

CONFIDENTIAL

Press Conference #67

Executive Offices of the White House

November 8, 1933, 10.55 A.M.

MR. DONALDSON: All in, Mr. President.

THE PRESIDENT: Friday, I told you just the beginnings of a story about this plan to take people off the relief rolls and give them regular employment. The plan has now been put through. I will read the high spots in the plan and I think Steve (Mr. Early) might just as well have it mimeographed and give it to you afterwards. (Reading) Four million men now out of employment will be put to work under a plan announced by the President. Two million will become self-sustaining employees on all kinds of Federal, State and local public work projects on November 16. These two million people will be taken completely off the relief rolls. In other words, they will be paid wages, instead of work relief. An additional two million we are going to try to put back to work as soon thereafter as possible. In other words, we hope by the 15th of December.

The plan will be administered by a department or division -- I would not call it that, it really is a new administration of Civil Works -- the Civil Works Adminis-

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tration, and I have appointed Mr. Hopkins as Administrator of that Administration.

The Civil Works Administration will be financed jointly by funds from the Public Works Administration and the Federal Emergency Relief Administration, but the States, cities, counties and towns will, as usual, be required to provide the funds to meet their share of the Civil Works program.

The Public Works Administrator is prepared to make an amount available to the Civil Works Administrator which may run as high as four hundred million dollars. That will come out of the three billion three hundred million dollars.

The two million men comprise those now on work relief provided by local relief administrations operating under State and Federal emergency relief administrations, and they will be placed on regular pay at the hourly rates prevailing for similar work in the community. The program contemplates a 30-hour week for the workers.

Work relief divisions of the existing State and local emergency unemployment relief administrations will be modified to perform the expanded employment activities, and will be known as the Civil Works Divisions. In other words, this does not mean setting up entirely new machinery.

It means transferring, almost entirely, the present relief administrations in all the various cities and counties throughout the country and making them Civil Works Divisions.

Creation of the new agency constitutes a fundamental change in the Federal program to deal with unemployment aspects of the depression. It will remove from the relief rolls a major portion of those receiving the necessities of life on the basis of public aid and place them on regular employment. It is designed to remove from relief all employable persons. Those hired by the Civil Works Administration will benefit by an immediate increase in income over their former relief allowances.

The projects on which the workers will be used will include not only the type on which work relief is now being given, but also a wide range of employment in activities bordering on but not covered in the province of the Public Works Administration. I suppose the easiest example you can use, and that is the cleaning up of a city park, that kind of work that the Public Works Administrator cannot quite stretch his authority to cover.

This expanded field will enable the local Civil Works Divisions to undertake considerably more construction and to use greater quantities of construction

materials. Work relief has been limited almost entirely to work involving a minimum of materials, since expenditure of emergency relief funds under this method was necessarily confined to relief allowances in the form of work-relief wages.

Approximately 3,000,000 families are now being cared for throughout the country by public relief administrations financed in whole or part by Federal emergency relief funds.

Approximately 2,000,000 adult members of these families are earning relief in the form of wages for part-time employment on made-work projects. The total amount earned by the members of any one family is less than \$20 a month in most of the localities.

By this one stroke at least two-thirds of the families in the country now receiving relief will be placed on a self-sustaining basis.

Then, in connection with that, we got a very interesting report yesterday which gives some very simple figures as to what has been accomplished since last April. In April there were 4,500,000 families on relief. That has been almost steadily cut down, week after week, and it has been cut from four and a half million to three

million. In other words, we have removed one and one half million families from the relief rolls. During the month of September, of course we are always behind in these figures since it takes so long to get them in from the counties -- during the month of September alone 250,000 families were taken off the relief rolls and they represent slightly over one million people.

Q Mr. President, that is all relief rolls, both state and Federal?

THE PRESIDENT: Yes, state, Federal, county, municipal, etc.

And yesterday, at the Council meeting, the Secretary of Labor reported that -- and for the long-faced gentry throughout the country this will come as a terrible shock -- reports that a survey of industrial disputes, made on a basis of comparisons with the last previous comparable period, 1921, when we were beginning to snap back out of the post-war depression, shows that in the six summer months of 1921 there were 1453 strikes and lock-outs, and in 1933 there were 900. In the 1921 period 895,000 employees were involved in those strikes and lock-outs. In the same period this year 584,000 were involved. The Secretary of Labor said that this indicates, of course, that there is no need for the public to become in the

least bit alarmed over present disputes. On the basis of man hours, the number of actual working hours involved, the comparison is even more favorable because, of course, in 1921 the average day's work was a great deal higher than it is today.

