

CONFIDENTIAL
Press Conference #44
Executive Offices of the White House

August 16, 1933, 10.52 A.M.

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

Yesterday, in the Cabinet meeting I think it was, there were a couple of things I picked out as being worth emphasizing. On one of them I think I may be a bit ahead of time. The Department of Labor figures for July employment, I think, are going to be given out today so, if you will hold what I am going to say about it until they are actually given out by the Department --

Q I think they have been given out.

THE PRESIDENT: Is that that 7 per cent thing?

Q A little more than 6, yes, sir.

THE PRESIDENT: There are two significant things about the Department of Labor report. The first is that it is the third consecutive month we have shown an increase over the amounts for the previous year. This is only industry, in other words factory employment. That is something important to emphasize. Then, the July average is somewhere around $6\frac{1}{2}$ or 7 per cent increased over the factory employment in June, which is very satisfactory. Another factor is that July is nearly always a month that goes down under June by 1 or 2 per cent, so we have not only stopped it from going down

but we have had an increase which is really a good deal higher than that shown.

Q Do you recall the increase in payrolls?

THE PRESIDENT: Yes. It is the first time that payroll and the number of new employees have been on a level, which is also significant. You are not to break this until you get the figures from the Department of Labor.

Q Yes, sir. You said there were two subjects?

THE PRESIDENT: The other thing was something I picked out of the general economic report yesterday because it is one of those things that the public can visualize. The retail demand for automobiles remains strong for this season of the year and last week's production of new cars brought the total production for 1933 to date up to the full production for the entire year of 1932. I suppose that has been printed and stuck down somewhere in the middle of a story, but it is the kind of thing that means something to the average citizen. Automobile production up to about the tenth of August equals the full year of 1932.

Q Whose report is that?

THE PRESIDENT: That is a report of a gentleman whose name I do not know but he is with the Interpreting Economist.

Q That is a new branch?

THE PRESIDENT: It is one of those new ones.

Q There is a good deal of uncertainty, it seems, in view of the fact that so much attention is being concentrated on the NRA as to whether you are delaying or postponing, until you see whether that works out, any further efforts toward inflation or toward the commodity dollar?

THE PRESIDENT: That is the same old question put in another form. Everybody would like to know what is going to happen the first of September, October, November, December, and I could not tell them if I could tell them, which I can't.

Q You have not changed your financial policy in the slightest degree?

THE PRESIDENT: Not a bit, no.

Q How about the Virgin Islands, there was some talk of that?

THE PRESIDENT: There was a gentleman from the Virgin Islands, Mr. Anderson, came to tell me about conditions at the request of the National Committee Woman for the Virgin Islands. He told us of a great many things and I sent him over to Secretary Ickes of the Interior Department.

Q I have a report from Chicago that Judge Mullen (?) was to be appointed Governor of the Virgin Islands?

THE PRESIDENT: Did that come from Judge Mullen? (Laughter)

Q The Associated Press says that Governor Gore, in requiring all of his prospective Cabinet appointees to give him undated resignations before accepting office, is

carrying out a policy of yours?

THE PRESIDENT: I think probably the best thing to do is to find out whether Governor Gore did require that. Certainly I have not required any signatures.

Q It is your pleasure.

THE PRESIDENT: I imagine it is a fairy story.

Q Mr. President, can you tell us whether Mr. Moley will participate in a preliminary debt discussion?

THE PRESIDENT: I haven't any idea at all. As far as I know there has been nothing done at all except what the Secretary of State told me yesterday about the suggestion from England that they would like to have a more or less tentative date.

Q We were under the impression that he (Moley) was going to handle these preliminary discussions until he took hold of the crime situation?

THE PRESIDENT: I do not think it has been considered.

Q Was any policy worked out in the Cabinet Meeting about public works funds for public building?

THE PRESIDENT: There has been no change in that policy. I think I talked about this before. Our difficulty is this: That on this list of public buildings approved by previous Congresses, quite frankly there are a very large number of those buildings, numerically, that haven't got any business justification

for going through and putting them up.

We have already approved List A, which contains obviously necessary buildings. List B has been approved with the exception of one marine hospital in New York which they are still talking on. That leaves -- I think there are four more categories, C, D, E and F, that are being entirely re-examined to see whether or not there is business justification for putting them.

Q In what category are post offices?

THE PRESIDENT: In all categories. We have approved post offices in Lists A and B.

Q Any idea when you will be able to go through with that entire list of public buildings?

THE PRESIDENT: We released List B today -- yesterday.

I suppose they will come along piece-meal as soon as we satisfy ourselves that there is business justification.

Q Are the Army buildings in that category?

THE PRESIDENT: On the Army buildings it is a much more difficult proposition because I have definitely in mind the elimination of a large percentage of Army posts. That is an awful shock. But I have been talking about it for a long time.

You have, for instance, one regiment, a thousand men strong, located in four different places. That is perfectly absurd. By concentration and elimination of posts, you can make a saving of a good many million dollars on overhead -- just on food alone. I have on the table an enormous, a big folder showing where every man in the U. S. Army is located. Until we can determine which posts are going to be permanent posts and which we are going to abandon, you cannot very well build buildings, because you might be putting them in posts to be abandoned.

