming week or next January, an inter-departmental order by which those fifty that are left will report through the Department of State instead of directly to the Department of Commerce. Now, that is in the interest of having just one organization handle all our foreign

matters. But the saving is accomplished right away by lopping off two hundred of them.

Q And then you put them under the State Department?

THE PRESIDENT: They are coming eventually under the Department of State, but that is a very unimportant thing as yet. That will come under reorganization. You see how important reorganization really is in the matter of dollars and cents.

Q Is your billion dollar calculation interfered with by this revision of the veterans cut?

THE PRESIDENT: By the veterans thing?

Q Yes.

THE PRESIDENT: Of course, no human being knows what they are finally going to do up there. Oh, it would be, yes. In other words, that billion dollar cut is based on the general assumption that even with the suggested amendments to the first tentative orders about that, that we would keep it down to about a billion dollars.

Q You mentioned the other day that you might have about six or eight orders.

THE PRESIDENT: Yes, they may run to twelve or fourteen.

Q Would they be signed by you?

THE PRESIDENT: Yes, about the beginning of the week.

Q Senator Bone's conversion plan for getting lower interest rates on Government securities, has that figured in your calculations at all?

THE PRESIDENT: I don't know what it is.

Q He is asking all those that hold Government securities to turn them in at two and a half per cent interest instead of four and a quarter per cent interest and he seems to have had a great many veterans' posts, etc., and railroad brotherhoods with him on this thing.

THE PRESIDENT: I never heard of it. In other words, his proposition is substantially what the British Treasury did?

Q Yes, he is basing it substantially on that.

THE PRESIDENT: I have not heard of it at all.

Q What is your reaction?

THE PRESIDENT: I cannot give you an offhand reaction except that it is one of those things we considered especially in regard to the financing of the six billion dollars of Liberty Bonds that are now callable.

Q Yes.

THE PRESIDENT: It would be certainly considered in connection with that. That is as far as we have got.

Q Coming back to reorganization: When you first started to discuss it you said that that was for off the record and then you mentioned background.

THE PRESIDENT: You can use background. It is just to clear up some of the perfectly honest misunderstanding that this thing meant that we were not going to make the savings, or that it gave undue emphasis to dollars and cents in Government reorganization.

Q Can you tell us what the total in savings would be under reorganization - would it be about a hundred million dollars?

THE PRESIDENT: I would not dare say offhand; probably not as much as that.

Q Wasn't it estimated at two hundred and twenty-five million dollars at one time?

THE PRESIDENT: Yes, but you see we are doing a lot of it. What you are talking about and what was meant was the big things that had to go to Congress.

Q How is this billion dollar savings itemized? Could you tell us that offhand?

THE PRESIDENT: I don't know; I did it about a month ago for you and I have forgotten what it is now. I think

~~it was about now.~~ I think it was about four hundred million dollars on veterans and four hundred and fifty million dollars on Government. I have forgotten where the rest of it was.

Q The cut in salaries was about a hundred and twenty-five million dollars.

THE PRESIDENT: Yes; that is pretty close to it.

Q Do you expect with the increase from revenues from beer, et cetera, that the budget might be balanced by the end of the fiscal year?

THE PRESIDENT: I haven't heard a thing on beer for three weeks or a month. I don't know how it is running now. About three weeks or a month ago I said they were a little ahead of their expectations, but I haven't heard of it recently.

Q We have been keeping up our end here. (Laughter)

THE PRESIDENT: I got word from a very old brewer friend of mine. He said, "For God's sake don't drink any of my beer until next September - it is terrible." (Laughter)

Q Will new activities like farm relief and industrial control offset any of this billion dollar saving?

THE PRESIDENT: No. For instance, industrial control is

supposed to be self-sustaining and so is farm relief.

Q Do you hope to see Congress adjourn on June 10th, the way things look now?

THE PRESIDENT: I don't think it would be nice for me to tell you that. I don't think it would be nice for me to tell them when to adjourn on the record.

Q Tell us off the record.

THE PRESIDENT: I think, off the record, everyone up there is making a pretty honest and sincere effort to get away as soon as they can.

Q In that connection, is the St. Lawrence Treaty still an issue so far as you are concerned at this session?

THE PRESIDENT: This I will have to tell you really, literally, off the record, because I don't know yet whether I am going to send something up on Monday or not. I may; it is perfectly possible. In fact, I am having a draft of a letter prepared at the present time which will simply state the position very clearly.

