

CONFIDENTIAL
Press Conference #53
In the Oval Room of the White House

September 20, 1933, 10.55 A.M.

THE PRESIDENT: I have been here three days and therefore
I know very, very little.

Q Neither do we.

Q Any reaction to the protest of the cotton farmers?

THE PRESIDENT: Only what I have read in the papers. If
they want to see me, of course I will be delighted
to see them if they will wait their turn. I am trying
to do the speech scheduled for Monday. I am about
two days late and it will take a little while to
catch up. I may be able to see them tomorrow.

Q They have written a letter, have you got it?

THE PRESIDENT: The only thing I have is the blue petition.

Q They adopted a letter last night. It was supposed to
have been sent over this morning. They asked that
you express your views publicly to the press on in-
flation.

Q Anything on Cuba?

THE PRESIDENT: I have not talked to the Secretary of State.
Has anybody seen the Secretary this morning?

Q Not that I know of.

Q Do you care to say anything about inflation?

(The President indicated that he did not)

Q Anything new about the District of Columbia Commissioners?

THE PRESIDENT: No.

Q Anything on the rum situation in the Virgin Islands?

Some plan on to open a sugar refinery.

THE PRESIDENT: I will tell you. It is just one of those amusing things -- just discussion. I have forgotten who the originator was, but it was somebody who recollected the fact that my great-great-grandfather had been in the sugar business in New York around 1790. Of course in those days the sugar business was a West Indian business entirely, and he asked me whether, as a side line, he had sold rum and I told him that in all probability he had, although the ancestral records do not show it one way or the other. He had a sugar refinery on what is now Franklin Square, directly back of the old World Building, and his house was directly opposite the refinery. Well, from that this individual said, "You know, in those days St. Croix Rum used to be the drink." Of course St. Croix is part of the Virgin Islands. Then he made this suggestion, that he could do something when the Eighteenth Amendment was repealed to restore the fine qualities of the old St. Croix Rum and that that

might be a solution for the economic ills of the Virgin Islands.

Well, it was an interesting idea to toy with, so I told the Secretary of the Interior about it and asked him to check up on it because they have a very large population -- some thirty thousand -- for a very small area and it is possible for them to produce only so much sugar cane and they get very low prices for it and it might be possible to work out a new industry based on absolutely pure rum, if rum is going to be sold in the United States. It would help them to restore their lost economic prosperity, so the Secretary of the Interior is looking into it.

Q It isn't necessary to age rum. It can be used almost immediately. I mean, it isn't fusel oil.

THE PRESIDENT: It is a very happy thought to age it, just the same.

Q Has it been decided whether Dr. Pearson is going to be reappointed Governor of the Virgin Islands?

THE PRESIDENT: No reappointment is necessary at all. I think the Secretary of the Interior told him to go back and to consider that he was to stay there until further notice and, if he is to be asked to leave at any time, he would be given sufficient notice.

Q It has been reported that three Government officials had made certain suggestions to us concerning our Naval program?

THE PRESIDENT: I read that in the papers. Nothing has come to me at all on it.

Q Any likelihood of the Naval program being altered?

THE PRESIDENT: No, the contracts are let and the ships are under way.

Q We are going ahead?

THE PRESIDENT: Never any question about it at all.

Q Have you arranged the mechanics of these war-debt negotiations supposed to start in two or three weeks?

THE PRESIDENT: Nothing on it at all unless the State Department has done something.

Q Anything on the railroad situation?

THE PRESIDENT: Nothing. I haven't done anything about it. I haven't heard from Eastman, unless there is something in the mail. He was to let me know.

Q We won't take up much of your time this morning on questions.

THE PRESIDENT: Everything is all quiet.

Q Can you tell us anything about this conference with Professor Warren today?

THE PRESIDENT: No, he came in for just three minutes the other day and he is going to tell us about what he

saw and heard on the other side.

Q Anything about the visit of Frank Walsh?

THE PRESIDENT: Walsh is coming with somebody.

MR. EARLY: Robert Randolph.

THE PRESIDENT: Who is Randolph?

MR. EARLY: He comes from the Middle West, I think.

THE PRESIDENT: Probably to talk about the St. Lawrence Waterway and the Treaty.

Q Is that to be one of the big issues?

THE PRESIDENT: I would not put it that way. Of course I am for it but I would not say it is one of the big issues.

Q Anything on your program looking to the abolition of Army posts throughout the country?

THE PRESIDENT: No. Has the Secretary of the Interior given out the announcement of the fifty million dollars for the selected posts?

MR. EARLY: It will be out later today.

Q Thank you, sir, very much.

(The Press Conference adjourned at 11.02 A.M.)

CONFIDENTIAL

Press Conference #54,
Executive Offices of the White House,
September 21, 1933, 4.55 P.M.

THE PRESIDENT: I have got quite an important thing here that I thought you would like to see. I have not read all of it yet but I think it is approximately all right. I will have copies made of this. It is too late for the afternoon papers, anyway.

Q We have until six o'clock.

THE PRESIDENT: Why not make this for tomorrow morning's release?

MR. EARLY: All right; it won't hurt anybody.

THE PRESIDENT: (Reading)

"The President today announced a program to help correct one of the most flagrant maladjustments of American economic well-being. Through his action much of the oversupply of important foodstuffs will be placed in the hands of the destitute unemployed who are living on the short shift of public unemployment relief."

In other words, there are lots of places, like West Virginia, where they give a definite amount to a father and a mother and five children to last for a week and it just cannot be done. That is the standard in some municipalities, so this is in addition to that. (Reading)

"Following conferences with Secretary of Agriculture Henry A. Wallace, George N. Peek, Agricultural Adjustment Administrator, and Harry L. Hopkins, Federal Emergency Relief Administrator, the President announced that the Agricultural Adjustment Administration is preparing to make further purchases of surpluses for distribution by the Federal Emergency Relief Administration to the unemployed in the various States.

"The announcement followed the recent allocation by Mr. Hopkins of 100,000,000 pounds of cured pork which had been processed recently from millions

of hogs purchased from surpluses by the Agricultural Adjustment Administration. The meat will go to the various State relief administrations for distribution to the unemployed on their relief rolls.

"Additional products under consideration for similar handling include, among others, beef, dairy and poultry products, and products of cotton and cotton seed.

"There are approximately 3,500,000 families now on relief rolls throughout the country. It is known that even with recent improvements in relief administration resulting in higher standards of relief, the amounts of food and clothing given the destitute are still inadequate. On the other hand, in large part, because these millions of potential consumers are not able to purchase a normal amount of commodities, huge surpluses of basic food products are glutting the markets and making their production unprofitable to farmers.

