

CONFIDENTIAL
Press Conference #32
Executive Offices of the White House,
July 7th, 1933 - 4 o'clock P.M.

THE PRESIDENT: I don't think I have any news at all today.

I can discourse to you for about two minutes on some of the charts that the Departments have been giving to me today which are quite interesting, showing the whole-sale price index. I think the simplest one is this (indicating). This starts from 1914 and the dotted line is "Products other than Farm Products and Foods", in other words, manufactures. You will notice that they went, together with the farm products line, all the way up through the War period and then down in 1920 when they all went down together and then they all came up a little together during that whole period of 1920 to 1929 but, in 1928 and 1929 farm products went up higher than industrial products and, since 1929, farm products, which is the blue line, went all the way down here, clear off the sheet so that, relatively, farm products in the past four years have gone down from a higher point to a much lower point and industrial products, which had

not gone up as much in 1929 relatively, have gone down less since then. Then, this (indicating) is the curve for the past two months. Of course, you haven't got an awful lot to go on yet, it is only a couple of months. The curve for the past couple of months shows the greatest relative increase in farm products, which is a very cheerful thing for the reason that the purchasing power of people engaged in farming had practically disappeared and now it is coming back and in time we hope we will catch up to the industrial products line which is going up, but not going up as fast as the farm products. Eventually we hope they will meet.

Q. How far apart are they now?

THE PRESIDENT: Here they are (indicating). The farm products line has just come back on the sheet. (Laughter)

Then the other chart that goes back to ^[1919?] 1929 is interesting as showing that from 1920 on production and employment - during 1922, '23, '24, '25, '26 and '27, production and employment were practically on the same level. Then during that boom year of 1929 production went up away above employment and then since 1929

both of them came down right on through 1930, '31 and '32 and the beginning of 1933, approximately together. Now the story of the last two months shows that production has gone up faster than employment, which is a thing that we have got to do everything we can to prevent or, rather, putting it the other way around, we have to put on every effort on getting the employment line from now up to go up as fast as the production line. The best illustration I know of as to why this is caused is this: A cotton mill, let us say, ran one shift up to, say, the first of April and it suddenly begins to get orders and the orders continue to come in and by the first of May it is running two shifts or, in the alternative, it is lengthening out the hours of employment. In other words, if it has twice as many orders it is not employing twice as many people or, if it has three times as many orders, it is not employing three times as many people. That is an illustration of why employment of individuals has not kept pace with production.

Q Mr. President, is the broken line based on dollars or units?

THE PRESIDENT: I couldn't tell you; I think it is based on an index.

Q If it is an increase in prices --

THE PRESIDENT: I think it is on units, not dollars.

Q How are you going to get at this problem?

THE PRESIDENT: That is where the Industrial Act comes in.

For instance, on the cotton thing, we hope to employ one hundred thousand more people than employed there at the present time on the same volume of production.

Q That is where the codes come in?

THE PRESIDENT: Yes.

Q Have you approved the code, Mr. President?

THE PRESIDENT: It has not come to me yet. They asked for an extra day on it.

Q On what basis were these figures computed - the figures showing 1922 to 1927 where production and employment move practically together? Is that the Bureau of Labor Statistics --

THE PRESIDENT: No, this one is the Federal Reserve Board Index.

Q How about the others, are they the same?

THE PRESIDENT: No, that first one is the Bureau of Labor

Statistics (indicating). They both check together pretty well.

Q Do you think the increase in the stock market helped the index of prosperity?

THE PRESIDENT: Really, I ask you.

Q Do you? (Laughter)

Q This fits right into the picture you have been discussing. Is there anything you can tell us about your talk with Senator Wagner?

THE PRESIDENT: He just came in to say good-bye. He is sailing for Europe.

Q Have you got any new plans for the agenda of the Economic Conference?

THE PRESIDENT: No.

Q Did this conference today with Phillips and others have any bearing on that?

THE PRESIDENT: No, we were just discussing general world economics and that is all.

Q Can you tell us anything further about that conference?

THE PRESIDENT: Not a blessed thing.

Q Are you seeing them again this afternoon?

THE PRESIDENT: Yes, later on.

Q On the subject of repeal, Mr. Farley has sent a telegram to the Governor of Kentucky and others, asking them to include repeal in the agenda for any special session they may have. There is to be one in Kentucky very shortly and so far the Governor has put only a provision for a tax enactment into it. I was going to ask if Mr. Farley represented your feeling about it.

THE PRESIDENT: I cannot tell you anything on the record on that. Of course, Mr. Farley is acting off the record and as Chairman of the National Committee and not as Postmaster General, and again, off the record, - you cannot use this because I don't know what form it will take when I do it, nor do I know when I will do it, but the chances are that some time I will write a letter and send it to him in reply to a letter sent to me and say, in effect, that we have tried since the 4th of March to carry out the Democratic Platform and that I feel that any effort by any Governor of a State to carry out that Platform would be absolutely in line with the Party's pledges last Fall and that one of the things we said we would do is to have repeal, that the matter of repeal should be submitted to Constitutional

Conventions and therefore any State that calls a Constitutional Convention for that purpose is simply carrying out the mandate of the Platform.

Q It would be nice, particularly now.

THE PRESIDENT: Yes, you see, I have to cheat with my own time doing it.

Q Will it be before the elections?

THE PRESIDENT: I think so.

Q Can we use something along that line?

THE PRESIDENT: Not yet; don't spoil my story.

Q The decision to keep Davis at home comes somewhat as a surprise to us.

THE PRESIDENT: Absolutely none at all. There is no story to it in this thing any more than there was a story over the fact that the Minister of Sweden was about to go to his post. I think, frankly, we are getting to the hot weather period. What happens on Disarmament or the Disarmament Conference is very similar. Mr. Arthur Henderson has been put in complete charge during the Summer of the detail work looking toward the October meeting, and it was a question when Norman Davis came back here as to whether Henderson thought

that Norman Davis could be helpful, during the Summer, in working out the details. We got word the day before yesterday from Arthur Henderson that he did not think it necessary for Norman Davis to go over at the present time and that means he will hold himself in readiness until Henderson wants him there, and in any event, he will go over by the end of August or the first of September. Of course, he may go before.

