

CONFIDENTIAL

Press Conference #64

Executive Offices of the White House

October 27, 1933, 4.08 PM

THE PRESIDENT: I was just saying to the front row that I am afraid it is a sort of dull day today.

The Secretary of State, I think, told you this morning that he is not pushing off until the 11th of November. He asked me to emphasize again to you that this is not caused by any one thing but by a multiplicity of problems that he cannot finish by the 5th of November. In other words, do not write the story that it is Russia, because it is a lot of other things too. Russia is merely one of the incidents; he has his commercial negotiations still going on with five nations, he still has the British representative over here on the debts, and there are quite a number of other things which he has got to clean up before he goes on account of the fact that Congress will be in session before he gets back. He has to go over his budget, have that all finished or the highlights of it before he goes away.

Q Does that mean that the British negotiations are likely to be cleared up before he goes away?

THE PRESIDENT: That I don't know. There are a good many

ramifications, not only there but also with respect to other countries.

Q General Johnson and Henry Ford seem to be shooting back and forth at each other today. Can you tell us anything about that controversy?

THE PRESIDENT: I have not had any part in it at all, except what I read. The question we talked about was the question of buying Ford cars for the Government and unless the Comptroller General has a different opinion it seems fairly clear that the Industrial Recovery Act calls for the purchase of goods that have been manufactured not only in accordance with NRA conditions but also by people who have gone along with the general agreement. The probability is that unless the Comptroller General holds the other way we have got to eliminate the purchase of Ford cars even though the dealer who happens to offer them has signed up as a dealer to follow the NRA. In other words, it really comes down to a matter of common sense. It is the article rather than the person you buy it through.

Q Have you asked the Comptroller General to make a ruling, sir?

THE PRESIDENT: I have not. I think somebody is talking with him about it.

Tomorrow morning at ten-thirty we are going to have

a very interesting letter from the Administrator of Railroads to the steel rail companies. I cannot tell you the story beforehand except to tell you that I recommend that you get it at ten-thirty tomorrow morning.

Q Will it be given out here, sir?

THE PRESIDENT: No, by the Railroad Administrator.

Q He does not like those offers? (Laughter)

Q Would you care to indicate your attitude on that, as to whether you regard the 37.35 as a bid?

THE PRESIDENT: Wait until you get the letter.

Q Any comment on the slight rise in the price of the dollar abroad today?

THE PRESIDENT: No comment.

Q Do you care to comment on this gold proposition at all, Mr. President?

THE PRESIDENT: No.

Q Is that Committee report on the liquor situation any nearer completion?

THE PRESIDENT: They told me that the Committee which has been working on it has their figures, their facts, completed. They have the tentative opinions from the Department of Justice and they are now working on recommendations that each of the departments will make. They hope to be

finished by next Monday night and it will be presented to me either Tuesday or Wednesday of next week.

Q Mr. President, some time back it was suggested that you were attempting to get about two hundred and fifty million dollars a year to take care of the interest on the three billion three hundred million dollar building program. Is it your plan to take any more than that two hundred and fifty million dollars in taxes?

THE PRESIDENT: I think you are a little premature because I do not think we know enough yet in this particular fiscal year as to how we are coming out. That is a thing we cannot determine until we make our final estimates on the budget which have to be made just before I send the budget message to Congress. Those will be the final figures and also, of course, that will depend on whether or not we use more than the two hundred and fifty millions. It would depend to a certain extent on whatever program we decide on in regard to additional public works for the following fiscal year. You are about two months ahead.

Q Are you considering, Mr. President, some additional public works?

THE PRESIDENT: For the following year?

Q Yes, sir.

THE PRESIDENT: I think it would be a fair guess on your part.

You cannot entirely eliminate public works the following year.

Q Anything new for Russ Young and myself?

THE PRESIDENT: No. I gave you a story, did I not? I put in a lady judge. (Laughter)

Q Mr. President, in that connection --

THE PRESIDENT: Now, all we guaranteed was one appointment every six months. (Laughter)

Q In that connection, I understand there was a Committee of Government employees, or former Government employees, around here the other day with a petition urging an order that Civil Service employees be given preference in employing people around the departments. Has that come to your attention?

THE PRESIDENT: Yes, it came in and I sent it over to Douglas because my thought was that they were being given a preference. That certainly was my intention away back when the new organizations got started. I sent it over to Lew Douglas to check up on it with the Civil Service Commission.

Q May I go back to the Ford matter just a minute: Is it your position that a company which complies with the Code but

which has not obtained the Blue Eagle should not receive public contracts?

THE PRESIDENT: I think, in general, yes.

Q I want to ask one other question: There has been noted, around the world, a disposition to curb the freedom of the press and I wanted to get your attitude on that.

(Laughter)

THE PRESIDENT: Well, look, John (Boettiger), you tell Bert McCormick that he is seeing things under the bed. (Laughter)

Q We were advised that the steel people are coming down next week.

THE PRESIDENT: They are coming on Monday.

Q I wonder if there is anything you can give us on that. We had a message from Pittsburgh, from Mr. Murray, who is with the Union. He said there have been no negotiations for two weeks and no progress has been possible and I wondered if you concurred in that view.