"By using funds of the Agricultural Adjustment Administration, supplemented by those of the Federal Emergency Relief Administration, and the nationwide network of State and local relief administrations for distribution, a real effort to bridge the gap between supplies and consumption will be made. In this way two major objectives of the Recovery Program will be promoted - feeding and clothing the unemployed more adequately and hastening the agricultural recovery.

"It was emphasized that the commodities given the unemployed will be in addition to amounts they are now receiving, wherever they are now inadequate, for the purpose of giving them reasonable standards of sustenance. They will add to and not replace items of relief already provided.

"In removing the surpluses from the market, carefully applied safeguards will forestall any disturbance of the regular channels of production, processing, and distribution.

"The President said he considered the program arranged between the Agricultural Adjustment Administration and the Federal Emergency Relief Administration one of the most direct blows at the economic paradox which has choked farms with an abundance of farm products while many of the unemployed have gone hungry. He has directed the departments concerned to expedite in every possible way their combined

attack on the food-surplus and hunger problems."

The two go right together.

"While this joint effort is being made to increase domestic consumption of surplus farm products, the Agricultural Adjustment Administration will intensify its program of preventing accumulation of farm surpluses so great that they cannot be consumed, but result only in ruinous prices to farmers, destroying purchasing power and aggravating rural and urban distress."

MR. EARLY: Mr. President, it is now only two o'clock on the Coast.

What about the afternoon papers? Might they have a bulletin for the afternoon and the text for the morning?

THE PRESIDENT: Yes, I forgot the Coast.

Q How much will that involve in actual expenditures, have you any idea?

THE PRESIDENT: You can put it this way: that no final figures have been checked but a rough preliminary estimate shows the need of expending at least seventy-five millions for this.

Q What prices will you buy these products at? Has that been determined or any rule laid down?

THE PRESIDENT: Regular wholesale prices. They are all things that there is no great variation in. There is the usual fluctuation in hogs or wheat or cotton, but it is at the market.

You see, it is a double-barreled thing. It improves relief tremendously. Especially, we will try to improve it where the relief is now inadequate, such as in many of the coal mining areas, and where it is not even adequate in a great many places to sustain life. Then the second thing, of course, is that it is going to help materially in reducing the large surpluses, over-

hanging things.

There is only one mistake here, in the first paragraph:

"Through his action much of the oversupply of important foodstuffs will be placed in the hands of the destitute unemployed --"

Now, cotton is not foodstuff. What is cotton?

Q Staple; clothing; commodity.

(The statement was later corrected to read:

"Through his action much of the oversupply of important foodstuffs and staples will be placed in the hands of the destitute unemployed --")

THE PRESIDENT: "Staples" is all right. You see, here is another thing:

The supply of clothing, this says, has been actually inadequate in a great many places in relief work. As a matter of fact, they have not had any supply of clothing. For instance, there is a story, off the record. You know Miss Hickok (Miss Lorena A. Hickok)? She went down, for Hopkins' department, I think it was somewhere around Southeastern Kentucky. She got into one of those mining towns and came around a corner of an alley and started to walk up the alley. There was a group of miners sitting in front of the shacks, and they pulled down their caps over their faces. As soon as she caught sight of that she walked up and said, "What is the matter? What are you pulling your caps down for?" They said, "Oh, it is all right." "Why pull your caps down?" They said, "It is a sort of custom to pull caps down because so many of the women have not enough clothes to cover them."

Now, we are going to buy a lot of cotton and have it processed and provide clothes -- I mean, have it manufactured into cotton cloth. Now, that means organizing local -- that means

organizing groups to sew it together into clothing.

Q Does the Red Cross come into that picture?

THE PRESIDENT: No.

Q They were doing that, you know.

THE PRESIDENT: When I say, "No," I do not know whether they do or not.

Q The Ladies' Auxiliary of the Red Cross sewed garments.

THE PRESIDENT: Of course there is the other side; the Ladies' Auxiliary did that without pay, whereas if you pay wages you do that much more.

Q The Ladies' Auxiliary did a lot of work on the cotton purchases.

THE PRESIDENT: It is the same way with cotton seed. That can be used because the cotton seed is made into a lot of things, oleomargarine, and then there is another --

Q (interposing) Crisco?

THE PRESIDENT: Yes, crisco. So we will buy a lot of cotton seed, which will help materially at the present time. It is one of the things that the cotton men were talking about this morning.

Q This will dovetail into the thing that Bankhead was talking about on cotton this morning.

THE PRESIDENT: It will help because anything that helps reduce this prospective carryover of cotton seed and cotton will help.

Q Any decision on the price you will pay for cotton?

THE PRESIDENT: I do not know. What did Peek's (George Peek) organization say?

MR. EARLY: They did not indicate.

THE PRESIDENT: I do not think there is anything on the price of cotton.

Q Senator Bankhead mentioned a price of fifteen cents a pound.

THE PRESIDENT: That is a different thing. They have got some kind of a new plan out. That is something entirely different.

Q This is stuff taken off the market?

THE PRESIDENT: Yes.

Q And that is in addition to the stuff the Government has in cotton and hogs?

THE PRESIDENT: This is in addition, entirely.

Q Any estimate on the amount of cotton you will need?

THE PRESIDENT: No. I could not tell you that because the first rough estimate was about seventy-five millions for the whole thing and I do not know how that will divide up. I have no idea.

Q This statement, I was wondering if we can get some of it in your own quotes?

MR. EARLY: No, it should be a White House statement.

THE PRESIDENT: You can intimate that I considered it important.

Q How do you feel?

THE PRESIDENT: Fine.

Q You are looking good, Mr. President.

THE PRESIDENT: My temperature has been normal all day.

MR. EARLY: The boys missed Secretary Ickes.

THE PRESIDENT: Oh, there was some release stuff, about four millions on Government projects and about six or seven million dollars on municipal projects.

Q Of course he will announce it?

THE PRESIDENT: Yes. It is going out pretty well.

I thought on tomorrow's conference -- I have a Cabinet meeting at 2.00 and we could make it at 3.30. Is that too early?

Q No, sir.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #55
Executive Offices of the White House
September 22, 1933, 3.53 PM

THE PRESIDENT: I just got a copy of the agreement between the coal operators and the United Mine Workers, which has been signed. It takes quite a load off my mind and represents probably one of the biggest steps ever taken. It is one that I always thought was the most difficult of all and it may point the way to industrial peace in coal. I have also got codes for the Shipbuilding and Ship Repair Industry which I have not read yet but which I hope to be able to approve tonight.

Q Mr. President, in connection with coal and your announcement of relief yesterday, is there any possibility of coal being enumerated among surpluses for the destitute?

THE PRESIDENT: That is being discussed but that would be outside of the statement of yesterday. In other words, yesterday's statement covers foods and staples. What was the word we used?

Q Staples.

THE PRESIDENT: And we are discussing the possibility of direct purchases of coal for the destitute. We have not reached any conclusion on it yet.

Q There are a great many difficulties?