Q Can you tell us the significance of his presence today in this Conference on the world economic discussions?

THE PRESIDENT: What we were talking about was reviewing the original agenda of the Conference, and Norman Davis helped to make up the original agenda.

Q Is there anything new in that connection on monetary stabilization?

THE PRESIDENT: There was somebody, I.N.S., I think it was, had a flash that they had decided to go ahead and talk about it.

Q That was the Sub-committee?

THE PRESIDENT: Of course, the thing comes right down to this: It is the easiest illustration and you can use it as background. There are a lot of nations there

that would like to talk among themselves about fresh phases of the monetary question and they probably will do it and, if nations don't want to take part in these formal discussions about monetary matters, I suppose they won't. There is nothing very exciting about talks. It does not mean that the monetary subjects are going to be discussed among the sixty-six nations' Delegates.

Q Does this Conference today - about this Conference today, is it possible that the United States will have a program to carry out your ideas on raising world prices?

THE PRESIDENT: It is difficult to use "a program". After all, a conference is a conference. You go into a conference with an objective. You don't go in there with a plan saying that on such and such a date this country will do this, that or the other thing. You go in there and say, "Here is our plan for raising world prices," and you lay your plan on the table and some other nation gets up and says, "That is extremely interesting, we are going along on a parallel line." Now, you may get fifteen, twenty, thirty nations that will be interested in our plan. Some of them may be going along

half way or seventy-five per cent of the way. Others may be so interested that they will say, "We may go along", and then they take it up. That is all there is. We are telling them our plan, and I think it is having quite a good deal of effect. I think, reading between the lines on what has happened before, they have a good deal more interest in our plan today than they did the day before yesterday.

Q May we use that as background?

THE PRESIDENT: Yes. That, on the other hand, does not mean that we are saying to the nations; "Here is our plan; you have to adopt it." It does mean that we are saying, "As a general proposition, depending in the case of each nation on the needs of that nation, we believe that an objective like ours would be a good thing for as many other nations as possible to adopt." Their methods and means of reaching the objective may differ from ours.

Q This is the plan in your second communication of the day before yesterday? Is that the plan you are referring to now, the one Hull told two days ago, the so-called "commodity dollar"?

THE PRESIDENT: You mean the Delegations' statement?

Q You refer to the plan?

THE PRESIDENT: I don't quite follow.

Q You have referred to "our plan". Is that our plan, the one contained in the Delegation's last statement to the Conference?

THE PRESIDENT: That is one way of putting it. I told of it half a dozen different ways myself. Their way was a perfectly good way of stating it.

Q The objective of that is to raise world prices?

THE PRESIDENT: Yes, the objective is to raise world prices.

Q Are you discussing any new plan in this Conference today?

THE PRESIDENT: We are going ahead with the same objective.

Q Are you discussing any new ways of attaining it?

THE PRESIDENT: No, no new ways. There is a restatement of it in some ways, but the plan itself has not changed as far as policy goes. In other words, you have to differentiate between the two words, "plan" and "policy". In other words, the ultimate objective on the one side is that you are shooting for something, and on the other side, to come down to the question of the plan, there are half a dozen different ways of getting at that objective.

Q You talked about agricultural prices going up some time ago. Wouldn't that raise some havoc with your cotton plan in the South?

THE PRESIDENT: I think it is going very well.

Q There is some idea that you, yourself, might speak to to the South.

THE PRESIDENT: I think that suggestion comes from the fact that since I got back the day before yesterday I have had requests for special radio addresses from the Farm Credit Administration. They would like to have me explain all about that. I have also had requests from Hopkins to talk on relief work, and Johnson on industry, and Secretary Ickes on Public Works, and two or three others. If I were to start on the radio, explaining each plan --

Q Didn't you have a conference with Wallace?

THE PRESIDENT: No, not on cotton.

Q From the reports do you think the cotton plan is going over?

THE PRESIDENT: It is going over very big.

Q The report was that they had signed only two million acres out of the ten million acres that should be signed up.

THE PRESIDENT: They haven't the forms in the hands of enough people as yet.

Q Then it would have to be extended in order to overcome the deadline date?

THE PRESIDENT: They expect to get seven or eight million acres.

Q Mr. President, have you received any special reports from the Delegation in London today or last night as to the situation over there?

THE PRESIDENT: Only the general statement - what we call the summary.

Q About this industrial program again, there have been a lot of stories and reports to the effect that there is some holding back and that it is necessary to go in and use a club on some of them.

THE PRESIDENT: I can only tell you what Johnson told me yesterday; that so far as he knew there was only one - I suppose you had better keep this off the record because I don't want invidious distinctions drawn or brickbats thrown - there is only one association and that was the Illinois Manufacturers Association. He telephoned some friends and they apologized and are taking it all back, and are going to cooperate from now on.

Q This problem of over-production -- if they come in line, would you have this over-production?

THE PRESIDENT: What do you mean?

Q They are not employing people fast enough. Isn't there some way of catching up with that production line?

THE PRESIDENT: That is the objective of the whole thing.

On the other hand, it is a perfectly human thing, if you own a cotton mill and know that every piece of goods you turn out you don't have to pay the processing tax and that the cost will be a whole lot lower than when you sign up the code, you do all you can to produce and over-produce until that time comes.

Q How are you going to stop that?

THE PRESIDENT: We cannot do it until we get a code signed.

Q Are you going to make a radio address on reforestation camps?

THE PRESIDENT: That is another one. I think they are going to have a radio hour for the boys in the reforestation camps and I told Louis Howe that I was going to speak twenty words.

Q Mr. President, what do you think of drinking out in the State Department Press Room? (Laughter) No kidding.