Q You say that that is not to be used?

THE PRESIDENT: You cannot use that because I have not made up my mind. The chances are that I may.

Q You said that you are trying to cut the tariff bill down to one and a half pages.

THE PRESIDENT: I have got it down to three or four.

Q Will you get it down?

THE PRESIDENT: I am trying to.

Q Will it go up next week?

THE PRESIDENT: Just probably.

Q Have you approved or disapproved the Johnson Amendment to the Arms Embargo Resolution making it mandatory?

THE PRESIDENT: No. Again off the record, Steve (Stephenson), Secretary Hull, before he left, talked to the Foreign Relations people up there and said that in his judgment it would be a bad thing to do at this time.

Q Mr. President, have you any plans for that resolution so far as the remainder of the session is concerned?

THE PRESIDENT: (No answer)

Q The Beacon of the iron and steel industry says that their present industrial relations ^[can?] be maintained under this Industrial Recovery Act. Is that consistent with the practical operation of this Act? They propose no change in the industrial relations - no change in union relations. Would that be consistent with the effective operation of this Act?

THE PRESIDENT: The only thing that I could do would be to quote the language of the Act. I think there are two or three words in Section 7-A.

Q Mr. President, has it been decided as yet to make the Farm Relief Act effective on this year's crop?

THE PRESIDENT: You will have to ask Wallace about that. As I understand it on wheat, no. It is too late on wheat; we can't do anything on that. They are talking about it on corn and they are having a meeting on cotton tomorrow.

Q Mr. President, can you tell us anything about your talk with Mr. Green of the American Federation of Labor and others?

THE PRESIDENT: Oh, we just talked about that same Section 7-A which, as I understand it, is copied, according to Green, directly from the existing law - the LaGuardia-Norris bill - and therefore isn't a new policy of Government.

Q May we understand it that the Administration is in back of Section 7-A?

THE PRESIDENT: Not necessarily in that language; the idea is that they are all treated alike on that same principle.

Q Have you reached any decision on the other two men who will make up the Tennessee Valley Authority?

THE PRESIDENT: Not yet.

Q Can we look for that pretty soon?

THE PRESIDENT: Again, off the record, I have talked over a number of names with Dr. Morgan and also Senator Norris, and they are checking. The list is getting smaller and smaller.

Q Any more delegates to be sent to London?

THE PRESIDENT: I don't know yet.

Q May I take a moment to clear up an impression which I fear I created at the last conference? My reference to our ability to get confirmation or denial was unfortunately interpreted as possibly causing a reflection on Steve (Early), and I want to wipe the slate clean on that because that was the last thing I wanted to do. Most of us, in fact all of us, appreciate the assistance he renders us.

THE PRESIDENT: Here is where I lead the applause. (Laughter)

, Q There is a new tax bill in the Senate today. Have you seen it?

THE PRESIDENT: I haven't even read the headlines in the

Star tonight. What do they do?

Q You have me now. (Laughter) I had hoped that you knew.

Q On the general question of ship subsidies, there is an amendment to the industrial bill on that, seeking to take from the ship subsidies forty-five million dollars to help pay for the public works. Are you, in general, in favor of limiting the ship subsidies?

THE PRESIDENT: From what would they take forty-five million dollars?

Q Forty-five million dollars from the amount now going out as ship subsidies.

THE PRESIDENT: Take it away from the ships?

Q Yes.

THE PRESIDENT: No, certainly not. I do not want to limit ship subsidies. I think we would have to go very carefully into that.

Q In general --

THE PRESIDENT: In general, I want to keep the American Merchant flag on the seas but, at the same time, I want to eliminate any subsidies that ought not to be paid.

Q Mr. President, do you think there are any such?

THE PRESIDENT: That I don't know. I frankly don't know because I haven't had time to go into it.

Q We are getting a lot of inquiries about your summer plans. Can you go into those a little more at this time than you have heretofore?

THE PRESIDENT: That is a little tied up with the question as to whether I want Congress to go home on the 10th of June. (Laughter)

Q We got an inquiry from a little town named Marion which said that an old, dear friend of yours is going to have you visit him there. Is that correct?

THE PRESIDENT: I hate to spoil a good story. Why don't you wait until I get the whole thing together? It is just possible I might go aboard the boat in Marion.

Q Where is that?

THE PRESIDENT: That is just south of Cape Cod. It is between Cape Cod Canal and New Bedford, about half-way.

Q Are you going aboard there instead of Marblehead?