THE PRESIDENT: Yes, in some localities really great difficulties.

Q You say you^{will} approve the wage agreement tonight?

THE PRESIDENT: What is that?

Q On coal, are you going to approve that tonight? Or don't you approve that under Section 7-b of the Act?

THE PRESIDENT: That I couldn't tell you, maybe I do. I haven't got anything in here (indicating) to approve. It is just the agreement itself.

Q Just one more question on coal in that connection: Is there any discussion of the amount of coal it will take to relieve the market?

THE PRESIDENT: You mean what surplus in coal?

Q There is a surplus in coal?

THE PRESIDENT: There isn't a surplus in coal.

Q There usually is.

THE PRESIDENT: No. There is only about six million tons above ground at the present time, between six and seven million tons. It is only about a month's supply to the country under winter conditions. No, there is no surplus at all.

Q Just bituminous coal?

THE PRESIDENT: Bituminous.

Q Are you going to Chicago to the Legion Convention?

THE PRESIDENT: I don't know yet.

Q Are you going to Chicago for the Worlds Fair at all?

THE PRESIDENT: Same answer. If I go to Chicago for one, I will go for the other.

Q Has General Johnson signed the agreement?

THE PRESIDENT: I don't know. It only came in this second, so I don't know. No, I do not see it, no. It is signed by the United Mine Workers on the one side and by the operators on the other side and then by a Joint Scale Committee for the Mine Workers on the one side and the operators on the other side and that is all.

Q Mr. President, can you tell us about this cotton arrangement discussed here this morning?

THE PRESIDENT: Well, that is quite an important thing. I think you have got -- probably Secretary Wallace gave you the exact status of it. The details haven't as yet been worked out but the principle has been approved and the formal and final announcement probably will be made -- I don't know whether it will be made by tomorrow night but it will be by Monday anyway. It involves making a loan up to ten cents a pound -- that is based on 7/8" staple middle grade cotton, whatever that is -- on cotton which

is actually in the hands of the producing farmer and only on that kind of cotton. That loan is to be made subject to his signing an agreement to go along with the acreage reduction plan of 1934.

Q Any changes recommended in the processing tax?

THE PRESIDENT: No.

Q Any progress in the negotiations to sell cotton to the Russians?

THE PRESIDENT: Not that I know of.

Q Any negotiations with regard to France?

THE PRESIDENT: What about France?

Q There is a report that somebody is coming over here to negotiate the purchase of three million bales of cotton, which is about four times France's annual consumption.

THE PRESIDENT: I think that fellow got a lot of free advertising, off the record. I never heard of him.

Q Speaking of the debts, have you given any consideration as to who will handle the preliminary discussions for the State Department?

THE PRESIDENT: The State Department, that is all.

Q What about your week-end trip? Where will you go?

THE PRESIDENT: Well, we are going to motor over to Fredericksburg, go down the river and come up the other river.

Q And come back Sunday night?

THE PRESIDENT: Some time Sunday afternoon, depending on wind and tide.

Q These conferences with Farley and others. Anything to say about the New York situation?

THE PRESIDENT: Nothing I could say on the record and there is nothing I could really say off the record, although I would like to.

Q Go ahead. (Laughter)

THE PRESIDENT: Go ahead and write your own story.

Q Will you stand for it? (Laughter)

Q The Postmaster General said that O'Brien didn't have a chance.

THE PRESIDENT: I can't take part in local politics. I will have to give you a formal answer when you ask a question about that.

Q Can we give that, that you won't participate in local squabbles?

THE PRESIDENT: No answer to that kind of question, yes; but you will have to put the question in, too. (Laughter)

Q Any changes in the last couple of weeks, bringing Russian recognition closer?

THE PRESIDENT: No, not a thing. I will have to tell you this off the record: On that story about Morgenthau there is

really nothing in it because over the last three months there have been all sorts of people, some of them thought they had the right to speak for Russia and others did have the right to speak for Russia, and they have been running around to various people in the Administration and about three months ago we tied it all up and told them to go in to see Henry Morgenthau and nothing has happened since then.

Q The general impression got around that Morgenthau had been designated by you.

THE PRESIDENT: No. It was merely because the State Department was being bothered by Chicago people and Boston people and New York people, who all claimed they had that or this or the other right to buy three million bales of cotton, and they were being so bothered that we told the State Department people and the Agriculture people to refer them all to Henry Morgenthau. That was three months ago.

Q Any new plan for extending credit or inflating the dollar?

THE PRESIDENT: There he goes; he is off again.

Q So many stories being printed.

THE PRESIDENT: You got a pretty good story yesterday and a pretty good story today.

Q Nothing definite.

THE PRESIDENT: For instance, yesterday you had a story that took care of quite a large amount of surplus crops. To-day the story on this cotton thing means great assistance to the credit situation in this country. Some people would call that inflation of credit. It is coming along fine.

Q On that story yesterday, have there been any new developments?

THE PRESIDENT: Of course, the chief person will be Hopkins because he is to determine the amount needed by the destitute and the location and the character of the goods required.

Q Mr. President, is there any consideration being given to the Government coming to the assistance of the depositors in closed banks?

THE PRESIDENT: We are working on that. You are about four or five days previous on that.

Q What do you have in mind on that?

THE PRESIDENT: You got lots of news today.

Q This will help.

THE PRESIDENT: Next week there won't be very much news except, we hope, some news on banks.

Q Save it for Hyde Park.

THE PRESIDENT: All right.

Q What has been the reaction of Jesse Jones to lending money to banks?

THE PRESIDENT: I don't know. I haven't talked to Jesse and haven't had any figures at all in the last few days. Secretary Woodin is coming down tomorrow night and will come to the White House on Sunday night to talk on the general banking situation.

I told you already the general background on the matter of this bank guarantee which goes into effect, paying \$2,500 for each account on the first of January. The general idea is that a great many of these banks which are perfectly solvent are not sufficiently liquid. When a bank is solvent, as the overwhelming majority are, but is not sufficiently liquid, you give them more capital in order that they may become liquid -- sufficiently liquid -- and the Federal Government is going to see that they get that capital. But we are going to apply the same rule that we apply in relief. We are going to ask the community to put up what their fair share of that capital will be. Some communities cannot put it in. Others can put it all up. That depends on the

local conditions. We are simply asking them to do the reasonable thing for their own banks. Then the R.F.C. stands ready, through the preferred stock, to put up the additional capital necessary to make them wholly liquid.

Q Is Woodin coming down tomorrow?

THE PRESIDENT: Yes.

Q Will he join you on the yacht?

THE PRESIDENT: No, he is going to his house.

Q There is an impression in some quarters that you may get around to the question of Russian recognition before January first.

THE PRESIDENT: People have been saying that since the fourth of March. I cannot give any more specific answers now than I could on the fourth of March.