THE PRESIDENT: You know what we ought to do? We ought to take them on up to Roque Harbor, Maine. Did you people hear about it? It was the only time I got away with it on the cruise. The Press turned absolutely blue with fright. In the fog there, in this little bit of a harbor that was just off the big harbor, there were the two Press boats, the regular Press and the prima donnas. They were anchored just inshore from me, not more than two hundred or three hundred feet away. You could just barely see them. Outside of me there was the old Cuyahoga, and outside of the Cuyahoga was the destroyer. One morning we wanted some water on the Amberjack, so we took the little rowboat and tied the anchor light on the rowboat and then cast off and got away under the engine and went out past the Cuyahoga to the destroyer and tied up along side, and it took us about half an hour to get water. Well, Steve (Stephenson) or somebody came on deck and looked over to where the Amberjack had been ten minutes before, and she was gone. All that there was in place of the Amberjack was one rowboat. (Laughter) I believe --

Q (MR. STEPHENSON) And did we jump out!

THE PRESIDENT: And I believe that the Press Association
let out one wild yelp and sent over two boats. Right?

Q You sure did scare us, Stevie.

THE PRESIDENT: That is the only time I got away. (Laughter)

Q Have you any plans for the rest of the Summer?

THE PRESIDENT: I don't know.

Q Do you still expect to be away in August?

THE PRESIDENT: I expect to go away for a week and then
come back, and then go away for a while.

Q Have you taken up the Detroit bank situation with
Acheson?

THE PRESIDENT: I talked with Acheson and Jones about it
this morning, and we are still conferring about it.

Q Have you urged them to work out some harmonious plan
on it?

THE PRESIDENT: We are trying to; you know how difficult
it is.

Q When are you taking up war debts?

THE PRESIDENT: I don't know.

Q Did you hear from the Cabinet Committee?

THE PRESIDENT: No; haven't taken it up as yet; did not
have time.

MR. EARLY: Some of the boys are asking questions about your diet.

THE PRESIDENT: I eat anything, but I'm just cutting the portions down -- cutting down on the volume.

(The Press Conference adjourned at 4.35 P.M.)

CONFIDENTIAL

Press Conference #33

Executive Offices of the White House,
July 12th, 1933 - 11.10 A.M.

Q Mr. President, how are the seven pounds?

THE PRESIDENT: I lost two. I just took the belt in a hole, that is all. I have not weighed yet or maybe the belt stretched, I don't know.

I hope you are all having a good time; I can stand it, and if you can stand it and the American public can stand it, we are all right.

Q They have been terribly hot days.

THE PRESIDENT: I will tell you a little story: Yesterday morning, when I gave Mac the simple little announcement about the Council, I said, "I hope, Mac, somebody calls it a super-Cabinet," and he said, "Oh, no, they would not." (Laughter)

Q What do you call it, Mr. President?

THE PRESIDENT: I call it the Council.

Q Executive Council?

THE PRESIDENT: Just Council, that is all it is. It certainly is not a super-Cabinet. However, if the public likes to call it that, you can call it that. Of

course, it is not that; otherwise it is perfectly all right.

Q Well, it sounds good.

THE PRESIDENT: And somebody said that Walker had the power of an Assistant President. Of course, if you want to write that, and the public believes it, it doesn't get under my skin; but it doesn't happen to be true. But it is all right.

Then there were some other things. George (Durnò)(?) wrote a perfectly grand story for it. Really, the heat has got people down in this town this year. There was something to the effect that President Hoover and Eugene Meyer and Bernie Baruch were going to form another kind of a super-Cabinet. And then, what is the other one -- that I was having difficulty in finding enough rich Democrats to fill the diplomatic posts. Now, don't you believe it. I have in the diplomatic folder, I think there are at least two hundred and fifty or three hundred names of deserving Democrats who would like to have places under any conditions, salary or no salary. As a matter of fact, on the total thing we filled quite a lot of places and there are still quite a number going

to be changed, but the reason we have not gone faster is, in the first place, I haven't had time to get around to it and, in the second place, there are quite a number of posts where the individual who happens to be there, irrespective of whether he is a political appointee, is doing special work and I want to keep him on to finish up the special work. There are half a dozen cases of that kind and, of course, those political appointees will be replaced in time. I think I told Bill Phillips to go ahead and make three or four changes, and there will be changes from time to time.

Then, for instance, just to give you an example, we have career diplomats. Of course, we are going to keep them in, and if there is some political appointee carrying on special business or doing a special piece of work, I may want to keep him on until possibly the Fall and, when he goes out, I may move a career diplomat from some other place into his place. Therefore, it means that his place will be filled either by a career diplomat, or a political appointee. It will take me probably the balance of the year to get the diplomatic posts more or less permanently straightened

out, but there is no difficulty in finding candidates.

Q You said you had two hundred and fifty men of wealth.

How does that compare with the vacancies?

THE PRESIDENT: Not men of wealth.

Q They may be able to pay their own expenses until confirmed by Congress?

THE PRESIDENT: No; no appointments are being made because the vacancies do not exist at the present time. In fact, I think I have filled every post where there was a vacancy.

Q I understand that on a recess appointment you have to pay your own expenses.

THE PRESIDENT: No, if the vacancy does not occur until after Congress adjourns, then they can get their pay. It is only where the vacancy has occurred before, and I do not fill until after Congress adjourns that they cannot get paid.

Q Are you contemplating a change in the form of government for the District of Columbia?

THE PRESIDENT: I said last week that I hoped to have something on the District within two or three weeks. I haven't done a thing about it since I mentioned that.

Q Have you contemplated any changes in the Civil Service system that would remove certain classified employees?

THE PRESIDENT: I think the easy way to put it -- well, for instance, here is a very good illustration of what the Council is for. We took up yesterday the question of getting office space for these various new agencies and we talked it over as to what was the best thing to do. We decided this: Now, I want to draw a very sharp distinction. There are two kinds of people on the Civil Service list. There are people who get there through the Merit System, by examination, and there are quite a lot of people who get in there through the political system by Executive Order, and I think, in fairness, there should not be a reference to everybody on the list as Civil Service employees because it is not at all the full truth. There are a lot of political appointees who were covered into the Civil Service by Executive Order. Now, they are not Civil Service employees within the meaning of the Civil Service principle. The Civil Service, started by Grover Cleveland, was intended to be filled by people who came in, regardless of Party, on a competitive basis. That

is the true meaning of Civil Service, regardless of Party - on a competitive basis.