THE PRESIDENT: I don't think I had better put it that way because they may have been conferring, might have been conferring down here. They might have been conferring with the Federation or with the United Mine Workers via Johnson. I don't know.

Q Yes, sir. Is there anything you can give us in connection with Monday's conference at all?

THE PRESIDENT: No, I don't know what they are going to say to me. They were not ready today.

Q You will have something to say to them?

THE PRESIDENT: It depends on what they say to me.

Q There have been reports that the salary clause will be eliminated from the Motion Picture Code, either by General Johnson on legal grounds or by you because of the kick-back and that the whole thing will be referred to Congress for general salary legislation.

THE PRESIDENT: I have not heard a word on the Picture Code except that Senator McAdoo was here this morning and he is on his way back to Los Angeles.

Q You have not reached any decision?

THE PRESIDENT: I have not.

Q Will it be expecting too much for this liquor report to cause an extra session of Congress?

THE PRESIDENT: No, it will not. I think that is an absolutely safe guess.

Q Those of us who are on the consuming end are very much interested --

Q Are you talking about liquor, too? (Laughter)

Q -- are very much interested in know whether the tax rate will be sufficiently low to beat the bootlegger, to put

him and the moonshiner out of business, or whether there will be a rate of \$6.40 a gallon.

THE PRESIDENT: Of course I cannot say anything, even by way of background, on that, until I get the reports and also the recommendations from the different departments. Those recommendations will be all separate. It won't be a general recommendation. There will be one from the State Department, one from the Attorney General, one from the Secretary of the Treasury, and so forth. I think I can tell you, off the record, that of course it is perfectly obvious that we want to get the price of good wholesome liquor down to such point that the bootlegger won't be able to get in under it. What that point is -- well, there is a pretty wide range of difference of opinion on that.

Q Dr. Doran figured on \$3 a gallon that we would get two hundred and forty million dollars the first year.

THE PRESIDENT: Yes, and also, off the record, it is my thought that the revenue result should not be the controlling factor. Of course, the Treasury will naturally be thinking about revenue. But that should not be the controlling factor in fixing a liquor tax or an import duty.

Q Can you tell us whether you have a clear picture of what the British want on this debt business?

THE PRESIDENT: I have not had any reports yet. They are still talking about it.

Q Is that likely to go on for some time?

THE PRESIDENT: I don't even know that.

B Q Any radical changes in the Child Labor Amendment -- ratification by the states?

THE PRESIDENT: The old Child Labor Amendment?

Q Yes, sir.

THE PRESIDENT: I don't know. That is a new one. I haven't said anything about it. Of course, personally, I would like to see it ratified. I asked the New York State Legislature I don't know when, three or four years ago, to please ratify and they didn't do it, but, on the other hand, it might be possible to accomplish the same results without it. I think it would be a perfectly fine idea if it could be ratified.

Q Make it permanent?

THE PRESIDENT: Make it permanent, yes.

Q Anything on Whitney's visit yesterday, Mr. President?

THE PRESIDENT: No, only we discussed exchanges in general and speculation in general. He told me some things and I told him some facts, too. You see -- let me talk to you just about three minutes, entirely off the record.

I won't keep you long. I will talk about one of the problems on speculation that we have at the present time.

There are a lot of people who feel that there should be, I don't know what, they call it a "live market", so as to maintain a constant standard of values not only for securities but for raw products of all kinds -- wheat and cotton and copper, etc. -- and having a market of that kind with a long interest and a short interest in it both, it prevents unhealthy swings either up or down, and you get a lot of people in it and such a wide field that it prevents great fluctuations.

There is another school of thought, of course, that says that because of speculation you get wider swings. Take wheat as an example: The wheat market -- these are just very offhand figures -- the wheat market went up from around 42 to 45 cents in the Spring and kept on going up fairly steadily and probably, so far as purchases by millers and people who were going to use the wheat for flour went, wheat might have gone up -- this is, of course, a guess -- to 80 or 85 or possibly 90 cents. However, in the wheat business, well over 80% of the daily transactions are speculative. There are engaged in buying people who have no intention of turning the

wheat into food of any kind. They buy it merely in order, later on, to sell, or they sell it in order, later on, to buy it back. Largely because there was this speculative interest in wheat, it was driven up to \$1.25 a bushel. There were various people that had various long accounts and it got up to such a point that it cracked and when it did, everything was thrown overboard and it forced it down to 90 cents, which was 35 cents a bushel down, almost overnight. There, again, a speculative element entered into it and they figured out all the longs had been driven out and it was time to buy and push it up, and it went back. There, again, a lot of people got scared and so it went down to 67 cents and now it is back to 88 or 89 cents, something like that.

It is a very serious question of whether, with over 80% of the sales purely speculative, it does not cause much greater swings than if that speculative element in the buying and selling of wheat were curtailed. At the present time in the -- we checked it pretty carefully in the Chicago wheat pit -- there are about 135 million bushels of wheat that are held by speculators. Now those are not the millers; they are not people who are going to export. They are speculators and, of those 135

million bushels, there are about twenty individuals who own twenty-five million bushels of wheat; there are people who own, for speculative purposes, over two hundred thousand bushels apiece. They are only in the market in order to sell later on. They are, nearly all of them, on the long side. That is hanging over the market. There is practically no heavy short interest in the wheat pit at the present time, as you know. Is that a good thing?