Q What do you think about Washington winning the pennant?

THE PRESIDENT: All to the good.

Q What do you hear from the Cuban situation?

THE PRESIDENT: (Referring to previous question) If you want, you can use that in quotes.

Q Are you going to the series?

THE PRESIDENT: I am going to the series, at least one game of the series, that will probably be here, and I will

have to sit on both sides of the field at the same time.

Q I think you ought to go up there and here both. (Laughter)

Q Anything new on the Cuban situation?

THE PRESIDENT: Not a thing today.

Q Anything on Fred Greene of New York State going to China?

THE PRESIDENT: No.

Q The dope was that the Chinese Minister wanted to borrow somebody to build roads and Greene was recommended.

THE PRESIDENT: I can only tell you off the record to check up because I know the Chinese Minister did get get in touch with Greene, but that is all I heard. That was when he visited Hyde Park with Soong about a month and a half ago.

Q That is off the record?

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

Q Thank you, Mr. President.

(The Press Conference adjourned
at 4.07 PM)

CONFIDENTIAL

Press Conference #56

Hyde Park, New York

September 27, 1933, 3.30 PM

Q Anything to tell us, Mr. President?

THE PRESIDENT: I don't think there is any news at all. I am going out for a drive in the woods and get ready for the Spring planting.

Q Where is that, up here?

THE PRESIDENT: Yes.

Q There have been so many stories appearing lately that you are going to do some Spring planting on the monetary situation.

THE PRESIDENT: So I read. (Laughter)

Q Can we look for anything along those lines?

THE PRESIDENT: Just stories; somebody had to fill up space.

Q Mr. President, there has been something started to the effect that in view of the success with respect to the railroad rails, that you have in mind a set-up of a corporation for the purchase of railroad equipment, locomotives, coaches, and box cars, et cetera.

THE PRESIDENT: No. The only thing I know of is that the railroads did say they needed quite a lot of additional equipment and they are talking with Eastman about it. Of

course our theory is that if the Railroad Administrator can be helpful in comparing all those orders and distributing them and helping them to get really competitive bids, simply as a friend of the railroads, that would be fine.

Q Does that contemplate --

THE PRESIDENT: Just like with the steel rails, the railroads will buy directly from the steel companies but they will use the good offices of Eastman to find out what the total is and that will help the steel companies in knowing what to bid. The bigger the total, the better the price.

Q Would that involve a Federal loan to the railroads?

THE PRESIDENT: Both rails and equipment, and that would come out of Public Works funds, not out of R.F.C..

Q Where are you going to do this Spring planting?

THE PRESIDENT: This is, of course, the last visit here until the Spring, so I have got a couple of people coming down, I think Sunday, from the State Forestry College in Syracuse. They advise me every year on the new planting so that I may find out where we should plant next Spring. We will do about another ten or fifteen acres of planting. I put in ten or fifteen acres every year.

Q What are you going to plant?

THE PRESIDENT: I don't know until I talk it over with them.

Q Can you tell us anything about your talk with Bruere this morning?

THE PRESIDENT: No, just general conversation.

Q Have you done anything about regulation of pipe line rates? That is provided for in the Public Works Bill.

THE PRESIDENT: I don't know. I have not talked about it for months. Who is it under?

Q I think you can refer the hearing to the I.C.C. and then you can --

THE PRESIDENT: I don't think anything has been done about it one way or the other. It is under the I.C.C. and not the Oil Administrator?

Q No, I think it is in Public Works.

THE PRESIDENT: Frankly, I don't know what has happened to it.

Q What do you hear on the move to open the closed banks, Mr. President? Is that coming along?

THE PRESIDENT: That is coming along pretty well. We are not ready with the story on it. The Secretary of the Treasury is working on it. Of course it is some of the banks, not by any means all of them.

Q So I understand. My bank opened down there but they never sent me any statement of how much I got.

THE PRESIDENT: What? Did you have a credit balance? (Laughter)

You know, they do not send a statement unless you have a credit balance.

Q They waited until I had one for the first time and then they closed. (Laughter)

THE PRESIDENT: Everything is going to be all quiet.

MR. EARLY: Some of the Chicago papers this morning printed a very definite story about coming out there, the program, itinerary, et cetera.

THE PRESIDENT: I hope to go.

MR. EARLY: I talked with the boys about it before we left the City this morning and they have asked their editors to play down that publicity on the promise and agreement with us that when you make a definite decision, you will give it to all at once. Meantime they will play it down, for very obvious reasons.

THE PRESIDENT: I hope to be able to go but I won't know definitely until later one. There are lots of things.

Q What do you hear about Cuba?

THE PRESIDENT: I have not heard since yesterday afternoon.

This is entirely off the record although you know about it as much as I do. The situation is that Mr. San Martin is sitting there in the Presidential Palace and he has

his local army with him, which consists of about fifteen hundred men and a bunch of students. Apparently they are not collecting any taxes anywhere on the Island and, of course, their government cannot go on there forever without taxes. Something is bound to happen. They might start collecting taxes -- that might solve it -- but if they do not collect taxes --

Q Did you ever see students collecting taxes?

THE PRESIDENT: So we are just sitting and waiting.

Q How many acres do you have on your farm, Mr. President?

THE PRESIDENT: I have four hundred over on the other side.

Those are mine.

Q Thank you, Mr. President.

(The Press Conference adjourned
at 3.40 PM)

CONFIDENTIAL
Press Conference #57
Hyde Park, New York

September 29, 1933, 4.20 P.M.

THE PRESIDENT: Donald Richberg is on his way up in a plane with some kind of an agreement that brings in the captive mines, that is to say the coal mines owned by the steel corporations, under the same provisions that are in the Code. That applies to hours, wages, etc., and so on but, of course, I cannot tell you anything more about it until I actually read it myself.

Q Has it been agreed to?

THE PRESIDENT: By everybody. It is simply a case of my reading it and if I can get it to read tonight, it will be given out in Poughkeepsie. If I do approve it, I hope everybody will go back to work Monday morning in Pennsylvania.

Q That will be our second big midnight coal story up here?

THE PRESIDENT: Yes. Then Harry Hopkins is coming up to see me, I guess some time tomorrow. About what, I do not know. But he wants to see me and he is coming up.

Q Not today, sir?

THE PRESIDENT: No.

Q Can you tell us something about Governor Pinchot?

THE PRESIDENT: Just this code thing.

Q Any developments?

THE PRESIDENT: This coal code agreement, that is all.

Q You informed him about that agreement?

THE PRESIDENT: Yes. I think, actually, he did not know the exact status of it until we phoned down to Washington and found that Richberg was on his way up with it.

Q Did he take the view that that would end the trouble?

THE PRESIDENT: Yes, provided the code is satisfactory to me after I read it. It has been agreed to down there.

Q Do you know what time Richberg is getting in?