Now, what we are doing is this: This is the kind of a thing that the Council was meant for. We decided yesterday that in employing personnel for these new departments, such as what might be called the regular working staff - stenographers, file clerks, messengers, and so forth and so on - that they will and ought to go to a list which they will get from the Civil Service Commission. Now, that list will give a preference to honest-to-goodness Civil Service employees who have been discharged within the past four months because of the economies, and it will not include the names of the political appointees who were discharged. Now that is the broad rule.

In other words, any man or woman who is discharged from, let us say, the Department of Commerce in the big cut that happened there, who was a Civil Service employee in the strict sense of the word, and who came into Civil Service through competitive examination, whether Republican, Democrat or Socialist,

or anything else, his name will go on a list that the Civil Service Commission has, and he will get first preference for re-employment in these new Government agencies.

Q Are the others excluded entirely?

THE PRESIDENT: They can take a new examination any time they want. If they can pass it they get on the Government roll. (Laughter) If they are clever enough to pass it, that is fine; the fact that they are Republicans will not be held against them.

Q And what if the Republicans pass it?

THE PRESIDENT: I don't think that is a fair suggestion, because the Civil Service is intended to take people from the standpoint of ability and not from the standpoint of politics. Most of the examinations pay very little attention to the political question.

Q Did the Council take up the question of minimum wages and maximum working hours?

THE PRESIDENT: I wish you wouldn't guess on the things done in the Council, because you guess ninety per cent wrong. We did not discuss codes.

Q No, this was not a code; this was to be put into effect as a temporary stop-gap while the codes are being worked out.

THE PRESIDENT: That I cannot tell you, because Johnson is working on a plan of that kind, and how far he has got on it I don't know.

Q He told us that. We were wondering whether it had come up here or not.

THE PRESIDENT: No. Of course, so far as the codes go, I think they are making darned good progress, when you consider the number of industries involved and the fact that only two or three did any preliminary work. The cotton people started way back in the early part of May, and that is why they were so far ahead and came through so quickly. The steel people started before the bill was passed, and I think they are making good progress. There were others as well. On the other hand, a great many people did not get started until the bill was signed, the 17th of June, and most of the industries did not start until the bill became a law. It does take a long time to get an industry together. On the whole, I think they are making very good progress. There is only a small percentage, a minor percentage, of industries that are not making a pretty faithful effort on it. Johnson's idea is that

we can save time by trying to get out a temporary blanket order that will cover certain features like minimum wages and ^[hours?] pay.

Q Is there any other alternative plan for controlling the price of goods that are being manufactured now - the goods being built up in the warehouses?

THE PRESIDENT: You mean trying to prevent them from being sold at too high prices?

Q Yes, presumably higher prices.

THE PRESIDENT: All that I can tell you is that we are working on it in order to prevent people from making too big a profit.

Q You don't think the industries are holding back for that reason?

THE PRESIDENT: No.

Q There are a few exceptions, however.

THE PRESIDENT: I suppose the most difficult industry to organize in this country is coal. It is tremendously difficult for many reasons. The transportation cost comes in. It may have to be regionalized. When you do that it is like the railroads and the question is whether it is part of the Atlantic or the Middle West

region. Then there is another factor which is different from any other industry; the fact that such an enormous number of human beings are in the coal industry who can never get employment. It is a queer human fact that once a family goes into coal mining business, they are never good for anything else. They would rather hang around the coal mining industry, in the hope of getting three or four weeks' work in a year, than to make an effort in another direction. In the coal industry we are trying to get the coal operators to work with the idea of putting perhaps two hundred thousand people into some other occupations. Even if we started every coal mine in this country going on a basis of increased production, probably a third of the people would still be unemployed. It presents, I think, one of the most difficult problems we have in any industry. It may be two or three months before it is worked out but, on the other hand, we may use this temporary method of giving an increase in the wage level and reduction in hours.

Q Are there any ideas as to what different lines the coal men might go into?

THE PRESIDENT: No; they have had all kinds of suggestions. There has been farming, or part farming and part coal mining. They have worked that in one or two places and it is a good plan, by which they put the miners on small farms within small distances of the coal mines, and they would do coal mining one or two months of the year in order to have a cash crop.

Q On that Executive Order, that would be put on a voluntary basis, just to appeal to them to raise wages and shorten hours?

THE PRESIDENT: I don't know; I would have to ask Johnson first.

Q How about transporting these people from where they are to another section?

THE PRESIDENT: Of course, we have twenty-five million dollars in the Recovery Bill to put people onto subsistence farms. That would be held to a voluntary basis, and we might find people in the coal industry who might want to try it out, to try out one of these subsistence farms.

Q There has been a suggestion from London that after the Conference adjourns you would like to see them come over here next year.

THE PRESIDENT: It must be hot in London, too.

Q Have we any objection to the Conference resting for the Summer without apparently having accomplished anything?

THE PRESIDENT: I haven't any idea what they are going to do. When the Prime Minister was here we talked about the fact that on the 12th of August every good Englishman goes grouse shooting and every good Continental goes to a Spa for two or three weeks, and therefore that undoubtedly, some time in August, the Conference, if it has not completed its labors before then, would take a recess for perhaps a month. It would be a perfectly normal thing for them to do.

Q Did you give the Argentine Ambassador any encouragement yesterday with reference to the subject of opening negotiations for -- (interrupted)

THE PRESIDENT: I told him we would be perfectly delighted to sit around a table and see if we couldn't find ways and means to increase trade between the Argentine and the United States.

Q Soon?

THE PRESIDENT: Right away. Any time they are ready to sit around a table.