Well, it is a big question mark, that is all you can say.

Q Why isn't the short interest there?

THE PRESIDENT: Probably they are afraid of what the President of the United States is going to do. (Laughter)

Q Is it a free and open market?

THE PRESIDENT: No, it is not. But should there be the kind of free and open market that allows you and me who don't, most of us, know very much about wheat, to go in there and just gamble with a thing that the farmer has to sell in order to make his living? It is just pure, sheer speculation. There, again, is the question mark. And I was talking with Dick Whitney about that same problem, as to what amount of the sales on the New York Stock Exchange are real sales and real buys, and what amount of sales on the Stock Exchange are purely gambling propositions. Again

the question mark. (Laughter) So I think that is as far as we need go today, but it gives you an idea of things.

Q The two question marks are a little different -- stock and wheat. There is a free and open market in stocks?

THE PRESIDENT: Yes.

Q Does this indicate that this long interest --

THE PRESIDENT: I am not indicating anything.

Q Do you think you will go down the river?

THE PRESIDENT: I don't think so. I think I will stay and work.

Q Have you taken up the Puerto Rican situation at all?

THE PRESIDENT: I have started talking to the Secretary of War about it but haven't finished. I will talk tomorrow about it.

Q On the Securities Act, was it part of the purpose in framing that Act to prevent the sale of all foreign securities in this country, such as other governments, like Great Britain and Canada?

THE PRESIDENT: No.

Q That is the way it is working out.

THE PRESIDENT: Why is it working out that way?

Q Because there are no such things as sales by these foreign governments because they are used to offering their

securities by bids and they have to put in a 20-day notice now before they can offer loans at all.

Q You are a little bit over my head on that. I don't know enough about the technicalities.

Q A broker offering a security from Canada, for instance, has to give a twenty-day notice and approximate prices and Canada has been accustomed to do her borrowing on tenders. They cannot even approximate a price which would be the price the security would bring at least twenty days ahead of time.

THE PRESIDENT: Well, aren't there other ways of doing it? I ran up against that when I was Governor of New York. There was a question at one time of giving notice before and getting the price fixed ahead of time, and one suggestion made by the Comptroller at that time was that we should open bids on a certain day. Now, I think under the Securities Act that bids can be opened on a specified day. Of course, those may be made up to five months before the bidding time. I don't think it is an insuperable obstacle for the offering of foreign securities. I think there are other ways out of it.

Q Thank you, Mr. President.

THE PRESIDENT: Steve (Early) says that what I was talking to

you about as off the record, that you use it on your own authority instead of putting it on the White House.

Q The question mark part?

THE PRESIDENT: Yes. Use it on your own authority, but don't pin it on the White House.

Q What about Whitney? (Laughter)

(The Press Conference adjourned
at 4.30 PM)

CONFIDENTIAL

Press Conference #65

Executive Offices of the White House

November 1, 1933, 10.38 A.M.

THE PRESIDENT: Well, before we start, Steve (Early)

suggests that I repeat, because there are so many new faces that have come in since March, what might be called definitions. He suggests that news given as "background" is for use by the press and can be attributed to me, provided it is written in the third person. Number two, that my statements can be used with direct quotations only when given out in writing. Third, that information or anything "off the record" is given in confidence and is not for use in any fashion, nor is it to be repeated to those outside of the Conference.

I have got a graph here and also a report from the Interpreting Economist that was given to me yesterday afternoon. I see no reason why you should not see it. I have not had copies made of it, it is in the wavy lines that you are all familiar with and, to put it in more satisfactory form, I have had it translated in terms of columns which should certainly appeal to those who are specialists in columns. The graph shows certain things fairly clearly in regard

to prices.

The columns on the first page -- there are only two pages -- show the prices for all commodities and then for the ten major commodities which are in separate columns -- farm products, textile products, building materials, and so on.

Then the second page only has three columns on it. It shows the prices received by farmers for what they produce. And the next column shows the prices paid by farmers for what they buy and the third is retail food prices.

Of course it is only fair, I think, in writing these stories to point out that these cover the Nation as a whole. In other words, we are trying to picture the thing from the National point of view and there may be some particular group which may, as the Economist points out, lower than it was last year, or there may be some locality where the prices paid by the farmers are a great deal higher than the prices shown on the curve. But this does represent the average of the Nation as a whole, and of course it is subject to correction for the individual locality. Thus, with the average of the increase in retail food prices, in some places they may not have gone up at all and in other places they may have gone up a great

deal more than the average shown.

There is no reason why I should not read some portions of the report as it does give a pretty clear picture and a pretty satisfactory picture.

His summary is this: (Reading)

"Preliminary data indicate that final figures for October will show a somewhat further decline in factory operations, especially in the output of semi-finished goods. Factory operations as a whole, however, will remain well above the highest levels of last year. The causes of this decline were outlined in the summary prepared on September 2 where it was pointed out, first, that two-thirds of the huge advance in factory output between March and July was concentrated in the textile industry, the leather industry, and the steel industry; second, that all three of these large industries were operating at higher rates than could be sustained in view of the level of market demand for their products, and, third, that there was a little prospect of immediate expansion in other industries sufficient to offset a more balanced rate of operations in these industries. The recession in output which has occurred since July, therefore, was to be expected. It does not in itself represent a fundamental downward trend so much as reaction from an over-rapid expansion in particular industries earlier in the year.