The Interpreting Economist -- there is nothing new in these sheets compared to the previous week -- shows a rise in farm prices during the week ended October 25 from about 50 to 52, and it shows a rise in the prices paid by farmers from -- wait a minute, it is a very slight rise, less than 1% -- you can just barely see the curve go up a little. Retail food prices during the summer period have not gone up at all. As a matter of fact, they have gone down a fraction of 1%. On the big chart of the wholesale markets, all commodities show a rise of less than 1%. They all show a very, very slight rise, except hides and leather which, you will remember, had taken a bigger jump upwards than any other commodities.

Q Mr. President, how long are these people going to be employed, for how long a period?

THE PRESIDENT: This particular employment is intended to last through the worst part of the Winter, until what we hope will be the normal, seasonal Spring pickup; in other words,

through February. The normal Spring pickup generally comes along about that time, at the end of February or the beginning of March. This will tide over the worst of the Winter period.

Q Mr. President, it will end in the Spring?

THE PRESIDENT: Well, it won't -- it won't end of necessity in the Spring. We expect and hope to get some more appropriations out of Congress. It will have to be cut down, undoubtedly, in the Spring.

Q Mr. President, Pittsburgh elected, I think it was a Democratic Mayor out there. They are very anxious for some comment from you.

THE PRESIDENT: What did Oshkosh do? (Laughter)

Q I don't know; they all seem to be kicking them out. (Laughter)

Q Bridgeport, Connecticut, elected a Socialist. (Laughter)

Q Did anyone ask about New York?

THE PRESIDENT: No; I think no comment on elections - obviously.

Q On this forty-day limit of Civil Service; did you talk on it?

THE PRESIDENT: Yes.

Q I believe they are making a statement today.

THE PRESIDENT: I think they are making a statement today for you.

Q Do you happen to know what it is; can you make some comment?

THE PRESIDENT: I have a sneaking suspicion of what it is going to be.

Q It has been given out, I think.

Q Mr. President, there has been a report that you have under consideration a bill with respect to the economy cuts of the disabled veterans -- that is, to increase their allowance from 90 to 100 maximum.

THE PRESIDENT: Only that we are still studying it. We have not come to any definite determination on it yet. It is a little premature. We haven't come to any decision.

Q Can you tell us anything about the delegations in Montevideo?

THE PRESIDENT: Hasn't that been given out?

MR. EARLY: It will be given out late today.

THE PRESIDENT: It is going to be given out late today. I think the only possible change, and that has not been decided on definitely, is whether we can spare Caffery to go down there at this time. This is for background. As you all know, the original plan away back last Summer was that Sumner Welles would come back and go down to Montevideo, and that Caffery would take the place of Sumner Welles in Cuba. Of course, that arrangement had to be thrown overboard and Welles is staying in Cuba

and it is possible that Caffery will stay here.

Q Can you give us any background on the conference with Litvinoff?

THE PRESIDENT: No, except that they are coming to lunch. As you all know -- and this is for background -- on anything of that kind, both sides arrange three or four hundred pages of material of all sorts, details and figures, and then they start to go through this large volume of things and they use the process of elimination. The first part of it is rather mechanical, it is rather a mechanical procedure, keeping in very close touch, personally, at all times. Of course, there is no use sitting in when going into the details and figures. Litvinoff is coming to lunch, and I will probably have a talk with him after lunch and see him again, probably tomorrow evening.

Q Anything done about the liquor reports?

THE PRESIDENT: There (indicating) is a part of it. But that is only one section. It has not even been opened. We are having a meeting Thursday or Friday.

Q What will that take up, Mr. President?

THE PRESIDENT: It will take up all the various liquor reports.

Q Who will be at that meeting?

THE PRESIDENT: The State Department will be represented, the

Department of Agriculture, the Attorney General, the Department of Commerce; I think that is all.

Q Treasury -- Tariff?

THE PRESIDENT: Treasury.

Q That will be to consider this prohibition situation entirely?

THE PRESIDENT: Yes, the whole thing, including grain alcohol and black strap molasses.

Q How about gin? (Laughter)

Q Did you find your conversation with Litvinoff satisfactory?

Do you contemplate appointing an Ambassador right away?

THE PRESIDENT: That is too much of an "if" question.

Q Did the figures you referred to, were they the same that Miss Perkins gave out about a week ago?

THE PRESIDENT: I don't know; she brought them in to the meeting.

Q The Annalist, in commenting, said that the figures of the Labor Department, while they are correct, failed to show that the strikes were rapidly rising in number in 1933, during the last three months, while they were decreasing in 1921 and that the number in 1933, during the last few months, was really larger than the number in 1921.