THE PRESIDENT: The reason for that is that the boys won't get out until two or three days later. Why don't you wait until you get a real story on that?

Q Is there anything new on debts? Have you decided whether you would send a message up on that?

THE PRESIDENT: That is just the way they were before - nothing on that.

Q In discussing finances, I think you indicated that there would be a deficit of a hundred and twenty million dollars.

THE PRESIDENT: Yes; we haven't had any figures since that.

Q This saving --

THE PRESIDENT: It would a hundred and twenty million dollars based on the Treasury estimates of three weeks ago.

Q Mr. President, I asked a question before about the vacation - the summer plans --

THE PRESIDENT: I think we had better wait until we have a real story. It is, of course, dependent on Congress. The only thing you had better do is that you had better look for a perfectly good seaworthy boat.

Q Are you swimming today, Mr. President?

THE PRESIDENT: At half-past five this afternoon.

Q Have you reached a decision on the Federal Reserve Board?

THE PRESIDENT: I hope to by Monday.

Q How about the R. F. C.?

THE PRESIDENT: I won't say Monday, but certainly before the Senate goes home.

Q Do you expect to have both of those ready on Monday?

THE PRESIDENT: I don't know.

Q I hate to do this because I have asked so many already.

Is anyone going to be appointed as arbitrator in the Ohio coal dispute? The Governor has sent a message requesting that you appoint a member on the board he has appointed.

THE PRESIDENT: That's news to me; I don't know anything about it.

(The Press Conference adjourned
4.35 P.M.)

CONFIDENTIAL

Press Conference #27

Executive Offices of the White House

June 7, 1933, 10.42 A.M.

THE PRESIDENT: The only news is that I am getting behind in my mail. (Laughter)

Q How does that happen?

THE PRESIDENT: I am just one basket behind. That is all.

Well, I don't think I know anything in particular this morning.

Q Can you enlighten us in any way on these rumors coming from London on some change in the value of gold and some new debt proposition and things of that sort?

THE PRESIDENT: We haven't had a single thing -- not a single thing. Make this off the record, because it is merely the way I would write a story. Do you have to write a story about it?

Q We have to.

THE PRESIDENT: You might write it along these lines, that we are trying to be perfectly consistent over here in carrying out what was announced away back last November when I came down here to see the President, which was the establishment of the principle that a debtor nation can come to a creditor nation and lay its case before the creditor nation. Now, that is all, about all there is to be said. We have had from the debtor nations, as

you know, in these conversations that have been going on, at the time of payment by England last December and the payment by Italy last December, we had various statements made to us as in the case of England -- I have forgotten the exact language -- but to the effect that they did not see how they could make the June payment. We have had what might be called unofficial representations that they did not see how they could make the June payment, but we have had no proposal, we have had no request for a formal reconsideration of the debt question. That is all there is to be said. In other words, it carries out the principle set down last November that it is up to the debtor nation, and there we are.

Q Did you say there have been no recent informal conversations or anything of that subject within the last four or five days?

THE PRESIDENT: No official communications.

Q Unofficial?

Q -- The British Ambassador?

THE PRESIDENT: I think he has been talking with the Acting Secretary of the State. I have not seen him. We simply made clear to him just what I said to you -- that is about all there is.

Q You still adhere to the theory that each debtor should come individually?

THE PRESIDENT: Yes.

Q A large number of the British say that they cannot stabilize their currency until they know the debt situation and they claim that stabilization is the first thing that is necessary in the Conference. Do you think anything must be done about the debts first?

THE PRESIDENT: I don't know; that is an awfully difficult question to answer. I will tell you the general position we have taken on this, and this is again off the record, merely to give you an idea about it. There have been efforts made, as you know from dispatches from the other side, to get some temporary stabilization the last two months -- ever since April -- and we have felt and I think the British have felt -- they have come mostly from France -- that the time is not ripe for temporary stabilization because we do not know as yet the status of the currency of each country in relationship to its price level. In other words, the individual currency of a nation and the individual price level of a nation. We felt that these months of April, May and June will possibly establish that internal relationship fairly well and that, having done that, having gotten the internal relationship of currency and price level fairly

well fixed, then we can go ahead and discuss stabilizing currencies in relation to each other.