Q Who is going to decide that?

THE PRESIDENT: I guess I will decide that.

Q Good.

THE PRESIDENT: Then, of course, there is another factor.

A great many of the Army requests are for quarters. Well, of course the only justification for new quarters -- well, there are two justifications: One is that the old quarters are unsanitary -- unlivable. That is a perfectly good reason, assuming the post is going to be retained. The other is that there are larger numbers of officers and men being given money for accommodations and if we build the quarters for them, we could house them and not give them the

money. If we can save money by building quarters for officers and men, that is all right.

Q Have you decided how many posts you will keep?

THE PRESIDENT: I don't know. I have just begun to study it.

Q Can you give us any indication of when that might be completed -- just generally, I mean?

THE PRESIDENT: As soon as we decide that such and such an Army post is going to be a permanent post, we will go over the buildings on the list for that particular post. We will start on some of those posts right away.

Q What is the fundamental ruling as to whether a post is necessary for permanent occupancy? Is it war strategy, border protection or purely economic?

THE PRESIDENT: All of those come in, every one of them.

Q Just how many posts have we?

THE PRESIDENT: I would be afraid to tell you.

Q Over a hundred?

THE PRESIDENT: Oh, heavens, yes. A great many more than that.

Q Mr. President, what is the subject of your conference this morning with Mr. Taylor and Mr. Schwab?

THE PRESIDENT: I don't know. They asked to see me yesterday afternoon.

Q You would not be taking up the steel code by any chance, would you?

THE PRESIDENT: Or the coal code. (Laughter)

Q Anything to say about the Cuban situation?

THE PRESIDENT: I don't think there is anything more to say. This morning the reports seem to be fairly quiet.

Q Anything more about your plans for economic cooperation down there?

THE PRESIDENT: Nothing further. I think Ambassador Welles has been talking with the new President and I think something will come from that end.

Q Several members of the Rivers and Harbors Committee are distressed because their program last Session is not receiving very favorable consideration by the Special Advisory Board. They left a list of 132 projects and the tentative list of the Advisory Board adopts only 29. They sent a letter down protesting against it.

THE PRESIDENT: I have not talked to Secretary Ickes about that at all. The fact that they may have approved only 29 does not mean they won't approve others.

Q We are sort of out on the limb on this employment story. Can't we use this and let the Department of Labor give out the balance during the day?

THE PRESIDENT: Because I don't know the exact figures. It is somewhere between 6 and 7 per cent. Anyway,

I am pretty sure it is about ready to be issued. Another thing on that Labor Department report is that people, reading that employment has gone up 7 or 6½ per cent are apt to think that it is all employment. It is not all employment, it is based only on factories.

Q Does that include mines?

THE PRESIDENT: No, just factories.

Q Any reports on other employment?

THE PRESIDENT: The Government has never had any machinery besides these Labor Department indexes for other forms of employment. They are beginning to set those up. It is a very important thing to get. We do not know at this time.

Q Will your conference with Morgenthau have anything to do with the wheat situation?

THE PRESIDENT: No, I don't think we will talk about it at all. I see him once a week on farm credit.

Q Can you tell us anything about Diplomatic appointments to posts that are vacant?

THE PRESIDENT: You will have to get that from Secretary Hull. He has been going over various lists.

Q They refer us back to you. (Laughter)

Q Anything about your conference with Professor Hutchins?

He said that whatever you said was all right with him and that is as far as we got. (Laughter)

THE PRESIDENT: I can tell you, off the record. It is just one of those things that there is no use to print anything about at the present time. So, if you will keep this off the record, I will give it to you. There have been quite a number of people anxious to have us do something for two classes of people we haven't done anything for. One is the unemployed teachers and the other is the young people, high school graduates that have just graduated from high school and can't find a job and they, if conditions had been better during the last few years, would probably have gone to college. Professor Hutchins felt we ought to try to work out some method of taking care of the unemployed school teachers and also of giving boys and girls a chance to go to college at Government expense.

But we only got to what may be called a very, very preliminary talk about it. Frankly, the objections to it are pretty serious, especially in the case of the Government paying for the boys' and girls' education because it would start the Government on a policy of paying for education which has always been a state and local matter and the chances are ten to one that we won't do anything in the way of sending boys and girls to college. It is just one of many

thoughts to be considered. It is, on the other hand, possible that we may be able to work out some method of taking unemployed teachers into some of the CCC camps and using them not only for working in the woods but also for educating the boys in the camps. But it would be a drop in the bucket. We couldn't use more than five or six thousand of them, all told.

But it is all so indefinite that I would rather not say anything about it now.

Q How much money is involved in the Hutchins program?

THE PRESIDENT: Anywhere from twenty to fifty millions.

If we start taking care of teachers, we are beginning to give special consideration to a class, and if we do it for teachers, why shouldn't we do it for boiler makers?

Q The Governor of Minnesota was here the same week about the same thing and he said he had obtained permission to use unemployment funds in the state provided it was charged to unemployed teachers. He wanted to take boys off the streets.