THE PRESIDENT: Well, let's give the other side in order to make it fair. That statement of the Annalist may be perfectly true but, on the other hand, this year there were

a great many strikes that were called for what might be called "test purposes", in order to get an immediate entrance of the National Labor Board into the situation. They were what might almost be called "friendly strikes". To give you an example, the strike way back, two months ago, by one of the garment unions in New York City. That strike, you might almost say, was called by agreement between the decent employers and the Union in order to lay down certain rules and create an agreement to eliminate the sweatshop conditions in New York City.

Now, I suppose that the Annalist might figure that that was a very, very large strike affecting 40,000 people. I don't know that the word "strike" really applies to that kind of a cessation of work. It is done with a distinct objective, agreed to by the employers and the employees. Is it a strike? I raise that question.

Then there is another thing which must be remembered always. In periods of rising prosperity and greater employment you always have an increase in the number of strikes for the very obvious human reason that an individual who is employed doesn't strike if he can possibly help it when unemployment is rising because if he strikes and it doesn't work he has no chance to get a job and he

is thinking about the food for the family the next day. Therefore it is a pretty encouraging thing to see people who have the guts to stand up for their own rights and it means that they feel that they can get employment somewhere else if they are thrown out.

MR. STEPHENSON: Much obliged, Mr. President.

CONFIDENTIAL
Press Conference #68
Executive Offices of the White House

November 10, 1933, 4.10 P.M.

(The Secretary of the Interior was present at this conference.)

THE PRESIDENT: You will remember a number of weeks ago, in fact a couple of months ago, I talked about the study we are making in regard to postoffice buildings all over the United States, particularly for towns which did not do a great amount of business. We have finally come through not only with a definite policy but also with a definite allocation of money, and a definite decision as to the locations of these postoffices.

The policy is to allot public works funds for the construction of needed postoffices of a sensible utilitarian character instead of the monumental edifices which have been built in past years. The application of this rule of reason by the Federal Emergency Administration of Public Works has made possible a justification for a number of new postoffice structures at a greatly reduced cost, structures which will serve all the requirements of the communities affected and also give them the benefits of wider employment during construction. In place of the characteristic elaborately ornamented structures of stone which are frequently produced as new postoffices, more modest and more fitting buildings which will save the government literally millions

of dollars are going to be built. The Supervising Architect of the Treasury has completed an extensive study of this type of structure in many towns and cities and reports that this type of structure is both advisable and practical.

Without sacrifice of space or working conditions, the new type of structure will provide the government with the facilities required to give good postal service.

Suitable sites will be selected in localities picked with a view to improving the service. These sites will not necessarily be the most prominent and expensive corners but will suit the convenience of both postoffice workers and users.

Realizing the changes recent years have made in the use of the postoffices and that in sizable communities the postoffice no longer serves as the town meeting place (laughter) and citizens rely on delivery service, special attention will be given to delivery facilities in connection with the new structures.

Local materials of a suitable nature will be used wherever feasible in the buildings instead of expensive stones transported a long distance.

Sites will be secured by the Government in the regular manner and the postoffice contracts and construction will be supervised as heretofore.

The sites and the allocations of money will be announced by the Interior Department but the Secretary of Interior tells me that there are about 180. Is that right?

MR. ICKES: About that in this list.

THE PRESIDENT: The actual saving of money because of this change of type will be about 51 per cent.

Q What is that based on?

THE PRESIDENT: Fifty-one per cent over the existing methods of building postoffices. They will be less than half the cost of the previous type of postoffices the government has been putting up.

Q How does it compare with the present cost of operating postoffices in those towns? Is there a saving?

THE PRESIDENT: In almost every one of those 180 cases the cost of operation -- the new facilities will be justified because of the much lower overhead.

Q What size towns?

THE PRESIDENT: There are three types.

SECRETARY ICKES: There are three types, 5000, 10,000 and 15,000 to 20,000.

Q About how much money is involved?

SECRETARY ICKES: I don't know; that will be part of the release.

THE PRESIDENT: You had better get that from the Department of the Interior.

MR. EARLY: Everything will be available at the Interior Department.

THE PRESIDENT: When do you start?

SECRETARY ICKES: Start right away.

Q What happens in the cases where the architects have been appointed and the plans drawn?

SECRETARY ICKES: Most of those plans can be adapted. Practically no change in floor space or space arrangement.

Q The cities have been picked?

SECRETARY ICKES: The towns have been picked, yes. You can get the names of the towns and the amount for each town.

THE PRESIDENT: And they were, as I remember, in almost every case, towns which already had the approval of Congress.