Q Does that mean a trade mission?

THE PRESIDENT: Well, there again, I don't know whether it would be handled in that way.

Q The Argentine has been asking to send one as soon as we are ready to receive it.

THE PRESIDENT: And I think the Ambassador and Bill Phillips are talking over the ways and means and methods today.

Q What other countries are you dealing with on the same basis?

THE PRESIDENT: Quite a number. I think you had better check it with Bill Phillips. I think there are one or two with the Scandinavian countries, also Brazil, Colombia, Chile -- I might have left some out.

Q Mexico, Mr. President?

THE PRESIDENT: I don't know.

Q What kind of agreements are you working out with them, Mr. President?

THE PRESIDENT: Well, for instance, let me give you an example in the case of the Argentine. We have got a very difficult situation down there on the question of meat because, in the main part of Argentina they have a hoof-and-mouth disease, and they claim it

cannot be transported and given to cattle in the other countries through the exportation of beef. Our Department of Agriculture people, however, say that it can, and that Argentine beef coming into England has created outbreaks among their cattle. In any event, there is a scientific dispute there. Our Congress, two or three years ago, as you people know, passed a bill saying that we could not bring in any meat from the Argentine. Now, we are precluded by law from bringing in any meat of any kind.

Now, the Argentine Government says that down in Patagonia there has been no hoof-and-mouth disease, and we go along with them on that and say, "Yes, there isn't any." Unfortunately, however, the Congressional law used the word "country". Well, they say that Patagonia isn't really the same country as the rest of Argentina, any more than Alaska is the same country as the United States. That is a pretty good parallel. If we had some disease in this country - that is, in the Continental United States - which did not exist in Alaska, Alaska would feel pretty badly if they were cut out of any exports with them down there. Patagonia

is separated from the rest of the country by a very wide desert, and there is no communication by railroad across that desert, but only by sea. They are very anxious to have us ask Congress for a modification of the law, so that Patagonia mutton can come in. Well, I think it is a pretty reasonable request.

Q Is that good mutton?

THE PRESIDENT: What?

Q Is that good mutton?

THE PRESIDENT: I may have eaten it, but not knowingly.

Then, here is another example of the Argentine. I talked to Senator Byrd about this. He is one of our biggest apple growers. Everybody knows that American apples, by the time May comes around, are pretty poor. The cold storage apple we sometimes get in June, July and August is a pretty poor article. Now, the Argentines would like to discuss the possibility of a seasonal tariff by which we would lift the tariff on apples during June, July and August and allow fresh Argentine apples to come in here. They would not compete with our apples, and, in addition, we would have some sort of agreement under which, by the end of

August, say, or the first of September, if there were any Argentine apples still in cold storage here that had not been distributed through the retailers, the Argentine Government would take them out so that they would not compete with our Fall crop. I think that is a pretty good idea to talk about.

Q What did Senator Byrd say about that?

THE PRESIDENT: Senator Byrd said that as far as he knew there would be no objection from the apple growers in this country. He did not think they could reasonably protest against such seasonal importations coming into this country.

Q Flax was also mentioned as a possible exchange with Argentina.

THE PRESIDENT: I don't know about that; it was not mentioned. I also mentioned to him that they grow down there what they call ^[mate]matte, which is a Paraguay tea, and it is a very interesting drink because Paraguay tea has all the pick-up qualities of coffee or tea, but, at the same time, it does not keep you awake. A great many people, when they first drink it, don't like it because it tastes like rather poor green tea,

but all through South America it has become, really, as much of a drink or, rather, more of a drink than coffee itself, and I think it would be worth while in this country for them to try to sell it, or at least to let our people try it. They might like it, or they might not.

Q Give it to the State Department reporters over here and try it out on them. (Laughter)

Q What compensatory advantages would there be for the United States? What would they do in return for privileges at this end?

THE PRESIDENT: Well, it would be this: Suppose, for the sake of argument, they sold us fifty million dollars more of those goods and products than they do today. The chances are that they would spend that fifty million dollars in the United States to bring American products back to the Argentine.

Q But no special, particular activities?

THE PRESIDENT: No.

Q What do you think about the possibility of the hoof-and-mouth disease in the dumping of Argentine beef?

THE PRESIDENT: Beef? I don't think it is up for discussion

at the present time, because it has not been eliminated. They admit that themselves.

Q Even to let in this Patagonia beef, it would require an Act of Congress?

THE PRESIDENT: Yes, I think we would have to have that, because the Act of Congress says "country".

Q How about the fruit fly?

THE PRESIDENT: Have they the fruit fly in the Argentine?

Q They won't let the grapes in and they won't let the apples in.

THE PRESIDENT: I didn't know that.

Q It is the Department of Agriculture's quarantine that is keeping them out, not the tariff.

THE PRESIDENT: Does that fruit fly come on apples?

Q It does on grapes; I am not sure about apples.

Q You appointed a Board some time ago to investigate the dispute on the Kansas City Southern Railroad.

THE PRESIDENT: Isn't that a little bit of a road down there?

Q I think they have a report in the last day or two.

THE PRESIDENT: Yes, I was thinking of another report on another road.

Q No, this is the Kansas City Southern.

THE PRESIDENT: I haven't heard a thing.

Q Anything on the kidnapping in New York?

THE PRESIDENT: No, except anything that we can do we will do.

Q Has there been any action on the request of the Forest Service for an appropriation for research at the Forest Products Laboratory? I understand that Douglas had approved it.

THE PRESIDENT: What, again?

Q They had recommended something for the Laboratory in Madison, Wisconsin.

THE PRESIDENT: We have allowed a little bit on that. Now, there is one reason for our Council meetings. Almost every Department in the Government, seeing all this money, would like to have a little of it for what might be called regular departmental work instead of for putting people to work. Some of my Forestry friends wanted to spend seven hundred thousand dollars on this forest research work. Well, that would have employed two hundred professors and fifty laborers, and I did not think that was the purpose of the Act, so we cut out almost all of that request. We have allowed a certain appropriation for the research work to go on

that would have immediate relationship to the actual work in the forest.