THE PRESIDENT: If some state comes along and says, "May we use some of the Federal funds to take care of very needy unemployed cases of a certain class," that becomes a state matter.

Q One of the powers given you under the National Recovery Act is to make income tax returns public. Have you done anything about it?

THE PRESIDENT: To tell you the truth, I had forgotten it was in it.

Q Thank you, Mr. President.

(The Press Conference adjourned at 11.12 A.M.)

CONFIDENTIAL

Press Conference #45

Executive Offices of the White House

August 18, 1933, 4.10 PM

THE PRESIDENT: I don't know that there is any story today. I can tell you a story about the CCC camps. We just this moment -- five minutes ago -- decided on what we are going to do.

We are going to do three things. Number one, I am going to send out to the boys in every camp, 314,000 of them, a personal message -- something along the line of an appeal to them that if they can find a job which does not displace somebody else from employment, to take the job at the end of their period of enrollment or before that, if the job is ready; that by so doing they will create a vacancy for some other boy who is out of luck and hasn't had a chance to go to camp.

Number two, that if any of the boys in the camp, after making an honest try, cannot find a job, we stand ready to re-enroll them for another six months.

Then the third thing really is a result of that policy. The CCC camps will be kept through the Winter at a total strength of 300,000 -- in other words, the present strength. That will involve moving about 1500 camps from

the snow areas to the non-snow areas. The Army and the Forestry Service are now working on the location of those new camps in the non-snow areas.

I think that covers it fairly well.

Q How is this being financed from this point on? Have you the money for it?

THE PRESIDENT: I think we have enough money to go through with this plan.

Q Another six months?

THE PRESIDENT: Yes.

Q That is in your original appropriation, Mr. President?

THE PRESIDENT: Yes.

Q Do you propose to buy any more additional lands in warm regions?

THE PRESIDENT: Nothing more than what was authorized six weeks ago. As a matter of fact, on that newly purchased land, we have plenty of land that we can put them on. Of course we have to get some of the titles cleared.

Q Does that mean that all of them will go to the south?

THE PRESIDENT: Oh, no. They will go to non-snow areas -- that is to say, areas where the snow conditions are not impossible. For example, take Bear Mountain Park on the Hudson River. Of course, in a sense it is a snow area,

but it is perfectly possible to stay there and the superintendent of the Park has recommended to us that six more camps be maintained there during the Winter.

Q Doesn't this involve moving about one-fourth of the camps?

THE PRESIDENT: Just about.

Q How are these additional men to be enrolled?

THE PRESIDENT: Same process; primarily from the relief lists.

Q How many camps would we have to move?

THE PRESIDENT: About 1500. There are about five thousand of them altogether.

Q I was just wondering when that six months' enrollment does end. Do you recall, offhand?

THE PRESIDENT: Averages between the first of October and the 15th of November. Of course there are a few people who came in later, whose enrollments are not up until January.

Q You think the new enrollees will be about the same as those who leave.

THE PRESIDENT: I think so. On the total number of camps, I am off in my figures. The total number is 1450 camps and about 450 of them will be moved.

Q Mr. President, what can you tell us about the conference with the labor railway executives today?

THE PRESIDENT: The only thing I can tell you is that it is so

darned complicated that I do not understand it yet. We took up various problems which I will have to discuss with Commissioner Eastman. There are six or eight different points relating to consolidations and expenditures of railroad funds for the maintenance of company unions -- things coming under the jurisdiction and power of the President under the NRA -- consolidations and payments of employees where they move them from one place to another, a lot of more or less technical things.

Q Do they want the railroads under the NRA?

THE PRESIDENT: What?

Q Do they want the railroads under the NRA?

THE PRESIDENT: They cannot get the railroads under the NRA.

The operate under an entirely different Act. What they really want is that the general principles of the NRA should be applied to the railroads, which is strictly true. In other words, it is not a question of the actual administration of it. It is a question of carrying out the principles of employment, which is all right.

Q Have you received the Oil Code yet?

THE PRESIDENT: Not yet. I hope to get it tonight.

Q Do you contemplate signing it tonight?

THE PRESIDENT: I have not seen it since the preliminary form

yesterday morning. I will have to read it before I sign it.

Q Who will administer the Oil Code?

THE PRESIDENT: It provides for a Government agency which probably will be a combination of the Bureau of Mines in the Interior Department and the President. How you are going to explain that, I don't know.

Q Will there be any specific one man administrator on it?

THE PRESIDENT: I will do it, probably.

Q What about the District of Columbia Commissioners?

THE PRESIDENT: I have got good news on that. Jim Farley is going to come to Hyde Park some time in the next two weeks and talk to me about that.

Q That is progress. (Laughter)

Q We have reports that Ambassador Welles is sending up a report concerning the sending to Cuba of a commission of financial experts to aid in the economic rehabilitation of Cuba. Has that reached your notice?

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

Q Have you given it any consideration?

THE PRESIDENT: No.

Q There is also a report that Ambassador Welles is coming back to take a place as Assistant Secretary.

THE PRESIDENT: Off the record, that is just a guess.