THE PRESIDENT: No; I suppose in about two hours.

MR. EARLY: I don't think he left yet, sir; he was still at the office a moment ago. It will be an Army or Navy plane.

Q Is he coming into the same field?

MR. EARLY: Yes, New Hackensack.

Q Mr. President, there were some reports in Wall Street today that you were contemplating a free market for gold. Anything in that?

THE PRESIDENT: Was that the bear crowd or the bull crowd?

Q They are bullish on gold. (Laughter) It seems that the prices of gold stocks are going high today.

THE PRESIDENT: High or low?

Q High.

THE PRESIDENT: That is one thing I not only will not but cannot comment on. There are a lot of things I cannot comment on but when it comes to stock market stories, that is the ultimate limit.

Q A free gold market, that would be raising the market, or would it?

THE PRESIDENT: I have had at least forty people talk about free gold market and no two people define it the same way. I don't know what it means.

Q I don't either.

Q There were reports that some big news will come out of here in the next few days. The story said that Secretary Woodin said you had one or two more shots to fire and that they would be fired soon.

THE PRESIDENT: They are working in Washington, but haven't the plans out finally, for the lending of money -- this relates only to certain closed banks and not all by any means -- the lending of money to closed banks which can be reopened by the Government financing the good assets part of their assets. It would enable a new bank to be opened. It will permit the old bank to be reorganized and to be reopened and the depositors would be given credit in that new bank for whatever proportion

of their original deposits was good. We are working on a plan of that kind. Now that, of course, does not apply by any means to all the closed banks and it cannot go back to the banks in Receivership for a long time. It is practically limited to the bank that closed in the recent smash which started in February.

Q On the \$1,800,000,000 tied up, is there any idea of what proportion would be released under the plan?

THE PRESIDENT: When you say one billion 800 million dollars you have to illustrate. What kind of banks and when tied up?

Q That is the last figure.

THE PRESIDENT: Member banks or National banks?

Q Member banks closed since the holiday.

THE PRESIDENT: Does that include all banks, 1931, 1932 and 1933?

Q That was banks not opened or which have not been opened on account of the kind of stuff on their shelves.

THE PRESIDENT: I was just asking because I don't know what that figure applies to. That is why it is very difficult for me, unless I have the figures here, to tell you what it applies to.

Q Would this plan apply to the member banks or to all banks?

THE PRESIDENT: That again I could not answer because I would hate to say it would apply to member banks when it might apply to the others as well. I have to wait until I get the recommendation from the Treasury and the RFC on it.

Q The funds are to come from the RFC?

THE PRESIDENT: I do not know any more than I did at last Friday's conference or when I talked about it.

Q Does that mean or connote a more liberal write-up of assets which banks have in view of the business pickup?

THE PRESIDENT: No, that is a different thing. That applies to closed banks and, of course, on banks that are closed you have to take the actual current value of its assets. You cannot write them up in the same way that you would with banks that have farm mortgages and home mortgages.

Of course, when you come down to the other question about banks that are opened and need new capital, there you are faced with two methods: One is the criterion of solvency and the other is the criterion of liquidity. Of course in that case, as we take the criterion of solvency, we want to keep all banks that are now open and that are solvent, we want to keep them going. However, they may not be sufficiently liquid, and in that case the Government will lend them money to make

them more liquid. But you must remember all the time that the bank is solvent all the time.

Q Wasn't there a story that you were prepared to put out 750 million dollars on that?

THE PRESIDENT: I don't think it is as much as that. I think that is a good deal too high. I don't think that will be needed. I would not try to guess at any figures because I haven't any.

Q Mr. President, any other engagements today outside of Governor Pinchot and Richberg?

THE PRESIDENT: I think there are some local people waiting to talk to me.

Q Any speech tonight?

THE PRESIDENT: No, not at Hyde Park.

Q You are just going to give them a good Methodist speech?

THE PRESIDENT: The history of Methodism in the Town of Hyde Park.

Q Nothing new about the Chicago trip, is there?

THE PRESIDENT: No. Incidentally, I got all the dispatches from Cuba and that is just the same as it was. The poor, dear man has the students -- this is off the record -- and what is left of the army and he is collecting no taxes.

Q Anything new on the Russian recognition situation?

THE PRESIDENT: No.

Q Thank you, Mr. President.

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

CONFIDENTIAL

Press Conference #58

Executive Offices of the White House

October 6, 1933, 4.10 PM

THE PRESIDENT: I think the only live news is as follows: The President this afternoon announced that a Commodity Corporation is to be immediately set up with an initial capital stock of \$3,000,000. It will have authority to borrow from the R.F.C. and to lend funds on the security of commodities. Its first duty will be to carry out the pledge to loan farmers ten cents a pound on cotton. This will be on the basis of ten cents a pound at the nearest acceptable warehouse for all cotton above low middling grade and 7/8 staple.

Q Not above 7/8. At 7/8.

THE PRESIDENT: I don't know. Isn't it above?

Q 7/8 is standard.

THE PRESIDENT: These loans will be on the basis of 4% interest and will be made between now and June 30, 1934 -- in other words, on the present crop. It won't be made after June 30, 1934. That is right, isn't it?

Q The crop year ends July 31st -- it runs from August 1st.

THE PRESIDENT: Well, this is June 30th because there is new cotton on the market in July. Only farmers who agree to rent 40% of their next year's cotton acreage are eligible

for the loans. And borrowing farmers are guaranteed against loss if cotton goes below ten cents. But they are restricted as to the time of their sale. Now, that is being interpreted and I believe the lowdown is this, that if it goes to fifteen cents we can make them sell.

Q And if it goes below?

THE PRESIDENT: It is ten cents. They get ten cents.

Q You have to hold the cotton?

THE PRESIDENT: We have to hold the cotton.

Q That establishes a minimum price of ten cents and a maximum price of fifteen cents.

THE PRESIDENT: That is for this cotton for the actual growers of the cotton. That does not apply to the surplus cotton or cotton in warehouses, et cetera.

Q Does the farmer or the Government take care of the carrying charge on it while it is in the warehouse?

THE PRESIDENT: That I don't know.

Q Does this apply to anything except cotton?

THE PRESIDENT: Only cotton.

Q Just cotton?

THE PRESIDENT: Yes. But this Corporation, as I said, it is a Commodity Corporation -- Commodity Credit Corporation, and there are lots of things that are commodities.

Q The Commodity Corporation's field is not limited to cotton?
It can go into any field?

THE PRESIDENT: Yes.

Q Is this Corporation answerable to anybody in the Government
or will it be independent? Will it be under Morgenthau
or Wallace?

THE PRESIDENT: I don't know. Frankly, we haven't come to that
yet. It is being organized as a separate corporation be-
cause the law requires it, but actually, in practice, it
will head up through the Department of Agriculture.

Q Will it lend on other commodities?