It is a little bit premature to go into it any further than that and our position has been that the international Government debt problem is a far less important factor in that stabilization than some of the debtor nations tried to make it out. I think -- I believe I said this last week some time -- I think if you will take the proportion that international Government debts bear either to the debtor nation's budget, or the proportion that they bear, let us say, to world trade, it is such a very small percentage that it is not as big a factor as some of the debtors would try to make us believe. That is about the attitude.

Q Concerning the first part of your answer there, is it possible that conditions have progressed so that the pounds and dollars may be paid in terms of each other at the London conference?

THE PRESIDENT: They are going to try to get some form of stabilization of the relationship between currencies. Of course there are all sorts of methods of approach. One suggestion has been the setting up of what might be called an imaginary coin that would not be coined. I don't think I would write very much about that, it

is not our suggestion, it is merely one of the suggestions I use as an illustration. For example, if you and I are trying to make an international contract -- you are an Englishman and I am an American -- it is very difficult to make it today because you and I don't know what either the pound or the dollar is going to be a year from now when the payment is due. This particular school of thought says, "if we had an imaginary coin, you, as a Britisher, would not have to think of the dollar, you would merely have to think of the coin in its relationship to the pound and not as to the dollar. You will only have one factor to consider -- the pound and the imaginary coin. I, as the American, would have only one factor to consider -- the dollar and the imaginary coin. The imaginary coin would always be fixed in terms of gold or gold and silver, whereas, as it is now, you and I have to think of the pound going up and down and the dollar going up and down or of the two going up together or coming down together. You have six possibilities if you work it out with paper and pencil.

They are going to explore all those suggestions but they are going to work toward stabilization of exchange for the sake of international trade and the

elimination, at the same time, of the speculative element of international exchange. In other words, get rid of those fellows in Amsterdam and Antwerp, etc., who have had in the past those very large speculative accounts, sometimes in pounds, sometimes in dollars and sometimes in francs.

Q What would be the value of such an imaginary coin in terms of the Swiss franc or the Dutch guilder?

THE PRESIDENT: An imaginary coin would be fixed at so many grams or grains of gold, irrespective of anything else.

Q It would simply be a fixed weight of gold?

THE PRESIDENT: It would simply be a fixed weight of gold and nothing more. Only they would give it a name. I don't think there is a story in that because it is only one of a great many things that have been suggested and a lot of people say that it won't work.

Q Would you issue bonds in terms of this gold coin?

THE PRESIDENT: I don't know; provided the total of the bonds did not exceed all the gold in the world.

Q Mr. President, will you ask Congress this week for power to change the tariff in making the reciprocal trade agreements?

THE PRESIDENT: I will have to give you the same answer; I don't know.

Q Do you know whether you will do it before Congress adjourns?

THE PRESIDENT: Again I don't know.

Q Mr. President, has any value been suggested for the ounce of gold in these imaginary coins?

THE PRESIDENT: No, because again it would be based on weight, not on value.

Q I mean in the United States.

THE PRESIDENT: You see, then the value would not have anything to do with it. It would be the weight.

Q The relationship of the dollar toward the ounce?

THE PRESIDENT: Yes, and that would be practically based on an international stabilization.

Q Would you care to comment on the Bank Bill situation?

THE PRESIDENT: Senator Glass, Congressman Steagall, the Director of the Budget, the Secretary of the Treasury, the Comptroller of the Currency are all coming here at 12 o'clock and we are going to see if we cannot iron it out.

Q Mr. President, have you had any reactions on your change in the regulations?

THE PRESIDENT: No, except that I have a huge pile, a good many inches high, of telegrams this morning.

Q What did those telegrams say?

THE PRESIDENT: Oh, just the usual type. We have to understand what this is all about and stick to it as a matter of principle. On this veterans' thing again, I am talking off the record just to give you my own slant on it. I am inclined to think that we are giving too much emphasis to dollars and cents and not enough to principle. Of course, on the dollars and cents end of it, if we go ahead and add another hundred million dollars to the budget, that will throw the budget out in such a way that we have got to have new taxes to cover it. But, if I were to write a story, I would not make that the lead on it. A matter of principle is really involved in this whole question. What we are trying to do is to carry out what was very well expressed in the Democratic platform last year. We should carry out the letter and the spirit of the Democratic platform and that is to do justice to the men that served in the war, and who, as a result of the war, were injured and have to be taken care of. You have to do full and substantial justice to them. The trouble with the amendment is that it violates in many particulars the principles laid out in the Democratic platform and in the Economy Bill. I will just