Q There is a report from New York today that you are considering sending an air squadron to Italy to return the visit of General Balbo. Is there anything to that?

THE PRESIDENT: I will tell you the answer to that. It is very simple. This is off the record too. When I gave the luncheon to brother Balbo, I made a little speech and I said, in the course of my speech, that I hoped some day we could return the visit. That is all it was, just a polite little gesture on my part at a luncheon.

Q They probably put you right on record after they got out of Washington.

(Mr. Early spoke to the President.)

THE PRESIDENT: I think you know that the only destroyer in Havana is going away or has gone away.

Q The State Department announced that, sir.

Q What is the prospect for the Coal Code?

THE PRESIDENT: They are engaged at the present time in trying to go through these twenty-seven different codes and make them one. It is a long and very complicated mechanical process and General Johnson called me up on it and he did not think they could possibly get them consolidated into

one code until some time tomorrow and of course until that is done that unified code, you might call it, cannot be submitted to any of the coal men. They are all working on it.

Q Do you look for it tomorrow?

THE PRESIDENT: Only the first draft of it. I doubt very much if they will get the Coal Code into shape to be approved by tomorrow night. They may be able to do it, I don't know, but I think for mechanical reasons it will have to wait over until Monday.

Q Do you hope to get the Steel Code before you leave?

THE PRESIDENT: I hope so.

Q Can you give us any idea of what you told Taylor and Schwab yesterday during that long visit?

THE PRESIDENT: I cannot tell you.

Q Have you approved any of the Army public works projects yet?

THE PRESIDENT: No, they are having a meeting on it today, another one tomorrow and another on Tuesday.

Q Mr. President, is there anything more on the Navy Yard situation?

THE PRESIDENT: No, it is being studied by the Secretary. I had a long talk about it today. What I am trying to work toward is a very simple principle, and that is that we

undoubtedly have to cut Navy Yard hours but that, in cutting Navy Yard hours per week we should not cut the pay envelopes at the end of the week by more than the same percentage as the hours are cut; and, under the existing temporary order, it does cut the pay envelope at the end of the week to a greater extent than the number of hours. We are now trying to work it out so that the two will balance each other.

Q Just what is the situation with respect to the Steel Code?

THE PRESIDENT: I don't know; I never saw it at all. I have not gone into it at all. That is the best answer to it -- that we did not talk Steel Code yesterday.

Q That complicates it. (Laughter)

THE PRESIDENT: We talked mostly coal.

Q In the case of the Coal Code, have you decided to apply the Code to the whole coal industry?

THE PRESIDENT: I have no idea of what has happened to it. What we talked about was coal.

Q There is no chance, according to General Johnson, of getting all the coal people into one system, so I wondered whether you had concluded in your mind --

THE PRESIDENT: I am afraid that is an "if" question because we haven't got to the stage of considering it yet.

Q Is it also a guess that Caffery will replace Welles?

THE PRESIDENT: That is a pretty good guess. That is an old story. It came out about a month ago.

Q Have you talked to Secretary Wallace about the sugar stabilization agreement?

THE PRESIDENT: No.

Q McCarl made a ruling the other day that all contracts must be fulfilled regardless of increases in price. Have you noticed that at all?

THE PRESIDENT: I have it in that pile (indicating). I have not read it yet. It is possible we may have to have legislation before we can do anything.

Q Legislation along what line?

THE PRESIDENT: I don't know. The simplest way of putting it is legislation to prevent actual injustice but only that, not to guarantee profits.

Q Senator Schall discussed the prospects of deepening the Mississippi River Channel to 12 feet. Is that contemplated?

THE PRESIDENT: No. I am afraid that he was talking about a thing which I talked about -- it is one of those purely speculative things. It has been the Government's policy right along on its inland waterways to confine the depth

of its channels to nine feet. Of course, it is a very old policy, going back about thirty years.

There is a question as to whether nine feet is, commercially, a practical depth. For instance, we, in the State of New York, in the old days of the Erie Canal, we had 8 or 9 feet depth in the channel and we had canal boats which could only carry two or three hundred tons. Then we put in a 12 foot depth and instead of increasing that tonnage 50 or 100% on a 12 foot depth, you could put in a barge, which will carry 1500 tons.

The general progress of transportation has been such that there is a question as to whether, for our inland waterways, nine foot channels are the right size to build from a commercial standpoint. I was talking to the Senator in just that way -- just as an abstract proposition.

We are going ahead with the upper Mississippi on the nine foot plan. A good part of the work has been done on that plan and we are going right ahead with it.

Q What time are you leaving tomorrow?

THE PRESIDENT: 11 o'clock, if that suits everybody.

Q At night?

THE PRESIDENT: Yes.

Q There was a story in the paper that you are going tomorrow morning.

THE PRESIDENT: No.

Q Any progress reported on the lower Columbia River?

THE PRESIDENT: I have not had a report on it.

Q Have you decided definitely about the Army posts to be abandoned?

THE PRESIDENT: Nothing.

Q Any information on the progress of the Lumber Code?

THE PRESIDENT: Not a word.