"The fundamental trend of industry, as contrasted with these month-to-month movements, is determined much more by conditions in the heavy industries where the depression is now concentrated. In canvassing the current prospects in these industries, the break in steel operations from an average of 59 per cent of capacity in July to about 31 per cent of capacity during the fourth week of October should not be overemphasized, since there was no evidence that consuming outlets for steel were operating at a rate sufficient to justify

steel making at anything like 59 per cent of capacity in July. So far as we can judge, the trend of final consuming outlets for steel has increased rather than decreased in recent weeks. While construction contracts are still low, they have increased steadily on a daily average basis since March (reflecting largely an increased volume of contracts for public works), and in the first half of October exceeded contracts last year. Demand for machine tools has also continued to rise since the spring reflecting revival in the automobile industry and a scattered demand for improved factory equipment. The recent decline in automobile output is partly seasonal in character and represents preparation for the introduction of new models for 1934 which is expected to show a continuation of the revival in automobile demand which began last spring. Railroad buying has remained low but will improve now that negotiations over the price of steel rails have been successfully concluded."

And then, on retail trade, there is very much the same story showing that on the average there has been a fair advance in retail trade, that there was excessive buying probably in August and that it is flattening out to a normal increase.

On exports and imports during September, exports were 160 million dollars and imports 147 million dollars. Taking the third quarter of the year as a whole, he says, "Exports showed an expansion of 25 per cent over last year as compared with an increase of 65 per cent in imports. These large increases reflect higher prices for raw materials which enter heavily into our foreign trade as well as a larger physical movement of goods."

Then, on agriculture, his report is merely a re-statement of these curves and graphs.

"Secretary Perkins of Labor," he says, (Reading)

"reports that the increase in average hourly wage rates and the decrease in average hours worked per week which was noted in August, continued in September. Taking the two months together, average hourly wages have increased from 42.7 cents to 51.4 cents, while average hours worked per week have declined concurrently from 42.3 to 36.1. These changes are clearly due to the N.R.A. codes. Secretary Perkins states that the changes in wage rates do not necessarily represent an increase in total average weekly earnings, but they do represent shorter hours with no pay cut at the same time that employment was provided for thousands of additional workers."

So now you know as much about it as the Interpreting Economist.

Q Who is the Interpreting Economist?

THE PRESIDENT: Mr. Riefler.

Q What were the industries he named?

THE PRESIDENT: Textile, steel and leather.

Q Mr. President, what is your conclusion after reading that? What does that indicate to your mind?

THE PRESIDENT: Things are getting along pretty well.

Employment is increasing, buying is increasing.

Q Mr. President, can you discuss with us the purpose of buying gold in the foreign markets?

THE PRESIDENT: To increase the price level. I said that a week ago Sunday night.

Q Are you negotiating with the Bank of England or with Paris in this connection?

THE PRESIDENT: I am not negotiating with anybody.

Q You personally or the Administration?

THE PRESIDENT: I am not negotiating with anybody. Who other people are negotiating with I don't know.

Q Has anyone else any authority to negotiate abroad?

THE PRESIDENT: You will have to ask the R.F.C.

Q Do you mean --

THE PRESIDENT: They have authority to buy gold.

Q Would you mind explaining the mechanics of how this is going to increase the commodity prices? How do you figure it is going to increase the commodity prices?

THE PRESIDENT: I hope it will but to go into mechanics, it will take all the rest of the day for all of us.

Q We spent three days trying to do it. (Laughter)

THE PRESIDENT: Heavens, I am not an expert on it and very few of you are. I don't think any of us would get anywhere.

Q Can you tell us what the farm chart shows?

THE PRESIDENT: The farm chart shows that the prices received by farmers have gone up from 40, they have gone up to the top of this line here (indicating) which is the figure on October 11th. That means that these figures are three weeks old. That means that the farm prices received have gone from 40 to about 54 in September and then they receded to about 52 on October 11th. In other words, it shows a gain from 40 to 52 as of the last date taken on the chart. The prices paid by farmers had gone from about 68 to 77. They, too, had gone up a little bit and then had come down to about 77.

In other words, it shows that the farm prices for crops went up from about 40 to about 53, which is a gain of about 13, and the prices paid by the farmers have gone up from 68 to about 77, which is a gain of about 9.

Q In what period, Mr. President?

THE PRESIDENT: The four weeks ending October 11th.

Q Those figures are against 100 parity for 1926?

THE PRESIDENT: Yes.

Q Does this graph indicate the group of farmers which has received the largest increase?

THE PRESIDENT: No; it is not broken down. It is all farm products.

Q Does that indicate food prices too?

THE PRESIDENT: No, food prices is over on this other chart (indicating). It shows that food prices went from about 69 to 75 and then went back to 74.

Q What is the situation on debts?