give you certain examples of how it violates them. It takes care of people who are ill because of their own misconduct. Now, that is a pretty serious thing. That is a violation of a good American principle. Secondly, it takes care of -- I just jotted these down for you and this only scratches the surface, really -- it takes care of soldiers who came into the army or the navy after Armistice Day and up to July 2, 1921. Of course it does take care of, and even present regulations do not cut out men during that period who went up to North Russia. They are specifically taken care of but the amendment takes care of all those peace-time soldiers. Here is another example: It takes care of those thousands of boys who, after the Armistice and up to the second of July, 1921, went to the Student Training Camps. (Laughter) It puts them on a war footing. And then, most serious of all, the amendment, so far as numbers and dollars go, carries on the old presumptive clause. It means that people who served in the war and came out all right, if they became sick up to six years later, they will be taken care of at Government expense on the basis of this presumption.

27 -10-

Now, I will give you a very good example: The other day around here there was a fellow who came in. He was a very, very pathetic case. I think he lost a hand, the whole of one leg and part of another leg. It was a wheel-chair case. He was destitute. It was not his fault, but some people tried to give the impression that he had lost the leg and arm and hand in battle. He did not. He came through the war all right and several years after the war was over he got a thing called Burgher's Disease. Well, some of you people who were up in Albany remember Bob Fitzmaurice, who was in my office. He got something that is practically the same as that disease and it is a wasting away of the flesh. It begins on the toes and fingers and gradually extends. Bob lost two or three toes -- I think we have arrested it in Bob's case. It is an obscure disease and very rare. It has nothing to do with war service by any stretch of the imagination. That boy would come under the amendment for full pension -- I have forgotten what it would be, I cannot give you the figure, but it is one of the larger brackets, I think it is \$250. Now, while his disease had no connection with the war whatsoever, that boy, even though he is not a Service-connected case, under the regulations, under the Economy Bill, would get, because he is permanently

disabled, he would get \$30 a month even though it was not a war-connected case. Furthermore, he would be entitled to hospitalization. Now, there is the difference.

This presumptive clause: In the first place presumption is the wrong word. It ought never to have been used. Under the regulations that we have been getting out and are going to continue to get out, by the way, we are not through with correcting any injustices which may occur under the Economy Bill. This thing that came out yesterday was more of a coincidence than anything else, as you people know. We have been working on it for a long time. Things have been getting in shape for a week. But that is not final. If we find that it is doing injustice, we will amend that. What I want to get across is this idea about the word presumptive. If, six years after the war, a man who served in the war came down with almost any known disease, under the word presumptive which was in the old law it would be presumed, and you could not get around it, that his war service had some connection with it. Now, what we are trying to do is to substitute two words "reasonable doubt" for the word "presumptive". Now, that is something that is not a legal term that anybody can understand. What we are

doing is this: If there is a doubt as to whether the injury or disease came from war service, the doubt shall be resolved in favor of the veteran. But there has got to be a doubt. Under the Connally Amendment, the word presumptive absolutely ties your hands. Do you see the point?

So, that is about all there is and, as I say, if I were writing the story I would stress the thought of a great big principle that is involved in this little disagreement as to language. I hope it is going to be worked out.

Q Do you know how many cases are involved under the Connally Amendment?

THE PRESIDENT: I could not tell you, Steve. I would say at a guess about 150,000 or 160,000.

Q The figure of about \$60,000,000 or \$50,000,000 would be added or is that added under your regulations?

THE PRESIDENT: Under what went in yesterday? All my information came from the press. I was told \$50,000,000 last night and I am told it is about \$41,000,000.

MR. EARLY: General Hines said that \$41,000,000 is very conservative.

THE PRESIDENT: It is \$41,000,000 and it may run higher.

Q Will it be necessary to raise new taxes?

THE PRESIDENT: No. The Director of the Budget says that we will probably, with these increases plus several other increases which are really satisfactory and perfectly all right -- I think there is a \$9,000,000 item that went through to get the hospitals opened -- that we will still keep the budget just about in wack.

Q By what means; by economy in other places?

THE PRESIDENT: I couldn't tell you the details except that we will still have a balanced budget.

Q Getting back to the Bank Bill, can you tell us in advance a little something about what remains to be ironed out in that bill?

THE PRESIDENT: It relates to the guarantee -- don't use the word "guarantee" but rather the insurance clause. What it is I don't know because yesterday evening about 7 o'clock they told me they were working on one plan and this morning I have heard that they have discarded it and are working on another plan. What it is, I don't know. They will be down at 12 o'clock.