Q Are you deciding on this Federal Oil Agency at the same time you sign the Code?

THE PRESIDENT: We will get the Agency going just as soon as we possibly can, also the Oil Committee, which is a Committee of about twelve, is it not?

Q Is the Code going up today?

THE PRESIDENT: We hope to get it through tonight.

Q Won't there be something in the nature of the set-up contemplated for the Coal Code?

THE PRESIDENT: Frankly, I don't know any of the details of the Coal Code.

Q Have you given any consideration to Philadelphia's new courthouse? (Laughter) It is a public works proposition.

THE PRESIDENT: It is on the list and I cannot remember whether there is an okay or a "no" on it.

Q How can I find out, sir?

THE PRESIDENT: Ask Secretary Ickes.

(The Press Conference adjourned
at 4.35 PM)

CONFIDENTIAL
Press Conference #46
Hyde Park, New York
August 23, 1933, 9.58 AM

Q Mr. President, have you heard anything from General Johnson on the Coal Code?

THE PRESIDENT: I have not heard a word. He called up the night before last at midnight.

Q I understand you favor the French Plan of arms control, which it sets up.

THE PRESIDENT: Have you ever read the French Plan?

Q No, sir.

THE PRESIDENT: I thought not, nor do I know what the latest French Plan is. I really don't.

Q Do you favor supervision?

THE PRESIDENT: You really have to have it.

Q But not the French Plan?

THE PRESIDENT: I don't know what the French Plan is. It changes every week.

I don't know what you can write about.

Q We will write about the return trip.

Q Do you expect anything at all on the Coal Code?

THE PRESIDENT: I doubt very much whether we will get anything on that.

Q Is Farley coming this week?

THE PRESIDENT: Either Friday or Monday.

Q How about Secretary Woodin?

THE PRESIDENT: Tomorrow.

Q Thank you, Mr. President.

(The Press Conference adjourned
at 10.00 AM)

CONFIDENTIAL
Press Conference #47
Hyde Park, New York
August 25, 1933, 3.55 PM

THE PRESIDENT: Steve jotted down various notes for me to suggest. During last week Whitney, the Chairman of the Railway Labor Executives Association, came in and took up various matters. Most of them were technical matters and have been handled by the Railroad Administrator. There was one, however, which related to actually putting the railways under the NRA. We checked up on that and it seems to be perfectly clear from a reading of the law that there was no intention on the part of the Congress, in passing the NRA Act, to include the railroads under it because they had previously been provided for in a series of railway labor acts. So Mr. Whitney -- I advised him that it was the legal opinion that they did not come under the NRA, but at the same time that the Administration was going to do all it could to see that railway labor as a whole -- railway employment as a whole should be brought into compliance in principle.

Q Sir?

THE PRESIDENT: As far as possible with the NRA principles.

Q Do you know Whitney's first name?

CONFIDENTIAL
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Hyde Park, New York
August 25, 1933, 3.55 PM

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Q Sir?

THE PRESIDENT: As far as possible with the NRA principles.

Q Do you know Whitney's first name?

Q A. L. [A.F.]

MR. EARLY: I have it. I will give it to you when we get in.

THE PRESIDENT: Then we were talking the other day about one thing. I don't know whether you could write a special story on it or not. For the first time in modern history there have been very far-reaching negotiations conducted between the Government and industry and the component parts of industry -- employers and employees -- with almost a complete absence of the legal fraternity in the negotiations. It is a rather interesting point. When the NRA first started, I was talking with Johnson and some of the others -- some of the members of the Cabinet -- about these hearings, about trying to get agreements, and I said, "Do you think it would be a possible thing to have the employers there and the employees there and have no lawyers?" I said, "Well, it is worth trying." So we went ahead and the negotiations have been conducted with an almost complete absence of any legal arguments. And it marks, I think, a very great step, an advance, in getting rid of what some of the Albany crowd know was one of my pet bugaboos, and that is long-drawn-out legal procedure. In other words, we have a straight man-to-man direct hearing without the interposition of expensive, highly paid and wholly unnecessary lawyers.

Q (Mr. Storm) As Al Smith would say, "We will can the Court of Appeals language." (Laughter)

THE PRESIDENT: And the same way, the Codes themselves, if you will look at the language, are singularly free from Court of Appeals language.

Q (Mr. Stephenson) What are you going to do with these unemployed lawyers? (Laughter)

THE PRESIDENT: Do you know, there again there has been a good deal of discussion in the profession to prevent overcrowding of the profession by reducing the number of new people taken in at the bottom into the profession. Of course, that applies to school teachers, too. That was one of my problems in the State of New York, the fact that in the State in the last few years there have been ten or twelve thousand qualified but unemployed and yet we keep turning them out at the rate of several thousand a year.

Steve (Early) talked to you about the visit of the Secretary of the Treasury. We talked about everything except the two things you think we talked about. (Laughter)

Q Mr. President, on that line we understand inflation was not discussed and also we were told, indirectly, that there will be no inflation for the time being.

THE PRESIDENT: There again, there is no use discussing inflation unless you define to me what you mean by "inflation".