THE PRESIDENT: I haven't heard any word since last Friday and I told you that I had not had anything then.

Q What is the status of the Government reports on Prohibition? [Repeal?]

THE PRESIDENT: The reports have come in and are in that basket (indicating). The whole lot of them, and a supplementary report, will be in tomorrow from the committee which takes up certain other phases that were not covered, such as the problem of backstrap molasses which, apparently, is very important in making alcohol.

Q Mr. President, can you tell us by what process of reasoning the Civil Service Commission adduces that a man of forty, a man over forty, cannot render effective service to the Government?

THE PRESIDENT: I saw this morning in the Herald that that subject had been the subject of discussion at the

Council meeting yesterday. That was a flat statement but, unfortunately, it was not discussed in any shape, manner or form and all I know is what I read in the papers. I understand, on checking this morning, that Miss Perkins and the Civil Service Commission are going into the whole question. That is literally all I know about it.

Q How about the embargo on imported liquor?

THE PRESIDENT: Well, on the imported liquor, the situation really comes down to this and, mind you, this only relates up to the time that the Eighteenth Amendment is actually repealed, because I don't know what the report of the Attorney General will be on the following period: Between now and the time the Eighteenth Amendment is repealed I believe we have to live up to the spirit and the intent of the original law. The original law provided that certain wines and liquors could be imported for medicinal purposes. Now, it was clearly the intent that they should be brought in in sufficient quantities for medicinal purposes and no more. That was the law. That was the thought in the mind of the Congress when they passed that law and I see no reason for putting a new interpretation on it at this time.

It becomes, then, a question of fact as to whether we have in this country at the present time sufficient

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It becomes, then, a question of fact as to whether we have in this country at the present time sufficient

supplies of medicinal liquor or not. It was felt by both the Secretary of the Treasury and myself that we should live up to the spirit of the law as long as it is on the statute books.

Q Mr. President, may we get back to gold for just a moment? There was a committee of ten appointed here Sunday night to devise the machinery for gold trading. Have they reported?

THE PRESIDENT: Oh, no, there was no committee of ten appointed Sunday.

Q It was our understanding that they were to devise the machinery?

THE PRESIDENT: Oh, no, no such thing as a committee of ten. Jesse Jones of the R.F.C. and Governor Black of the Federal Reserve Board and Governor Harrison of the Federal Reserve Bank undertook to set up the machinery for it. That was all there was. No committee or anything else.

Q Have they reported to you?

THE PRESIDENT: No.

Q When is that machinery to start working?

THE PRESIDENT: I don't know. You will have to ask Jesse Jones and I don't think he knows.

Q I don't think so. (Laughter)

Q Did you and Secretary Wallace reach a new conclusion with regard to sugar in the Monday conference?

THE PRESIDENT: No, I haven't talked sugar for quite a while.

Q Thank you, Mr. President.

(The Press Conference adjourned at 10.55 A.M.)

CONFIDENTIAL
Press Conference #66
Executive Offices of the White House
November 3, 1933, 4.10 P.M.

THE PRESIDENT: Quite a mob today.

Q It must be the spring weather. They expect a good farm story.

THE PRESIDENT: I don't believe they will get any farm story. Haven't got to it yet.

MR. DONALDSON: All in.

THE PRESIDENT: What is the news?

Q That is what we want to know.

Q Mr. President, what is the significance of the fleet coming back from the Pacific Coast?

THE PRESIDENT: I think the only significance is that they have not been here for three and a half years. That is easy. A lot of people have forgotten what they look like, also a lot of the officers and men who come from the east would like to see their families again.

Q They have kept them there so long. Is it that the need which kept them there does not exist any longer?

THE PRESIDENT: Who is that? Sounded like Charlie. Is that Charlie back there?

Q No.

THE PRESIDENT: It was a regular Charlie question. (Laughter)

No; really, that is the only significance, that they have not been back here for three and a half years and a lot of people want to see them.

Q Anything about gold, so that we can know what we are writing about?

THE PRESIDENT: No. Didn't Jesse Jones talk to you yesterday?

Q He told us he knew nothing about it yesterday.

Q And we believe him. (Laughter)

Q He said that you were the only man who knew. (Laughter)

THE PRESIDENT: Then I guess nobody does.

Q He said you did.

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

Q Anything new on the Civil Service rule?

THE PRESIDENT: No. To tell you the honest truth, we did not get to it in Cabinet meeting. I meant to ask Perkins about it and didn't.

Q Are you going to see ^{the captive coal} ~~Captain~~ Miners this afternoon?

THE PRESIDENT: They were to see General Johnson as soon as he got back from New York; they are probably seeing him now. I told him that if they wanted to see me at half past five, they could.

Q Anything further from our midwestern governors?

THE PRESIDENT: No, still conferring with the Secretary of Agriculture.

Q Can you tell us something about your attitude toward the price fixing proposals talked about in the last few days?