Q What they are working on is a substitute for the Banking Bill?

THE PRESIDENT: Yes. It does not relate to the main insurance clause -- the permanent insurance clause. It relates to the temporary \$2500 clause for the member and non-member

banks.

Q With reference to what you said about the debt situation, off the record, is there any objection if we use it on our own authority as background without any reference to the White House?

THE PRESIDENT: If I were writing the story I would put it that way.

Q Are you going to see the Steering Committee of the House?

THE PRESIDENT: I don't know whether they are coming down or not but I think they are.

MR. McINTYRE: They are waiting for you now.

Q Is there a Child Labor clause under the Industrial Control Bill?

THE PRESIDENT: I couldn't tell you, you had better ask Miss Perkins; I don't know.

Q How do you like the swimming pool?

THE PRESIDENT: Grand; I have been in three times. We will have a party some time.

(The Press Conference adjourned at 11.00 A.M.)

CONFIDENTIAL

Press Conference #28

Executive Offices of the White House,
June 9th, 1933 - 4.12 P.M.

(Present: The Postmaster General)

THE PRESIDENT: Well, what is the news?

Q What about the tariff situation?

THE PRESIDENT: Who has got my wire basket? I will look through it and see if I cannot tell you something about it. You go right ahead and talk while I look this up. (Laughter)

Q Who to?

THE PRESIDENT: Just tell me a story while I look at this.

Q We will have to talk to ourselves and it is a difficult thing to do in this hot weather.

THE PRESIDENT: It has been nice and cool in here.

Q It is nice and cool in here but oh, when you go out. How is it over at the White House?

THE PRESIDENT: It is pretty hot over there; you know we have no cooling over there.

Q You might as well read us the rest of those while we are waiting - the other nominations.

THE PRESIDENT: Well, I cannot find it. I will have to try to tell you, off the record, just for information. I am not going to send up any tariff message. That, however, does not in any way preclude the conferees - I don't mean the conferees, I mean the delegates in London - from conducting the negotiations for general tariff agreements. That can be done in London itself. Secondly, it does not preclude them in London from arranging for individual tariff conferences between us and any one other nation with the objective of arriving at reciprocal tariff agreements. These conferences are to be held as soon as possible. And then, third, there is, of course, still the right, under existing law, for either increases or decreases in existing schedules by executive order after recommendation by the Tariff Commission and in reciprocal agreements. As a matter of fact, there is very little loss of time on this thing because any agreement entered into would probably take several months to work out and can be submitted, if worked out, to Congress as soon as they re-assemble in January. Any permanent reciprocal

agreement or general agreement would have to go to Congress anyway.

Q Mr. President, would that mean agreements by treaty?

THE PRESIDENT: Well, that is the same thing.

Q You could obtain your agreement by treaty and then submit it to the Senate, could you not?

THE PRESIDENT: Yes, I hope so. I don't know enough about that end of the situation. I would say so, offhand.

Q This means that the Delegation won't be able to conclude any definite agreements?

THE PRESIDENT: Oh, yes; general agreements. That does not mean bilateral agreements because bilateral agreements have to be arrived at by this country and another specific country and obviously these people over there are not going to have six or eight conferences going at the same time with other nations. Bilateral agreements would probably be done over here.

Q There was a big fight under your predecessor's regime on the right of Congress to pass upon any fifty per cent reduction in tariff made by the President. Assuming any reduction is not more than fifty per cent, which is within the limit of power, doesn't that bill have to go to Congress?

THE PRESIDENT: No.

Q That can be done by executive order, I think.

Q That is, after recommendation for tariff revision and investigation.

Q So that this fifty per cent reduction can be made by you upon recommendation of the Commission.

THE PRESIDENT: No, because as I remember it the Tariff Commission's recommendations have to be based on difference in the cost of manufacture.

Q The Tariff Commission's recommendations after investigation?

THE PRESIDENT: Therefore it would be safer to say that any general agreement made in London could not be put into effect by a Tariff Board recommendation and by executive order unless it was based on cost of production.

Q Then we can assume that your Delegates won't make it unless justified by the cost of production and transportation and the other various things involved?

THE PRESIDENT: At least, they would be a very important factor.

Q Would the Delegates have all that information?

THE PRESIDENT: There is a great deal of current information on those schedules. In other words, they can get the latest information that the Tariff Commission has.

Q It would still be subject to the Senate approval?

THE PRESIDENT: I think they would have to go to the Senate anyway.