Q I know the technical meaning --

THE PRESIDENT: There is no such word because no two people interpret it the same way. Just up against it.

Q How about the bill passed by Congress -- open market operations and new currency?

THE PRESIDENT: We could go ahead -- this is off the record -- but there is no use getting into a long technical discussion. We can probably cover the situation in six or eight ways never mentioned by the Congress.

Q Credit expansion?

THE PRESIDENT: All sorts of things -- all kinds of credit expansion. Let me give you a very simple illustration, which you cannot use. I talked this morning with Will Woodin, and this has to be off the record because the thing was never discussed until this morning. I said, "Will, you know there is a lot of complaining in certain sections of the country. Some towns will have complaints and some won't. In the town where there is a complaint, the local banks won't lend money on what the borrower thinks is a perfectly good risk. They are just hanging on to their cash. Is there anything we can do to encourage that kind of bank to push out its money?" He said, "It is well worth exploring." So he is going to talk it

over with the Federal Reserve people to see if we can't find a way to get money out to the perfectly proper borrower. Now, that is a form of inflation. It has nothing to do with the Act that was passed.

There are lots of things and lots of ways and that is why any story that says we are going to inflate or not going to inflate doesn't get you anywhere. In other words, you come down to the same principle we have had for four months and it has not changed. I told you, frankly, that we are going to hold up commodity prices and eventually we hope that commodity prices will go higher. That is background -- you can use it. In other words, that the policy has not changed one iota since just about the first of April.

Q And the policy is?

THE PRESIDENT: The policy is to try to bring it back. After all, it is the same thing I said in the message to London -- try to bring the dollar back to somewhere near where the debtors of the country contracted the debt -- that type of dollar. The policy has not changed at all. There are fifty different ways of keeping the dollar approximately where it is today. Slight fluctuations -- 5 or 10 points -- don't make any difference. Foreign

exchange is not necessarily a criterion. We had examples in the past six weeks of some days when foreign exchange weakened -- the dollar weakened and the stock market and grain market ought to have gone up but didn't -- they went down. On other days, when the dollar has strengthened and the markets ought to have gone down, they didn't -- they went up.

Q Mr. President, do you care to say in this connection whether you are satisfied with commodity prices?

THE PRESIDENT: No, you can't use that as coming from me at all, even as background. Because if I once started saying I am satisfied -- God! I am and I am not.

Q Yes and no, but off the record.

Q Mr. President, in your reorganization so far you have transferred the District Parks, and the Senate Committee, of which Senator King is Chairman, has taken up with Secretary Ickes the possibility of transferring them back to the District Government.

THE PRESIDENT: What did they take away from the District Government?

Q The administration of the parks in the City.

THE PRESIDENT: Yes?

Q They came under Colonel Grant and they have been put under Interior.

THE PRESIDENT: What happened?

Q Well, they just took them physically away and put somebody in charge, one of the men in the Park Service and they took away the Army Officer, otherwise it is the same. But I think King has been trying to get Ickes to get you to put the management under the District of Columbia and Ickes has written to you about it.

THE PRESIDENT: I have not heard a word. Having taken them over, can I put them back now? I don't think I can.

Q Why put them with all the Parks of the United States? His idea is to separate the District parks and leave them under the local government.

THE PRESIDENT: Could I change the Executive Order now that it has gone through?

Q Without lawyers. (Laughter)

THE PRESIDENT: I don't know, because you see I could defer putting it into operation but once it is in operation I don't think I can put it back. I don't know; I cannot say offhand. Of course it is really a moot question because, as I understand it, the personnel as a whole will remain the same. It just means the final, direct word at the top.

Q Can you tell us about this Executive Order on gold? Mr. Early mentioned it this morning.

THE PRESIDENT: All I can tell you is that the Attorney General has sent me a long, highly technical order about gold which I haven't as yet read.

MR. EARLY: I told them that.

Q We had you studying it, Mr. President.

THE PRESIDENT: I haven't even got to that point.

Q Does it concern gold hoarding or a free gold market?

THE PRESIDENT: Neither. It is with respect to what is and what is not bullion, what percent of solution makes it gold and what percentage does not.

Q Your name figured prominently in Washington dispatches about the Coal Code. The boys had you bringing the operators and the miners a little closer together. The stories did not say just how.

THE PRESIDENT: I talked to Johnson yesterday while at lunch, at half-past one, and he told me he had them together in a room, Lewis and the operators, and he thought they were getting on well. That is the first time they had been together in a room. And I said, "That is fine; keep them there." And I have not heard a word since then. He was more hopeful yesterday afternoon than at any time.

MR. EARLY: He said it would be two or three days yet.

Q Did the Budget Director get here?

THE PRESIDENT: He is on his way from the train.

Q Tell us what you talked over with Bullitt.

THE PRESIDENT: State Department things, that is all.

Q Can you tell us what Douglas is going to talk about?

THE PRESIDENT: I don't know. Probably about various Budget things, public works.

Q Is this about the time the Departments send in estimates?

THE PRESIDENT: That is one thing I am going to ask him about.

The word has gone out to the Departments to ask them to start preparing. What is the date we have to have them in?