THE PRESIDENT: That I don't know.

Q It can lend on other commodities?

THE PRESIDENT: I told you, it is the Commodity Credit Corpor-
ation.

Q But, for the moment, it is only cotton?

THE PRESIDENT: I said its first task will be lending on cotton.

Q Who put up the original 3 million dollars?

THE PRESIDENT: It comes out of another fund of 100 million
dollars.

Q Are there price differentials on that ten cents -- below
and above?

THE PRESIDENT: I am not a cotton expert. I don't know what
7/8 staple is.

Q Have you decided who will direct the Corporation?

THE PRESIDENT: Not yet.

Q Is there a maximum price per pound fixed?

THE PRESIDENT: No.

Q Just a minimum of ten cents?

THE PRESIDENT: You see, it is a loan at ten cents. The practical effect is, of course, if cotton goes up he can sell it at a higher price except that if it goes to fifteen cents, we can compel him to sell it. That is also part of the general provisions of the AAA which has in mind, always, a limitation on too high a price.

Q Did the Department of Agriculture give you an estimate of the potential loans which might be made through the Corporation on this?

THE PRESIDENT: No.

Q Can you tell us something about Bruere's work? If I am right, he has been down here since you came back.

THE PRESIDENT: I was thinking about it this morning. I don't know how you could write a story about him because I have to call him some name and there isn't any name applicable to his job. I cannot find one. In other words, he hasn't authority to do anything.

Q Could we call him a Co-ordinator?

THE PRESIDENT: I don't know; there is no word that applies.

He hasn't any authority whatsoever over anybody.

Q What is he doing?

THE PRESIDENT: The situation is a perfectly simple one. There are quite a number of credit agencies of the Government, half a dozen of them. There are half a dozen agencies of the Government that are concerned with -- let us take a simple illustration -- banks. Banks are affected by home mortgages and farm mortgages and the question of insurance, and the question of valuation of assets which comes under the Comptroller and the bank examiners, and also the question of loans from the R.F.C.. So, you see, there are a great many branches, different agencies of the Government, that are connected with credit and finance, and I simply haven't the physical time to have all those people come in here all the time in order to see that none of them is stepping on the other fellow's toes. Mr. Bruere is acting as a sort of, I don't know, I suppose messenger boy is too lowly a term.

Q How about Co-ordinator?

THE PRESIDENT: He is not a Co-ordinator because the word co-ordinator presupposes that he has authority to co-ordinate and he hasn't. I suppose liaison officer is about the

best word you can use. It is about the nearest to it.

He acts as eyes and ears for me, keeping me in touch with what these different Departments are doing. It is a little bit, in respect to credit and banking and finance, like what Frank Walker is doing with his Council.

Q Is he to have headquarters any place?

THE PRESIDENT: I think probably it is in his hat.

Q That is all we have been able to find.

THE PRESIDENT: That is about all. I won't have any specific times for seeing him but if he wants to lay something before me, he will run in and see me just the way Frank Walker does.

Q Is he working on any definite program?

THE PRESIDENT: No, he is working for a dollar a year and he is loaned for a month or two.

Q Is there anything to those stories that Dr. Arthur Morgan's days with the Tennessee Valley Authority are limited?

THE PRESIDENT: That is a new one; I have not heard it yet.

Q Have the British given us any indication of what they have on debts?

THE PRESIDENT: Not that I know of.

Q Any definite amount fixed for the Surplus Relief Corporation to spend, and the source from which the funds will come?

THE PRESIDENT: They come out of Harry Hopkins' funds. I don't think he knows what it will run to yet. I think the first figure is about seventy-five million dollars.

Q There is a story printed in New York today saying that you are to appoint a committee to make a survey of the securities exchanges to bring them under Federal control.

THE PRESIDENT: No.

Q The story was in the Post this morning.

THE PRESIDENT: Nothing new on that. Away back last Spring, when the Securities Act went through, I asked the Secretary of Commerce to keep in touch with the general situation. I have not heard from him from that time on.

Q Can you throw any light on the conference tomorrow with the steel people in connection with the mine trouble in Pennsylvania?

THE PRESIDENT: I think I had better not. I had better wait until they get here.

Q Anything on the Foreign Bond Committee?

THE PRESIDENT: I am not ready yet. Next week I will, I hope.

Q Are there any new plans to aid capital goods industries?

THE PRESIDENT: You mean direct aid?

Q Government aid.

THE PRESIDENT: Not any more than the railroad program, steel

rails and equipment.

Q Is that to create an agency to borrow from Public Works funds to purchase --

THE PRESIDENT: No. As I said before, we are merely offering the services of Mr. Eastman to act as a sort of gathering place for all of them to come in and pool their needs and then to go to Public Works, to Ickes, and ask him to lend the money to the railroads to supply those needs, and that is all we have done.

Q No idea of creating a private agency?

THE PRESIDENT: No.

Q Any developments on the Cuban situation?

THE PRESIDENT: No, not a thing.

Q Anything on the sugar agreement?

THE PRESIDENT: It is now in the hands of the Department of Agriculture and I am talking to Wallace about it tomorrow afternoon again.

Q What business brings the President of Panama to Washington?

THE PRESIDENT: I don't really know all the details but there are quite a number of questions down there that the Republic of Panama is somewhat concerned about. Well, for instance, the question of commissaries in the Canal Zone and the question about West Indian labor on various

things. I think there are a number of others I have not heard about. The President of Panama felt it was easier to talk them over face to face than to have long distance correspondence.

Q Do you think there is any chance of Congress appropriating money for the unemployed in Panama?

THE PRESIDENT: That is a question.

Q Has the Retail Code been presented to you?

THE PRESIDENT: No, I have not seen it at all. I understand it won't be ready until Monday or Tuesday.

Q Did General Johnson discuss the Coal Code with you today?

THE PRESIDENT: Yes, also I saw Governor Pinchot.

Q On the war debts, can you give us any background about the attitude and the policy?

THE PRESIDENT: Not anything except the old background that in June we notified Great Britain that we would be glad to have them make such representations in regard to their situation as they wanted to and they are over here now and are about to make them. I don't think they have made them yet.

Q They make them to the Treasury and not to you?

THE PRESIDENT: I think so.

Q Is it your understanding that those conversations will be

confined to debts and not to currency stabilization?

THE PRESIDENT: I think that depends entirely.

Q Have you heard anything on the Anthracite Code yet?

THE PRESIDENT: Have you?

Q They were conferring on it in New York.

THE PRESIDENT: They said at that time that they did not think they would have any difficulty on it.

Q Is Mr. Bruere's work in any way connected with this new banking program, or as part of it? They are to open the closed banks or throw the deposits of those banks into circulation again.