Q Have you already asked for reciprocal --

THE PRESIDENT: In other words, from the practical viewpoint, the only difference is this: The first thought was to ask Congress for what might be called "temporary authority" to put a temporary agreement into effect from some time this Fall until the Congress met and then to allow the Congress to approve it or to disapprove it. All this does is to send the signed agreements -- if there are any -- up to Congress in January.

Q That is new to us. I don't think we understood that.

THE PRESIDENT: Congress would never give me complete authority to write tariff schedules.

Q Well, they have given you everything else. (Laughter)

THE PRESIDENT: I never had any thought of asking for it.

Q Have you decided not to ask for specific authority because it would delay Congress too long?

THE PRESIDENT: No; there are whole lots of reasons and that was one factor, but only one.

Q I understood you to say that this is for background. Couldn't some of it be for publication and some of it to use for background?

THE PRESIDENT: Yes, I think so. I don't think it is a frightfully important thing anyway. I told you all along that I was not at all certain what I would do. As a matter of fact, there was no previous intention of actually doing it. I simply decided not to do it and the effect of it is merely to cut out the temporary agreements that might last two or three months and instead of that signing treaties and submitting them to the Congress in January. It is a very unimportant thing - a matter of two or three months.

Q It is very important in a way because when you told us some months ago that you might ask for this, we naturally wrote it up and our readers are waiting and watching for it and we would like to write an explanation of why it is unnecessary. I think it would be

very helpful. It is a good story in the first place.

Q It might be regarded in London that the fact you are not sending this up had some deeper meaning and if we could go ahead and print something --

THE PRESIDENT: The only significance to it is the fact that we could go right on and make some agreements in London but that instead of having them go into temporary effect for a month or two, we would wait and submit them to the Senate in January. That is why it is so awfully unimportant. It merely means a matter of two or three months.

Q Excepting that the public hasn't that view at all and I think if we could straighten them out now --

THE PRESIDENT: There never has been any thought of asking for more than that.

Q I had the impression there was and I think my readers have. (Laughter)

THE PRESIDENT: The only thing I can think of is how well you impressed your imaginations upon your readers. (Laughter)

Q You mentioned bilateral agreements. Do you plan to start soon on those in Washington?

THE PRESIDENT: Yes, if the Delegates in London can arrange for bilateral agreement meetings.

Q That is all you have in mind as to what the Delegates in London are to do on the tariff?

THE PRESIDENT: Oh, no; the Delegates in London can work on the general tariff thing - the international truce.

Q What sort of general international agreement could you get more than, say, a tariff truce?

THE PRESIDENT: Getting a tariff truce is a very good suggestion. They have half a dozen different proposals. Every nation has some kind of a general tariff reduction proposal. I suppose there must be thirty or forty of them along all kinds of lines such as a two per cent, five per cent, ten per cent reduction and then allowing only a certain quantity to come in. There are all sorts of things.

Q Doesn't this mean that, as far as we are concerned, the effects and the results of the Economic Conference won't be felt until next year?

THE PRESIDENT: Nobody ever supposed that they would be felt until next year.

Q Don't you think we ought to be able to print this in some way more definite than as background? I mean, there has been quite a misunderstanding and if you

clear it up in an authoritative way, it would be much better. Business, possibly, won't know about it. We can say that the Administration -- use it in an indirect way, just as a statement of facts.

THE PRESIDENT: The statement of facts is in the first place that there is no message going up on the tariff. Number two, that this decision in no way weakens the efforts of our Delegates at the Economic Conference except that anything decided, instead of going into effect over a temporary period in the Fall, subject to action by Congress, would be submitted to Congress for action in January.

Q Before it becomes effective?

THE PRESIDENT: Yes, before it becomes effective. Then there is the other exception to that and that is the right to lower or raise after reports by the Tariff Commission based on the cost of production and that is always a possibility during the Fall.

Q Can't we use that just as you say it now and say, "The Administration"? It tells all of it - just what you say.

THE PRESIDENT: Those are the three things.

Q Would that second exception take care of Cuba on sugar?

THE PRESIDENT: I don't know; I have no idea at all. I have not thought of it.

Q Talking about Cuba, there are quite a few interesting developments down there recently and, just for information and off the record, has anything been done by you or Sumner Welles with respect to the Machado regime? There has been a very definite change within the last two or three weeks.