Q September.

THE PRESIDENT: October 1st, I think.

What I am going to tell Lew this afternoon is this: I am going to make a real try to get the Department budgets all completed by not later than the first of December and then let the various appropriation committees know that they are all ready, so that the appropriation committees, if they want to do so -- as this is not a new Congress, they are all organized -- that they will be able to come to Washington the first of September and start to work. I know of no legislative requirement that will prevent them from starting their hearings on the first of December instead of waiting until January,

so that they will have four or five weeks of preparation before Congress actually begins.

Q In that connection, do you contemplate reducing expenditures still more than they have been?

THE PRESIDENT: No, we cut pretty deeply, and I think you can say we are going to make every effort to hold the total of the expenditures. That does not mean every Department but the total of expenditures. The objective will be to hold them down to what they were this year with the cuts.

Q What round number do we use for current expenditures now, Mr. President? Is it around two billion dollars?

THE PRESIDENT: It is two billion three hundred and fifty million dollars, I think.

MR. EARLY: Around two and a half billion.

THE PRESIDENT: I think that was the figure before the addition to the Veterans. It runs about a hundred million more, I think.

Q A little more than that, I think.

THE PRESIDENT: I think you would be safe in saying two billion four hundred million dollars.

Q Is that inclusive of interest and sinking funds?

THE PRESIDENT: It includes interest but there has not been any sinking fund for a long time. I don't think this year's

includes sinking fund, nor did last year or the year before.

Q That is a big transaction.

Q It has been in there but it has not --

THE PRESIDENT: It really has not. In other words, we have not been amortizing the debt of the United States. This year we are amortizing, under the new law, the new debt but I don't think we are amortizing the old debt. In other words, you remember those new taxes we put on that ran to two hundred and ten million dollars?

Q Two hundred and twenty-four million dollars.

THE PRESIDENT: They were definitely earmarked for interest and amortization of the new debt.

Q Mr. President, there is quite a bit of that new debt which is not going to exist for a few months.

THE PRESIDENT: That is one of the things I talked to the Secretary of the Treasury about this morning, and that is lining up the notes of the Treasury for the next six months to come, which will be mostly for the new debt.

Q The revenue is coming in rather slowly, and will you use that money, when it is not needed, to apply to that debt, to go to the general Treasury funds to cover other expenditures, or will it be held in a reserve fund?

THE PRESIDENT: As I understand the bookkeeping of the Treasury, it goes into the common fund and it is represented in the total balance.

Q Even the processing tax?

THE PRESIDENT: I think they are earmarked, but there I could not tell you definitely.

Q Mr. President, can you give us any light on the open market operations of the Federal Reserve Bank?

THE PRESIDENT: They fluctuate from time to time.

Q No single --

THE PRESIDENT: We ran twenty-five millions and then they came down to ten millions and went up to twenty-five millions and back to ten millions. This week they ran up to thirty-five millions and I don't know what they will be next week.

Q What governs that, Mr. President?

THE PRESIDENT: The general idea of keeping prices up.

Q That is for the purchase of bonds?

THE PRESIDENT: Yes, dishing out credit, in other words.

Q Have you read those dispatches? The French lady journalist quotes you extensively.

THE PRESIDENT: What French lady?

Q Here is one. It is a definite quotation.

THE PRESIDENT: Never again will I have that lady to lunch.

(Laughter) (Looks over dispatches) I think the best thing you can say about this is that it was probably garbled in transmission.

Q Yesterday she said that you said that this country would be willing to join in economic sanctions.

THE PRESIDENT: What the hell is that?

Q Blockades, I suppose.

THE PRESIDENT: I think that was garbled in transmission too.

(Laughter)

Q On your talk with Secretary Woodin, how much do you think would be needed for the next six months?

THE PRESIDENT: I don't know. He took the paper away with him. I think it is about two billion dollars.

Q New financing?

THE PRESIDENT: Old and new. That is to say, refunding plus public works. As I remember it, it is about two billion dollars.

Q Did he say he could get it all right?

THE PRESIDENT: Oh, yes.

Q Have you made any progress on the Oil Control Board?

THE PRESIDENT: I have not analyzed it yet. I think Secretary Ickes is going to be here on Monday with a list, and also Jim Farley is coming on Monday.

Q Are you going to talk with Secretary Ickes principally about the Oil Code and the Board and public works?

THE PRESIDENT: Yes.

Q Mr. Farley, are you going to talk to him about the D. C. Commissioners?

THE PRESIDENT: Oh, gosh, I hope so. I told him before I left Washington that I wanted to.

Q Put it off for a while.

THE PRESIDENT: Would you rather? (Laughter)

Q He just does not want to close up that story.

Q How did Woodin look?

THE PRESIDENT: I thought he looked a lot better -- of course, you cannot use this -- but he has had this bug count and they are there. His throat looked a lot better, it looks like a human throat instead of raw beef, and they are giving him serum. I begged him to get away from Westhampton and I think I persuaded him. As soon as the doctors finish up those injections, he is going up to the Adirondacks, somewhere in the mountains, for two or three weeks.