THE PRESIDENT: I don't know exactly what you mean by "price fixing proposals". Perhaps I can talk to you for just a minute off the record again so that I can give you some idea, some of the results in agriculture. Well, let's start, say, in the South. Where, a year ago, the cotton growers got around $4\frac{1}{2}$, 5, $5\frac{1}{2}$ cents for their cotton, this year they made a pretty good crop which even was a good-sized crop after he had plowed a portion of it under and, of course, he did get paid for plowing under that portion he did plow under. So, from the cash point of view, he is very distinctly better off this year. He got nine or ten cents for his cotton where, last year, he got not much over half that amount. So, while we don't think on a parity basis cotton is high enough yet, we think it is a pretty good job for a year. Undoubtedly the purchasing power in the South has tremendously increased. That that is so is illustrated by the remark that General Wood of Sears Roebuck made to me the other day. The reason I keep this off the record is that I don't want any of these people whom I quote approached. Sears Roebuck

sales in the country dropped off about this time last year, but Sears Roebuck sales in the South this year have gone up considerably, showing a very definite increase in purchasing power on the part of the agricultural communities and, of course, the South is primarily agricultural. For instance, in the State of Georgia, Sears showed an increase of 120% over the corresponding month of 1932. That is just an illustration to us that we are coming along in a satisfactory way this year, although we hope that next year we will get a higher price than 10¢ for cotton. That, however, we cannot talk about because it is next year; we don't know what the economic conditions will be.

Then, Number 2, the tobacco growing part of the country. There the tobacco farmers, because of this agreement we entered into, are getting 17 cents, I think it is, for their tobacco and their purchasing power has gone up relatively even more than that of the cotton farmers. 97% of them have signed up on acreage reduction for next year and the five big tobacco companies that do the buying of the tobacco have guaranteed a price of 17 cents for the average of this tobacco for the balance of this crop, which means about three-quarters of the crop which has not been sold. That is

a very large increase in the actual price to the tobacco farmer, so he is getting along pretty well this year.

Then you come down to certain other sections. Take, for instance, cattle. Cattle are very bad. Cattle, of course, were not included in the AAA. They were left out at the suggestion of the members of the Congress and the Senate from the cattle country and practically nothing have we been able to do in regard to cattle. They are very nearly at the low point and it is a serious thing.

Take the case of wheat. Taking it by and large, through the wheat belt, the farmer is getting for his wheat pretty nearly twice what he got last year but he has had a very, very short crop and if, as in many cases, he only has had half as much wheat to sell off his farm as he had last year, it does not help him an awful lot to get twice as much money per bushel for it. So, from the cash point of view, the wheat farmer has not felt nearly as much a return toward prosperity as the cotton farmer and the tobacco farmer.

In the case of corn and hogs we are up against one of the most difficult problems that anybody could face because it is not just a case of a crop, it is a case of a crop plus a thing that the crop goes into. In other words, there are two factors and we have laid down what

might be called a two-headed program which calls for a reduction in the number of hogs that will be fed next year, a processing tax which will pay for the reduction in hogs and, at the same time, purchase by the Government of just as many hogs as we can possibly use for relief purposes in order to cut down the tremendous surplus that exists in hogs at the present time.

Now, of course, there is always the other added difficulty in the case of hogs. Hogs are perishable. Wheat and cotton are not. Hogs have to be taken care of within a certain definite number of months. Wheat and cotton you can carry from year to year. What we hope is that we will be able to get the price of hogs up in the course of the winter, but that is not a guarantee that we can do it at once.

There, again, there hasn't been an adequate return and therefore a resumption of purchasing power in the corn-hog section of the country. It is not so good.

Then you come to another major crop, which is dairying. The actual price today in the dairy end of things is much nearer parity than it is in the case of corn or hogs or wheat. In the case of corn and hogs it is less than half of parity; in the case of dairying it is only down to about 25% below parity. They have had some

return of purchasing power, but not enough. There again you have a double thing. You have a perishable product, which is milk and cream, and the non-perishable, which is cheese and canned milk and things of that kind. You have the regional problem because of the use of milk and cream within regional areas. We are proceeding along the lines of the regional plan which we started in New York State about four years ago. I think they have signed up the New England Regional Agreement with the expectation that that will give materially higher prices in that particular region. They are working on a number of regional agreements which ought to increase the price of milk, at least to the dairy farmer. That, again, like corn and hogs, is a very complex problem and we haven't by any means solved it yet. I might as well be quite frank -- we hope that things will get better and we are working on it as fast as we can.

When you get to the question of price fixing, it depends on what you call "price fixing". In the case of cotton, we may do it by lending a certain amount of money up to a certain number of cents per pound; corn in the crib, we have done the same thing. On the other problem of regions -- in some sections of the country, if the farmer can get, well, let us say, 70 cents for

his wheat, they will do fairly well and in other sections of the country if they get 70 cents they will go broke. Well, can you have one price in one section and another price in another section? There are a great many different problems that enter into it.

In North Dakota, at the present time, the wheat that came from further south was sold at higher prices, some as high as 95 cents a bushel. North Dakota wheat, because it is the furthest north, comes in the latest and they have sold hardly any wheat in the market, therefore they have suffered from the speculative slump that brought it down to 67 cents. Those are the things we are all considering.

I don't know that there is any particular story in this. I am trying to give you gentlemen a view of the situation -- on the major situation. Things are pretty good in some sections and pretty rotten in other sections.

Q What is the plan that the governors are working on now?