THE PRESIDENT: No, there isn't, really, any story on it at all. I have been so darned busy with other things that I have not read a single dispatch from Welles. All I know is that I saw him before he left and Phillips, since then, has given me a few high spots.

Q It is a terrific move for the better and I think you ought to take credit for it if there is any bust.

THE PRESIDENT: Not yet.

Q Any change in the debt situation?

THE PRESIDENT: No, nothing.

Q Did you and Sir Ronald discuss debts?

THE PRESIDENT: Yes, among other things.

Q Any proposals submitted?

THE PRESIDENT: Not yet.

Q Japs news agencies send a dispatch saying that Ishii, while he was here, made a proposal to you with which you agreed in principle or agreed with to establish an arbitration commission between Japan and the United States.

THE PRESIDENT: Never heard of it; he may have taken it up with the State Department.

Q No, they say no.

THE PRESIDENT: Then he did not.

Q The British Cabinet adjourned today without taking action on the debt.

THE PRESIDENT: Are they meeting tomorrow?

Q It has been postponed until Monday.

Q It is understood there is a message here about it.

THE PRESIDENT: I haven't had a thing.

Q Who is going to Germany as Ambassador?

THE PRESIDENT: It depends on how fast we can get in telephone communication with Berlin. I may know by tonight.

Q There is a guy named Montgomery who wants to go to Vienna. Does he get that job?

THE PRESIDENT: He is going to Budapest.

Q That is too bad; he wanted Vienna.

Q We can get in touch with Germany right quick if you want us to do it. (Laughter)

THE PRESIDENT: Phillips is on the phone at the present moment, I think.

Q How about reorganization?

THE PRESIDENT: I am having a conference at four-thirty this afternoon.

Q Any orders to follow that conference?

THE PRESIDENT: I don't know.

Q Who is going to be present?

THE PRESIDENT: The Director of the Budget and several members of the Cabinet.

Q Any plans for the week-end - down the river or anything?

THE PRESIDENT: I'm going to stay right here this week-end.

Q Have you arranged for your cruise? Is there anything you can give us on that?

THE PRESIDENT: If they go home, there will be only one more press conference before I start off. The general plan for the cruise is to leave on Thursday night and go on to Boston - to Groton on Friday to attend the school commencement - Prize Day, they call it.

That is on Friday, and then Friday evening, somewhere, actual location not yet determined, I am going on board the boat and the next point where I will be heard from or of, is Portland, Maine, the following Thursday afternoon.

Q Not going to touch anywhere.

Q Don't we get a boat? If the press gets a boat, can they go along?

THE PRESIDENT: Yes, and, by the way, if anybody wants me to help the press find a boat, I will be delighted to help in any way. I could provide a boat under the New York State rules but under the U. S. Government rules I am afraid I cannot provide a Government boat for the press. I would like to.

Q Any further details?

THE PRESIDENT: Let me see; we touch Portland, Maine, the following Thursday, where we shift crews, and Franklin Junior and John and James come on board. And then the next point touched is Eastport, Maine, or Campobello a week later.

Q What date is that?

Q That will be a week from that Thursday. (Laughter)

THE PRESIDENT: That is Thursday, the 21st - no, Thursday, the 22nd at Portland, Maine, and Wednesday, the 28th, at Eastport.

Q How long will you stay up there, then?

THE PRESIDENT: A couple of days.

Q You are coming back on the Indianapolis?

THE PRESIDENT: Yes.

Q To Baltimore?

THE PRESIDENT: I think I will come up the river here, as far as I can go, and then transfer to a destroyer.

Q What date will you leave Campobello?

THE PRESIDENT: Probably the night of the 29th or early morning of the 30th.

Q Are you going to stay in Portland at all?

THE PRESIDENT: No, just go in to pick up the boys and start off again. We will get some fresh water and mail, and so on.

Q You said you were going to change crews. Who is going to be the crew before that?

THE PRESIDENT: Don't know yet - a couple of fellows.

Q James Roosevelt?

THE PRESIDENT: Yes.

Q Will you be here over the Fourth of July?

THE PRESIDENT: I will be here all of July.

Q Any speaking engagements on the Fourth?

THE PRESIDENT: No.

Q Are you going to Hyde Park the end of the Summer?

THE PRESIDENT: The August thing is pretty tentative, but I think, if possible, I will get up to Hyde Park the first week in August and then come back here for a week or ten days, and then go back to Hyde Park for another week or ten days.

Q Thank you, Mr. President.

(The Press Conference adjourned
at 4.30 P.M.)