Q Can you tell us anything more about what you talked over with (Ambassador) Davis last week?

THE PRESIDENT: I hear you people were perfectly grand and did not print everything. Steve (Early) lost ten pounds while he was talking.

MR. EARLY: Davis called up last night to say what a splendid reaction he had had abroad and to say that already he had received three invitations to start work in Washington.

The first came from the German Embassy.

THE PRESIDENT: I love it.

Q Particularly in Mr. Davis' talk to us he said that you were subscribing more or less to what he termed "the French plan" for setting up --

THE PRESIDENT: That is Eddie's (Roddan) question.

Q (Mr. Roddan) We have been battling for three days about that.

(Laughter)

THE PRESIDENT: Here it is as I understand it, although I don't understand it as well as Norman (Davis) does. The thing in a nutshell is this: Away back last April I became more and more convinced that I ought to put myself in the other fellow's place and I tried to put myself in the place of the Frenchmen. Keep this off the record because we really can't write anything about it, even coming under the Hyde Park date line. If I were a Frenchman and were certain in my own mind that Germany was not living up to treaties, I wouldn't scrap a thing and neither would any of us. And there is a general feeling in France that Germany has not been living up to them. In other words, we know that the

Germans are drilling, the school children are drilling and there are all kinds of reports and rumors from the French border that Germany has been manufacturing 75 guns secretly and so forth and so on. I felt last April, when they were all over here, that France would never agree to any kind of disarmament unless she could be persuaded that Germany was not re-arming in the meantime, and I talked to MacDonald about it and Herriot and Jung[?], and they all agreed with the general proposition that there would have to be some kind of continuous inspection and that if that continuous inspection proved to the satisfaction of France and Italy and Germany and England and the rest of the world that Germany was living up to its treaty obligations and not re-arming, in that case France would not have a leg to stand on -- she would have to agree to disarm. I put it up to them and out of that conversation came the first -- when the Conference met again about the first of May came what was called "The French Plan for Continuous Inspection." In the beginning, the British were rather hostile to it and their reason for being hostile to it was, I think, that other nations might find out how weak they were in certain lines. Well, probably the other nations know how weak you are in certain lines

anyway, just as well as you do yourself, and the British are coming around to the principle of continuous inspection.

Now, the French plan has been changed in various details from time to time and what it is at the present time, I don't know. I don't know what the present French plan is. It may be different today from what it was a month ago. I don't think anybody but Henderson could say what the present French plan is, but we do know the principle, and that is expressed by using the words "continuous inspection". That means, of course, -- Eddie Roddan please quote to W. R. -- that means, if we go along, that a bunch of foreign officers will come here and look into our Navy Yards and arsenals if, if American officers can go into Germany and France and everywhere else and see what they are making. In other words, it is sauce for the goose and the gander.

That is the French Plan in a nutshell and it is dependent on getting everybody to do it, and I consider it of great importance because, as I say, I would not disarm unless I had assurance that the other fellow is going to disarm.

Q That is the proposition of continuous inspection in your

message and what Norman Davis did out in Geneva, and there is nothing new in it. But the French Plan is to turn over these big offensive weapons that these countries give up -- turn them over to the League of Nations and make that an independent state.

Q That is part of the original proposal.

Q A part of it, but it is pretty big.

THE PRESIDENT: I never heard of it.

Q The French proposed it.

THE PRESIDENT: They propose something every day but I don't think anybody attaches any importance to that.

Q They always do.

THE PRESIDENT: I don't think so.

Q If it is part of the plan, are you for it?

THE PRESIDENT: No.

Q It is a League of Nations Commission under the French Plan.

THE PRESIDENT: To do what?

Q This continuous inspection will be done under the League of Nations.

THE PRESIDENT: That is not under the MacDonald plan?

Q Under the French plan.

THE PRESIDENT: It is to be carried on by the Committee on Disarmament, the Permanent Committee on Disarmament, which

will be the same Committee which, in case somebody goes across somebody else's border, will call all the heads of states and see whether it can be stopped.

Q When is Secretary Woodin going into the Adirondacks?

THE PRESIDENT: He does not know yet.

Q When is he going back to Washington?

THE PRESIDENT: That is quite a long way off because he has first of all to get the bugs out of his system and then go back to the mountains and then come back here. It is a matter of six weeks or two months.

Q How is his son?

THE PRESIDENT: Apparently that story was written on information two weeks old. He was in this chamber and he has been out of it over a week. Extremely ill, but no immediate danger.

Q Mr. President, you did not discuss inflation with Secretary Woodin?

THE PRESIDENT: What is inflation?

Q I think Ed Roddan's definition can stand here for the use of the word -- "under the Act to raise prices". (Laughter)

Q What is the deadline on the Coal Code?

THE PRESIDENT: There isn't any, and the fact that he has gotten them in the same room tomorrow means that it is going along pretty well.

Q There is a rumor around New York that you have given them until next Tuesday.

THE PRESIDENT: No, I haven't set any time for it. I hope very much that it can be done before that.

Q But you have not handed down any ultimatums?

THE PRESIDENT: No.

(Discussion about ball game.)