THE PRESIDENT: I don't know; I couldn't tell you.

Q Any debt developments you can tell us?

THE PRESIDENT: Nothing new on that.

Q Can you tell us whether the conversations have narrowed down?

THE PRESIDENT: No, because I am not taking part in those conversations. Just the British and Acheson.

Q This farm summary which you gave us off the record, might we use that as background, eliminating the reference to Sears Roebuck?

THE PRESIDENT: Yes, eliminating reference to the White House.

Q Can you give us any information or background on the results of your new gold program, without going into it?

THE PRESIDENT: I don't think so, because, after all, on this gold thing, it is as Jesse Jones told some of you yesterday. For instance, you take the stabilization fund in England. The results and figures are never given out on that. Nor do they do it in France or in any other nation which is conducting anything in the way of central banking operations or government operations.

Q Has either of those countries made anything in the nature of a protest to us?

THE PRESIDENT: No.

Q They will know over on the other side, where the purchases, are made, in the Bank of England or France?

THE PRESIDENT: Oh, yes.

Q They will know what your purchases are?

THE PRESIDENT: I suppose they disclose it just the way they would any other purchase or sale through their own banks.

Q They refused to yesterday.

THE PRESIDENT: Did they?

Q The Bank of France said that they do not disclose the dealings with customers.

THE PRESIDENT: Then it does not get disclosed.

Q There are back stairs there, too. They let it out to their friends.

THE PRESIDENT: Yes?

Q On this farm thing, you are depending, of course, on the AAA, are you not? You think that will pull us through, or have you something new in mind?

THE PRESIDENT: (No answer.)

Q The fact that there have been no protests of any kind would indicate that there is accord, that they understand what you are trying to do -- boost commodities?

THE PRESIDENT: The objective has been declared from the very beginning. This country was told the objective and they were told, too. We were very careful to do that and to explain that we didn't want to do anything that would possibly hurt them.

Q Do you think they believe it?

THE PRESIDENT: We told them the truth about the objective. I think they believed that. I don't see any reason for believing anything else.

Q Are you going to do anything about silver soon?

THE PRESIDENT: I don't know; frankly I haven't any more idea than you have.

Q John Costello told us the other day --

THE PRESIDENT: Yes?

Q Is that true?

THE PRESIDENT: Is what true? (Laughter) No, I will tell you off the record that John Costello submitted several names to me and I have resubmitted the names to various members of the Cabinet.

Q Will you make the announcement before you go away?

THE PRESIDENT: Isn't that crowding me an awful lot? (Laughter)

Q Mr. President, there is a report that the Governor of Hawaii is going to be relieved of his post soon.

THE PRESIDENT: I haven't heard a word about it.

Q Mr. President, there is a report that some very big or special relief program has been proposed at the White House. Have you heard anything like that, sir?

THE PRESIDENT: That is true and it is not true. What you are talking about is this -- I don't see why you shouldn't use it and simply say that it is under discussion at the present time.

Out of the total number of people who are now on the relief rolls in the country which, as I remember it, is slightly over five million -- five and a half million --

Q Fifteen million.

THE PRESIDENT: That includes the members of their families.

It is about five and a half million individuals or heads of families that are receiving relief. That out of that number, about one half -- nearly half -- about two and one half million are engaged in public works of various kinds; in other words, they are receiving what we call work relief. They are being paid in cash for the work that they do on all kinds of public works.

Now, the suggestion has been made that if the public works fund of three billion three hundred million could take over 30% of the total cost of these public works which are now being financed altogether by states and municipalities and Harry Hopkins -- if the public works fund could take over the 30% which they subscribe to other forms of public works in that fund, it would be possible to take all of these two and one half million people who are now counted as being on the relief rolls and take them off the relief rolls altogether.

Q And put them to work?

THE PRESIDENT: Continue them on their present work but give them a little more work so that, for example, the man who is working two days a week and getting ten dollars would get three days. Suppose he is a skilled man, a five

dollars a day man working two days a week for ten dollars. He would be given work three days a week and would get fifteen dollars, so that he would be actually getting wages instead of work relief.

There is a great deal to be said for it. It represents a slight additional cost to the Federal Government in one sense. However, it is not any additional cost in the other sense, because it comes out of the three billion three hundred million just as much as if that were allocated to some other public works on a 30% basis. But the main point is that it takes two and a half million people off the relief rolls and there are a lot of people that would rather be off those rolls and working for cash than have their names on the rolls getting relief. It adds to the self-respect of the country and we are trying to find out whether a plan of that kind is a feasible thing to do. It would cut the number of families on relief very nearly in half.

Q Aren't they doing that to some degree now?

THE PRESIDENT: They are doing that to a slight degree at the present time.

Q I am a little stupid. How do you take those two and a half million off the rolls? That is what I don't get.

THE PRESIDENT: Let me give you a very simple example: Suppose you have been out of work for a long time and have to have relief and suppose you are a five dollar a day man with some kind of trade. You have to go and apply for relief. You are out of a job -- your family starving. They say, "All right; go over there to that particular park where we are trying to clean up, putting in new sidewalks and fixing it up. We will give you two days a week work and pay you ten dollars." You are on the rolls. You and your family are on the public rolls and they give you ten dollars a week. On the new basis you are employed three days a week and you are taken off the relief rolls entirely.