Q Do you know how much money has been allowed?

THE PRESIDENT: In Wisconsin? I could not tell you how much.

Q The Assistant Secretary of War has written, or asked, or demanded that the utility interests of the country cut down the gas and electric light rates.

THE PRESIDENT: The Assistant Secretary of War?

Q That is our story; it comes from Indianapolis and I don't know whether the others got it. (Laughter)
As a matter of fact, he asks that they reduce the rates ten per cent.

THE PRESIDENT: To the Army posts? Oh, that is a fine thing.

Q We understand that he has issued orders to take it up with the public, the State Utility Commissions if they do not get it.

THE PRESIDENT: I suppose it is trying to save money, just like the Post Office Department is trying to get a little money back from its Post Office leases, and they have done very well. It has cut down Post Office

leases somewhere around twenty-five or thirty per cent.

Q You mean the rent?

THE PRESIDENT: Yes, we are doing all the chiseling we can.

Q Do you expect to announce Federal Public Works projects today or tomorrow?

THE PRESIDENT: Secretary Ickes is going to have lunch with me and we are going over the first recommendations.

Q Shall we get it from here or from Mr. Ickes?

THE PRESIDENT: From Mr. Ickes.

Q Perhaps we will get it this afternoon?

THE PRESIDENT: Yes, I think so.

(The Press Conference adjourned
at 11.35 A.M.)

CONFIDENTIAL
Press Conference #34
Executive Offices of the White House,
July 14, 1933 - 4.20 P.M.

THE PRESIDENT: I have got just fourteen minutes before I go off on my boat.

Q Have you any spots picked out on the Eastern Shore?

THE PRESIDENT: There is one there somewhere.

Q Are you going to leave the boat?

THE PRESIDENT: I don't know.

Q Are you going to try the fishing?

THE PRESIDENT: I hope so.

Q I understand it is very good.

THE PRESIDENT: I tried last time, but didn't catch a thing.

Q Any chance that you will leave the boat while down there?

THE PRESIDENT: I may go out in the launch.

Q But you are not going ashore?

THE PRESIDENT: No.

Q Any place?

THE PRESIDENT: No.

Q Have you decided, sir, in advance where you are touching?

THE PRESIDENT: No; I am going all around the place. I will

probably go up into the Patuxent, or up in the Rappahannock; I couldn't tell you where, it might be one or it might be the other.

Q Are you studying the blanket wage code?

THE PRESIDENT: I have not heard a peep from General Johnson. He is coming down, flying down, Sunday morning to spend the day with me, and I won't hear anything until then.

Q What you said the other day about Civil Service made a favorable impression; are you getting action out of the Commission?

THE PRESIDENT: I couldn't tell you. I think the Civil Service Commission is at work on this list.

Q What did you hear from Ray Moley - Secretary Moley?

THE PRESIDENT: Nothing; he just came back, that is all. In accordance with what he went over for and what he came back for, it is just to keep me in touch with things over there.

Q Have you had any reaction from members of Congress who haven't gotten Post Offices?

THE PRESIDENT: Not yet.

Q Do you expect some?

THE PRESIDENT: Well, if your story was right, Charlie, I

think there would be some awful reaction. (Laughter)

Q There will be.

THE PRESIDENT: Gosh, you know your story was enough to scare every deserving Democrat to death.

Q Oh, no.

THE PRESIDENT: It was awful.

Q Anything more on the universal minimum wage?

THE PRESIDENT: No; I was just saying that I haven't heard from Johnson on it and he will probably take it up with me on Sunday, when he is flying down.

Q Do you expect to discuss the blanket minimum wage - that feature of it?

THE PRESIDENT: Yes.

Q Just that feature?

THE PRESIDENT: And a whole lot of other things.

Q He is ready to make a report?

THE PRESIDENT: I haven't heard anything at all.

Q Have you heard any reports of the progress on the codes?

THE PRESIDENT: The only thing I have had is that Miss Perkins mentioned in the Cabinet meeting that she thought we were getting on pretty fine.

Q Have you any comment on the success of the cotton reduction campaign?

THE PRESIDENT: No, not on the record. The Secretary of Agriculture is very much pleased and I am very much pleased, as a matter of fact, that we got up to over nine million acres up to the present time, which is very good. Then, another thing that the Secretary of Agriculture called attention to was that on our original estimates of ten million acres we would have taken out of production three million bales of cotton, and that actually on nine million acres we have taken three and a half million bales out of production. In other words, the way it has worked out, we are getting more pounds per acre eliminated from production than we had expected to get, which is very good.

Q Why is that; how do you account for it?

THE PRESIDENT: One reason is, as I understand it, that we haven't made contracts on any land that produced less than one hundred pounds to the acre.

Q Mr. President, according to the press reports from Puerto Rico, the whole Island is very much concerned by indications that the Commissioner of Education is going to be decided upon on as much a political basis as any other appointment, and I understand that they have cabled you attacking the conditions, etc. I think Mac

said that we had not received any cable. I wonder if there has been any decision.

THE PRESIDENT: I have to tell you a secret - I don't want them to know it in Puerto Rico. I didn't even know that the Commissioner of Education was appointed from up here. (Laughter)

Q Have you any reports of increased employment? Governor Pinchot was here the other day and said that employment had increased four per cent in Pennsylvania the last two months, and I thought that perhaps you had reports from other parts of the country.

THE PRESIDENT: No. Has the Labor Department given out the July 1st figures as yet? Those would be the first ones we would get, and I haven't heard anything about it. The only thing we have had which showed the figures, came in on the 10th.

Q Is there any possibility of the embargo on gold being lifted to permit the shipping of gold abroad?

THE PRESIDENT: The only thing being talked about at the present time is, "What is bullion?" The Attorney General is working on that from the legal standpoint. In other words, it is a question as to whether gold-bearing rock which comes out of the ground in its natural state can be exported and smelted elsewhere

than within the United States. Then the next question is whether smelted rock which goes through a number of processes could be refined down to, let us say, all except the final process and then exported. The question is, would that be bullion? We don't know.