THE PRESIDENT: He is going to make himself familiar with it as it goes on. On the closed banks and capital for the banks that need it, I was going to use it tomorrow morning at the Federation of Labor meeting or, if not, I will hold it until the early part of the week and have it in the form of a statement. Bruere is just learning about it.

Q Thank you, Mr. President.

(The Press Conference adjourned
at 4.25 PM)

CONFIDENTIAL

Press Conference #59

Executive Offices of the White House

October 11, 1933, 10.40 A.M.

(President Arias, of the Republic of Panama,
was present at the Conference.)

Q Good morning, Mr. President.

THE PRESIDENT: Good morning. (Exhibiting sabre)

Q Are you going to cut off a few heads this morning?

THE PRESIDENT: At least I am protected. Charlie (Mr. Hurd) you
have to be good this morning. You watch your questions
carefully.

Q Mr. President, hadn't you better turn that into the Treasury?

Q Is that all gold, Mr. President?

THE PRESIDENT: I think it is.

Q It would be worth more if gold is de-valued. (Laughter)

MR. DONALDSON: Everybody in?

Q Mr. President, this is no laughing matter -- what can you
tell us about the liquor situation, the District Attorney,
the Public Utilities Commission and District of Columbia --?
(Laughter)

THE PRESIDENT: I haven't thought about them since you asked
the question. I asked the President of Panama to come in
today and told him that this would be a unique experience
for him. From my point of view we have had a very
satisfactory talk --

PRESIDENT ARIAS: And from mine also.

THE PRESIDENT: And the President says, from his also. I think his visit does illustrate the practical way of taking up problems that occur between different countries and I think we are making very satisfactory progress.

There are a number of matters such as, for instance, the present condition in that the Republic of Panama cannot have its own radio station. Well, that seems like a perfectly absurd situation. It has been created because of the military problems of the Panama Canal, but we are trying to work out something which will enable the Republic of Panama, like any other nation, to have its own radio station. Then, there are other matters such as, for instance, the competition of certain supplies -- competition created by the Canal Zone authorities which affects the merchants of the Republic.

Those are all matters which probably can be ironed out satisfactorily.

Then, of course, there is the other thing which we have talked about. It is a rather interesting parallel, although I think I will have to say this almost off the record because you cannot say that it comes from me -- the parallel -- you can invent that yourselves. Panama has a corridor problem. Right across the middle of Panama there is a corridor belonging to somebody else and

yet we are perfectly convinced that through mechanical means and through cooperation and talking things over, we can make the life of the Republic of Panama perfectly practical and satisfactory so that the corridor which splits the Republic in two will not interfere with the orderly development of the Republic. In other words, the lesson I draw from it is the fact that the President of Panama comes here and talks things over and makes a solution of our problem, a perfectly peaceful and practical solution, possible. I am not saying that other nations ought to do the same thing, but!

So, we are getting on very well and it is delightful to have Senor Arias here. I told him that some time, when and if I can get away from Washington, I hope to go down through the Canal, stop in Panama and visit him.

The sword you heard about yesterday is here, if you would like to examine it. It is a very wonderful piece of workmanship, engraved with the American eagle and the stars and the letter "W" on both sides of the blade. It had been ordered by the French volunteers who fought in our revolution, to be given to Washington. It is supposed, but not proven, to have been brought over here by General Lafayette himself as a gift to Washington in 1800. Of course, General Washington had died the year before. It was only found in the sword factory this last summer. It was given to our government and will

hang under the portrait of Washington in the White House.

Q Is there an inscription on the blade?

THE PRESIDENT: No, there is no inscription, only the letter "W" and the Presidential eagle and the stars.

Q Still sharp?

THE PRESIDENT: For all practical purposes. (Laughter)

Q Mr. President, can you tell us anything about the banking situation?

THE PRESIDENT: No, I cannot; I wish I could. In other words, we are going ahead with the two objectives, first, are paying off as rapidly as possible the depositors in the banks that have been closed this year and the other is to provide sufficient capital for the banks that are opened so that they can qualify beyond a question of doubt under the insurance plan on the first of January. But the actual details have not been completed.

Q Can you tell us whether, in all probability, the money will come through the R.F.C. in connection with this thing. The Attorney General mentioned a discussion concerning a general Federal bank to take over those frozen assets. I wondered if it would be possible to elaborate just a little bit?

THE PRESIDENT: Probably will be. I don't know whether it will be a bank or corporation and I don't know whether the money will come through the R.F.C. or direct from the Treasury. That, really, is a detail of administration.

Q Do you say this bank will open this year? I mean January first is the date it will open?

THE PRESIDENT: January 1, 1933.

Q You mean 1934?

THE PRESIDENT: Yes. Of course, that is not definitely determined but in all probability it will be the first of January.

Q Could you tell us which Army posts will be abandoned?

THE PRESIDENT: Even the Army does not know. I have had no recommendations on it yet. They are still working on it.

Q Does this mean that you will ask the Congress to continue the R.F.C. after February 20?

THE PRESIDENT: Yes, of course. We are doing so many things under the R.F.C. that it has got to go on.

Q Will there be distinct provisions for carrying State banks and for carrying National banks?

THE PRESIDENT: I don't know. That is a detail. I don't think it has even been discussed.

Q Anything about the monetary situation? (Asked by Mr. Hurd)

THE PRESIDENT: Give me that sword. (Laughter)

Q (Mr. Hurd) It is approaching that time, isn't it? (Laughter)

Q Mr. President, has the time arrived when you can give us anything like a picture of liquor control as to repeal and the amount of taxes that ought to be raised and how it should be handled?

THE PRESIDENT: No, I cannot. I will tell you what the situation is: I think there have been three or possibly four different groups that have been studying the thing. The Attorney General has his end of it; then there is the State Department with respect to importations; the Internal Revenue People and the Treasury Department in relation to the wider fiscal problem. So far as I know, those different groups have not been coordinated. I don't think they have met together, but probably in the course of the next week I will probably get them together some way and try to work out what might be called an Administration policy in regard to the two phases of the situation. First will be the phase from the time of actual repeal up to the time of Congressional legislation and secondly the phase of what we will recommend to the Congress in the way of legislation. But there hasn't been any general meeting of all the interested parties yet and that is something I have to do.

Q Any serious consideration of a special session to deal with this?

THE PRESIDENT: No, and, incidentally, in spite of George Durno, Paul Mallon or somebody, there never has been any thought of a special session.

Q Mr. President, there will be about a six weeks' period in there where things will be more or less a kickback?

THE PRESIDENT: Yes, that is being interpreted by the Attorney General. I haven't got it yet.

Q Of course, it might be possible to mark time for six weeks?

THE PRESIDENT: We will have to do something practical. I don't know what the means will be that we will use.

Q Under the Recovery Act, you have the right to repeal those special taxes. Will that be one of your recommendations?

THE PRESIDENT: I haven't thought of it at all.

Q I think those taxes are automatically repealed?