Q Who pays for it, the Federal Government or the State?

THE PRESIDENT: It means today you work two days and get \$10. Out of that the City and State pay two-thirds and Harry Hopkins the other third. On the new basis you get \$15 and of that \$15, 30% would come from Harold Ickes as Public Works Administrator, 30% of the \$15. The other 70% of the \$15 would be divided, as it is today, between the State and the municipality and Harry Hopkins. Is that clear?

Q Yes.

Q In connection with the Federal pay cut, have you received any reports on the cost of living survey?

THE PRESIDENT: I asked Perkins and she said they are still hard at work and it isn't ready yet.

Q The statement of the Postmaster General last night that he was voting for Joseph McKee has been variously interpreted in the New York papers, of course, and I wondered if you could suggest the correct interpretation.

THE PRESIDENT: As to what?

Q As to what the Administration feels -- whether it tends to approve --

THE PRESIDENT: I can only repeat that I am taking no part in any municipal elections. I am going to vote at Hyde Park and it will be by mail this year.

Q What do you think of the Swope plan?

THE PRESIDENT: I think it is very interesting. There were two very good things in the papers this morning. Let us talk off the record again. One was the editorial in the Wall Street Journal. It is very good and very clear. The other story, which was very good, contained some excerpts from the speech that Arthur Krock made yesterday. And they both fitted in very well together and they are both very sensible.

For instance, the Wall Street Journal -- I have just marked a couple of things here -- the Wall Street Journal says that Mr. Swope evidently accepts this as an incapable condition of the times. So does President Harriman of the United States Chamber of Commerce and so does Floyd Carlisle, if one may judge from his speech to the Bankers Association. Then Arthur Krock, in his speech in Toronto, carries out the same theory, "A plan, economic in form," he said of the program, "has been enlarged and fashioned into an instrument of social welfare. Its precise aim is to restore the normal flow of trade, raise prices and reduce unemployment.

"But its larger objective is to bring comfort and living security to the greatest number of people. Whether or not you believe it is wise, just or can work, you should judge it on that basis."

And then he said, further on, "those in charge of our government policies at this time are not complacent. The sufferings of society are uppermost in their minds, and what they are trying to do is to relieve these through new economic measures."

Now, of course Mr. Swope's plan is a very interesting theoretical suggestion in regard to some ultimate development of NRA. Probably there will be, in the course of the next two or three months or four months about 499 other plans looking to the future development of this economic and social experiment called NRA. And I think that all the discussion that there is about it is to the good. It does no harm at all because ultimately the mere -- what might be called the temporary mechanics of NRA we have seen going on these past few months will develop into something permanent which will have the two fold object of preventing the tremendous economic swings

of the past with a certain amount of perhaps pseudo prosperity at the top and great suffering at the bottom, running down to the depression period when everybody is suffering. Trying to build on that should prevent recurrences of the swings and encourage certain ameliorations of the conditions suffered by the people at the bottom. Now, that is the awfully interesting thing about it and the more discussion about it the better.

Q Do you think the present is the time for the change suggested?

THE PRESIDENT: No change at this time. We still have to work on NRA.

Q It would be a question of months?

THE PRESIDENT: At least, yes.

Q Do you think the Government should keep control over that ultimate organization or machine for this objective you have outlined?

THE PRESIDENT: The easiest way to answer that is to ask you a question: Do you think that industry is yet able to run itself? That is the simplest answer.

Q Do you want my answer? No.

Q General Johnson said it would not do at all.

THE PRESIDENT: There is a lot so new from the point of view of Government and industry that industry has to develop along all kinds of lines in order to make itself capable

of running itself. They are only beginning. They have never attempted before these new conditions they are trying today. Take, for instance, shoes. We have enough machinery in the country to turn out 900 million pairs of shoes -- shoe factories that can turn out that many shoes -- and we only use in this country about 300 million pairs of shoes. Now, is the shoe industry, as an industry, capable with absolute fairness to every individual, of handling the problem of the excess manufacturing capacity? And at the same time of not preventing the improvement of the shoe industry as a manufacturing unit? Now, we don't know. They have only just begun. At the same time, Government isn't infallible by any means. Government is only beginning to learn a lot of these new tricks. We are all going to school.

Q Do you think we will reach such a top?

THE PRESIDENT: It will never be a top, but better than in the past.

Q Do you think the industrial magnates will give us a square deal?

THE PRESIDENT: That all depends on the future.

Q About the future of NRA?

Q Was this all off the record?

THE PRESIDENT: Yes.

Q I wish there were some way of using it.

THE PRESIDENT: I think you can use that.

Q From the White House or on our own?

THE PRESIDENT: I think it is all right to let you use it from the White House. It is perfectly innocuous.

Q When will you release the report of the Liquor Committee?

THE PRESIDENT: I haven't got it yet. It is coming in tomorrow night.

Q Anything about the Puerto Rican situation?

THE PRESIDENT: No. I think the Secretary of War heard from Governor Gore that he has got to go to a hospital. You had better check with him on that.

MR. STORM: Thank you, Mr. President.