Q Mr. President, can you say anything about Commander Johnson's invitation to attend the Legion Convention in Chicago?

THE PRESIDENT: If I can go out to Chicago at that time, that would be the time I would go to Chicago, but I cannot tell, since it is too far ahead. In other words, if I go to Chicago, I will go the same time as the Legion Convention and take in both.

Q President Green mentioned the other day that you were considering a Board of Appeals to hear those controversies about efficiency ratings.

THE PRESIDENT: The Civil Service Commission is working on it, and they haven't anything final on it yet. Their preliminary thought is that they would set up what might be called a Reviewing Department, a kind of reviewing board, in each Department, and then there could be an appeal from that to a central Board of Appeal under the Civil Service Commission.

Q How about the idea of having one representative from the employees and then a neutral representative?

THE PRESIDENT: The Civil Service Commission is working on it.

Q I understand that somebody in the Treasury Department has recommended that either a free gold market be established or that there be permitted the exporting of mined gold.

THE PRESIDENT: I don't know anything about it.

Q Does the fact that this bullion question is being studied mean that you will give favorable consideration to the exportation of the unfinished product?

THE PRESIDENT: The first thing is to determine what is bullion under the law. Probably this is just a horse-back opinion before the Attorney General rules on it. I don't think that ^[gold-] bearing rock in its natural form could be considered as bullion, but it is a question as to what point in the refining process it does become substantially bullion.

Q Have you any objection to the ore-bearing rock containing gold being exported?

THE PRESIDENT: It is an article --

Q Is that going to Canada?

THE PRESIDENT: I don't know. As a matter of fact, the whole thing is, as I understand it, a very, very small

matter because there are -- the cost of transporting the rock in its natural state is so tremendously high that, at the present time, it is almost impossible to send out anything except rock which is right alongside the Canadian Border to a smelter which is only a few miles off.

Q How did the question come up; is there a demand for the export of this gold-bearing rock?

THE PRESIDENT: Yes. I think it concerns merely one mine. It is a very small thing. Its total effect on the gold question is infinitesimal.

Q That wasn't the question taken up by Senator Adams, was it?

THE PRESIDENT: Oh, quite a lot of those Western Senators took it up.

Q Didn't he have more than one mine in mind when he spoke of it? He said he was speaking for all miners.

THE PRESIDENT: A lot of Senators from the gold mining States have come in and asked whether there would not be consideration at the present time of shipping gold out of the country - gold, not the rock.

Q Are you giving any consideration to the latter?

THE PRESIDENT: No.

Q Do you think it may be necessary now to put in this blanket order on industry?

THE PRESIDENT: I could not tell you because I have not talked to Johnson.

Q And you would not know until tomorrow?

THE PRESIDENT: No.

Q Do you know what the process would be?

THE PRESIDENT: I don't know, I don't know enough about it.

Q Anything new on the managed currency? Have you anybody studying that?

THE PRESIDENT: I suppose there are two hundred and fifty people, to my certain knowledge, studying it all the time.

Q With an idea of bringing it down to something definite?

Q Did you discuss that with Moley this morning?

THE PRESIDENT: No.

Q Did Moley give you any idea as to when the Conference might take a recess in London?

THE PRESIDENT: No.

Q Was that being talked about?

THE PRESIDENT: He did not know.

Q Reports from there today say that it is going to recess on the twenty-seventh - July 27th - I don't know how official those reports are.

Q The size of the public works program was not as big as many of us be

many of us expected it to be. Is there anything you can say about that?

THE PRESIDENT: That is limited by law.

Q The amount given out last night was a hundred and fifteen million dollars, in round numbers.

THE PRESIDENT: From time to time, every few days, something additional will be given out. We expect to use it, but it is a question of using it right and getting the most value and the most usefulness and the largest amount back to the Government.

Q This is not an indication of curtailment?

THE PRESIDENT: Not a bit.

Q Do you care to comment on the recess of the London Conference, or have you heard of it officially?

THE PRESIDENT: Off the record, I talked to you on Tuesday about it, about the talk I had way back last April when we discussed the possibility of their getting away by the 12th of August, grouse day, and if they did not get through by grouse day, they would probably, of necessity, recess a month or a month and a half.

Q May I refer to the public works matter again? Is it the purpose to use the full amount of three billion

three hundred million dollars just as definitely as when it was passed?

THE PRESIDENT: Absolutely.

Q There seems to have been some misunderstanding or misapprehension as to whether it was advisable to make a blanket proposition for minimum wages and maximum hours for all industries, pending the making of codes, the question being whether it would be purely voluntary or possibly other than purely voluntary.

THE PRESIDENT: I don't know; I wish I could answer you.

I have not talked to Johnson about it. That was one of the things he was looking into, to see whether it could be made compulsory.

Q In other words, if you could make it compulsory, that would be better?

THE PRESIDENT: If we can make it compulsory, it will be much more effective, but we don't know whether we can.

(Mr. McIntyre spoke to the President)

THE PRESIDENT: Mac reminds me that there have been two or three very minor instances where a sentence or half a sentence of mine has been quoted directly out of this conference. I would appreciate it if you did not do it.

Q How about District Commissioners - just one, Mr. President,

THE PRESIDENT: No. (Laughter)

Q Another question about gold: I understand that there is some organization which is seeking a free market for gold or for the exporting of gold, which organization has prepared a petition stating that if this export were permitted, that many more men would be enabled to make a living in mining. Has that ever been presented to you?

THE PRESIDENT: Yes. I don't know whether I have received the one you mention, but there have been at least five or ten petitions, and several hundred telegrams and letters, pointing out that if they could get the world rate rather than the Treasury rate it would put a lot of people to work. That is perfectly true, it would.

Q Speaking of public works, have you had an opportunity to go over flood control and river and harbor and bridges?