THE PRESIDENT: Isn't it optional with me?

Q I don't think so.

Q It is mandatory that as soon as you proclaim repeal, the taxes --

THE PRESIDENT: Do I have to proclaim repeal?

Q Yes, you do. There is a difference of opinion as to whether it is permissive or mandatory, but if you do not proclaim it before the first of January, the nuisance taxes continue for another year.

Q Have you issued any orders affecting salaries of those in the motion picture industry?

THE PRESIDENT: I haven't issued any orders in regard to the movie code, one way or the other.

Q Have you advanced any ideas along that line?

THE PRESIDENT: The only time I have mentioned the movie code in any shape, manner or form, was to ask that the Deputy Administrator look into and consider the size of earnings of -- I hate to be impolite, but immature persons who,

perhaps, are making more money than is reasonable in good conscience; and the same thing in relation to -- what do they call them? -- producers or directors who are making about four or five or six or eight times the salary of the President of the United States -- as to whether it is conscionable.

Q How about Mickey Mouse? (Laughter)

THE PRESIDENT: I don't know any of the facts in the case.

The only things that came to me were rumors and I asked that the rumors be looked into.

Q Have you had any reports?

THE PRESIDENT: Not at all.

Q The State Department has led us to believe that repeal was effective the moment the 36th State actually ratified by its vote.

THE PRESIDENT: I don't know. I asked the Attorney General to look the whole thing up. I have not talked to him about it at all. I read that from the State Department but don't know whether it is true or not.

Q Is there anything new in the Russian situation? There are a lot of reports.

THE PRESIDENT: Not that I know of.

Q There is a story out of Los Angeles that McAdoo is going to be Ambassador.

THE PRESIDENT: After his three-day visit?

Q Can you tell us anything about the British Debt negotiation?

THE PRESIDENT: Only what I read in the papers and that was inaccurate. (Laughter) No, they have only just begun to talk on it and, as I understand from Steve, there won't be any news during the preliminaries unless it is handed out in the form of a joint statement.

Q Might it involve the question of stabilization of currency?

THE PRESIDENT: Not that I know of.

Q Wouldn't it be natural to stabilize --

THE PRESIDENT: Not necessarily.

Q How would they pay? (Laughter)

THE PRESIDENT: As a matter of fact, on this debt thing it would be best not to speculate because it would be pure speculation and the chances are 99 to 1 that the speculation would be wrong and, in the third place, it frankly doesn't do an awful lot of good in international relations to get the trend of the public mind one way or the other before there has been any meeting of the government minds.

I know you people won't mind my saying this, but the more I look at it the more true I think it is -- and this doesn't affect us people over here so much -- but if anybody would ask me what was the greatest single factor that contributed to the London Economic Conference not accomplishing more than it did -- and this is off the record and between us -- I would say it is the Continental Press. They established a public and publicity background

that necessarily concentrated the attention of that London Economic Conference on just one subject when they had twenty subjects. The Continental press and, to a large extent, the British press were responsible for that.

Of course, it is also equally true that people concerned in that London Economic Conference got a great deal of their own personal slant from the Press. It not only had a public influence but a serious influence on the delegates themselves and an influence on the publicity out of London. Of course, the delegates were, in large part, responsible too, but the publicity that came out of London and concentrated ^{the} ~~that~~ Conference on just the one question of stabilization did a very serious hurt to good results.

On this debt thing, we are a little bit the same way. We are merely engaged on the preliminary conversation and in those conversations they will take up twenty different formulas and each one will have its ramifications of all kinds. They will explore them for a long, long time and nothing will come to me until they have explored them all. Then they may come to me and the Prime Minister of the Cabinet in London and say that such and such method is out of the question and another method is out of the question, but "we do think it is worth going ahead with discussions" on this line or that or on three different alternative

lines. And then the British Government may consider it and I will consider it and then we may get to the second stage or may not.

It is as vague as that and any story that says we are engaged on this particular proposition at this time just isn't so and will tend to stir up not only public opinion in England and the United States on an issue which is not an issue, but will also tend to crystallize the point of view of the government officials and the negotiators themselves.

That is why I hope very much on the debt negotiations that there won't be any categorical stories one way or the other because the thing is frankly and definitely completely up in the air. It is in the preliminary, exploratory stage.

Q You expect this will take some time?

THE PRESIDENT: Yes. And all we can say is we hope there will be some meeting of the minds on it, but we don't know. I will tell you all just as soon as there is anything tangible to go on, but there isn't yet.

Q Will you be good enough to clear us up in the same general way about the situation at Geneva?

THE PRESIDENT: Well, I may -- I would love to do it if I can do it off the record -- completely off the record. The difficulty is this: Any story coming out of Washington

to Geneva might have a pretty bad effect on the negotiations there. No matter what the story was, it might look like interference by Washington.

Now, the real situation in Geneva is, as I see it, this: -- Keep this entirely off the record, literally off the record. The real situation is this: That the Conference started in a long time ago, around a year and a half ago, with all the nations sitting around the table and all interested and all trying to work toward a practical solution of disarmament.

Gradually, and unfortunately, the whole thing has narrowed down to a very small number of great powers so that today, before the session begins on what -- the 16th? -- before it begins, it has, I am sorry to say, ceased to be a plenary meeting of all the nations and has come down, virtually, to a consideration of the European political problem in which Italy, France, Great Britain are involved and we are, in a sense, sitting on the outside but with access to what is going on. And Norman Davis is trying to act as *amicus curiae* -- he is not trying to tell them what to do but when they get in a jam, Norman Davis is talking to them and getting them to suggest ways and means of getting out of that particular jam.

Now, at the end of last week, it got into this kind of a jam: The French position was predicated on some

form of -- I have forgotten what the exact expression is -- a trial period during which Germany would not re-arm and if Germany proved that she was not re-arming during the trial period, then France, at the end of the period, would start disarming herself and Italy would do the same thing, and so on. Germany felt that she couldn't, with self-respect, agree to being put into the position of everybody watching her during the trial period; that it was against her national honor.

I think at the present time that they are engaged in finding a new way of stating somewhat the same thing; in other words, perhaps, of starting immediate disarmament but that during the trial period -- they won't mention the word trial period -- during the first few years the disarmament would not be very great or very effective. In other words, as practical people realize, it would really amount to the same thing, but actually it would help Germany to have it set out in a less brutal way than being given an ultimatum for a trial period.

That is what they are working on at the present time and if they can find a method of stating it that will save everybody's national honor on the continent, the thing will work out. If they cannot find a method of stating it, it doesn't look very favorable to an actual signing up for disarmament. That is the situation as it

is today.

Q Will that preclude manufacture by Germany of this armament she is talking about?

THE PRESIDENT: I don't know. I didn't talk to Davis about that at all.

MR. STORM: Thank you, Mr. President.