THE PRESIDENT: I am doing that with Secretary Ickes on Sunday. What we are trying to do -- well, let me explain it. Out of three billion three hundred million dollars, taking very rough figures, one billion three hundred million dollars is earmarked for highways, for Navy and for crop loans in RFC. I think there is one

hundred million in there for home loans, too. That means there is about a billion three hundred million dollars earmarked. That leaves us about two billion dollars not earmarked, and out of that two billion dollars, we want to get back as much as we possibly can for the Treasury, eventually. Now, this is an extremely tentative set-up. We will have, very roughly, about five or six hundred million dollars for Government projects that have already been authorized. A very good example of that is the nine-foot channel on the upper Mississippi. That is a thing which is actually under way and probably that would be one of the projects that would come within this five or six hundred million dollars on which the Government would never get any money back. That would leave about fourteen or fifteen hundred million dollars which would go to non-Federal projects or to Federal projects which eventually will bring in a return as, for example, the dam they want to build somewhere in Wyoming on the North Platte which they say - and mind you, this has not been approved because we don't know whether the figures will check or not - which they say will produce enough power and enough

sale of water for irrigation purposes to return the thirty or forty million dollars to be spent on it. That would be a self-liquidating project. Then there are a great many requests from cities all over the country for, let us say, water works. In the case of a request from a city, if we approve the project, we would give thirty per cent free and require seventy per cent back in some form of security that has behind it the earning power of the project. In the case of a water supply for a city it would be the water rentals for the use of that water. Which means, in very round figures again, that if we devoted a billion four hundred million dollars to the self-liquidating projects, thirty per cent of that we would never get back and the other seventy per cent we would expect to get back. Now, that is just a rule of thumb that we are trying to apply to this two billion dollars.

Q The RFC has loaned money for water works but they have never loaned any money for municipal lighting plants.

THE PRESIDENT: If we get any requests from municipal light plants, they will receive our very favorable consideration.

Q Before this legislation was put through a good many post office projects had been approved. We have heard nothing about those lately.

THE PRESIDENT: We talked in Cabinet meeting about that today and, what may be called a broad rule on that is this: We cannot see any particular reason for putting up a post office in any city where the cost to the Government over a period of years would be a great deal higher than the present arrangement of renting a building. I will give you a very concrete example: I won't tell you the name of the town, but it is not so very far from Hyde Park. It is not Hyde Park, it is a village of about fifteen hundred people. The Government today is renting a perfectly good post office for fifteen hundred dollars a year. Now, through political influence or some way, they managed to get an appropriation for a new post office to cost a hundred and ten thousand dollars. The maintenance of that new building, if it had been built, would have been probably two thousand or twenty-five hundred dollars a year, because we would have had to provide janitor services, night watchman, etc.; we would have had to stand the depreciation cost, painting and all sorts of things. And, if you figured out, say, three per cent of a hundred and ten thousand dollars, the net cost to the Government for a post office in that community would run probably

around five to six thousand dollars a year. At the present time it is costing the Government only fifteen hundred dollars. Now, that kind of post office will never be built if I can help it.

Q It could not be called capital investment?

THE PRESIDENT: No. On the other hand, there are a few, but very few - I should say that not more than perhaps half a dozen of these post office projects that look as if, by building them, we will save money over the present arrangement.

Q It has been reported that the textile industries, outside of cotton, would like to have the hours of labor and the minimum wages of the cotton code apply to them. Is anything going to be done about that?

THE PRESIDENT: They may be applied and General Johnson is very much pleased, but I have my information from the newspapers.

Q You are not acting on it today?

THE PRESIDENT: No.

Q Did you say that if you receive any requests from municipalities for light plants, they will receive more favorable consideration?

THE PRESIDENT: I would not say, "more favorable considera-

tion". I hate to draw invidious distinctions.

Q Favorable consideration?

THE PRESIDENT: That is, providing they are self-liquidating.

Q May we use anything with respect to your statement as to the upper Mississippi nine-foot channel?

THE PRESIDENT: Yes, I think you can use that.

Q We can say that that will receive favorable consideration from the Board of Public Works and is on the approved list?

THE PRESIDENT: It is not yet on the approved list, but I think you can say that the chances are that it will be approved.

Q Is that on the list that you are going over with Secretary Ickes on Sunday?

THE PRESIDENT: Yes.

Q Would you be willing to give us some idea on the total you expect to authorize on rivers and harbors and flood control? I understand that the War Department estimate was very much larger than we were led to believe.

THE PRESIDENT: If every Department got everything they wanted we would need at least ten billion dollars.

Q There is a dispatch saying that you are going to appoint

34 -18-
a board to pass upon insurance loans from the RFC.

How do they get loans?

Q Yes. There has been an enabling act passed which allows the RFC to buy stock in insurance companies.

Q Did you sign the processing tax on cotton today?

THE PRESIDENT: Yes.

Q Is that 4.2?

THE PRESIDENT: Yes, 4.2, and the Secretary of Agriculture is going to hold hearings as required by law on the rayon end of it so as to equalize rayon with cotton. We cannot impose - I have forgotten what they call it - a processing tax --

Q Compensatory?

THE PRESIDENT: Yes, compensatory. We cannot impose the compensatory tax on a competing product without a hearing.

Q Mr. President, the same line of reasoning with respect to post offices would apply to Federal buildings other than post offices, would it not?

THE PRESIDENT: Yes, the same idea.

Q In other words, these Federal buildings being built --

THE PRESIDENT: They would be built only where it pays the Federal Government to build them.

Q Did you sign that oil order?

THE PRESIDENT: Yes.

Q The administration of the oil provisions will be in a code?

THE PRESIDENT: Yes.

Q Did Secretary Ickes discuss with you the completion of the
Great Smoky National Park?

THE PRESIDENT: Yes. On all the National Parks we are using
a certain amount of money to round out the areas. It
will not complete the rounding out, but it will go a
long way to round out the areas.

MR. DURNO: Thank you, Mr. President.

(The Press Conference adjourned
at 4.40 P.M.)