Q The dispatches from Moscow this afternoon state that the terms of the recognition agreement have reached there and have been given to Soviet leaders for information. The White House statements have not indicated that discussion had reached that far.

THE PRESIDENT: I think the White House statement is the correct one.

Q Mr. Litvinov is coming in tonight for a friendly discussion, is he not?

THE PRESIDENT: I don't think there will be any news. I think it will be the usual communique to the effect that we are making progress. I can almost tell you in advance that the communique will report progress.

Q How much? (Laughter)

Q You say there will be on coming out tonight?

THE PRESIDENT: I don't think it is necessary because it is a personal talk between Mr. Litvinov and myself. I think it will save everybody's time -- I know and he knows that there won't be anything coming out so why not let it go at that.

Q Will you talk alone?

THE PRESIDENT: I think so.

Q Will Secretary Hull be there?

THE PRESIDENT: I don't think so. He is sailing tomorrow morning. Of course we may ask people to come in with figures and things like that.

Q It is beginning to look as though there won't be recognition before next week.

THE PRESIDENT: Well? (Laughter)

Q Will there be recognition?

THE PRESIDENT: I think you had better put it this way, that some of the stories written were premature.

Q In connection with postoffices, Postmaster General Farley does not seem to be very well informed on local matters. (Laughter) We have depended on him for the nominations in the District of Columbia. May we ask the President to give us some definite information on that subject?

THE PRESIDENT: Jim said to me this morning, "Some day we ought really to get together and talk about the District of Columbia." (Laughter)

Q Is there any plan afoot whereby the R.F.C. would purchase silver?

THE PRESIDENT: Not that I know of; I haven't heard anything about it at all.

Q Any new plans on the monetary program at all?

(The President did not answer)

Q Anything about the sharp drop in the price of Government Bonds?

THE PRESIDENT: No, I don't think it is necessary to say anything except that, as background, you can use my general theory that Government Bonds are pretty darn good.

Q Mr. President, I understand that Mr. Hopkins, the Relief Administrator, has his relief program pretty well whipped in shape and I was wondering if he isn't going to put in his first order for coal fairly soon on the coal purchasing program?

THE PRESIDENT: I don't know.

Q I heard a report that it will be on Monday?

THE PRESIDENT: I have not talked to him about coal except to turn over to him the gentlemen who came down from the anthracite region.

Q Anything on that yet?

THE PRESIDENT: I sent them over to see him and to talk with him about it.

Q Can you discuss Cuba with me this afternoon?

THE PRESIDENT: No; we have nothing except what you saw in the press dispatches. There isn't any other news.

Q They are having a hot time, you know.

Q Do you care to discuss the liquor program, the details of it?

THE PRESIDENT: Nothing much. We talked yesterday about

what might be called the three periods. The first is the period between now and the formal action on repeal, which we assume will be December 5 or 6, and it was generally agreed that during this period between now and December 5 or 6 we should, in order to prevent a cornering or unfair prices and inordinate profits to the bootlegging fraternity, allow a normal average amount, a total amount of liquor to come in. That was put up to Dr. Doran and, as I remember it, his statement was that the average amount would be somewhere around 250,000 gallons in the month, that being divided up again, according to the average, between different types of wines and different types of distilled spirits.

Then we came to the question of whether, from the period between December 5 and any action by the Congress, the medicinal quota applied and I think, as I remember it, the Attorney General held that it did not apply.

Now, you had better check on this because my memory might not be right but my general impression was that on December 5 or 6 the old tariff goes into effect and the medicinal quota goes out. Now, of course the old tariff schedules that do go into effect -- I suppose you can get this from the Treasury Department -- are pretty high. For instance, in the case of distilled spirits it is about five dollars plus about a dollar and twenty cents excise tax, which makes a total of about \$6.10.

Q That is proof gallons. It means about \$2.70?

THE PRESIDENT: That is before it is rectified.

Q How about the third period?

THE PRESIDENT: And then, in regard to the third period, we are still discussing it. One of the things that is being discussed is whether through the use of the N.R.A. and the AAA Code Authority we could immediately, after the fifth of December and until Congress acted on it or failed to act on it, either one, put into effect some form of licensing, especially in the case of distilled spirits.

Q Would that indicate, sir, that there has been an agreement reached with distillers?

THE PRESIDENT: No; it is all in the very, very preliminary stage of discussion.

Q None of that has been discussed?

THE PRESIDENT: No, none of it discussed at all. Merely a question of working out a policy.

Q To return to the Russian question --

Q Let us finish Prohibition, if you don't mind. (Laughter)
How about new taxes on Prohibition?

THE PRESIDENT: Haven't even been discussed here at all.

Q Have you discussed the question of repealing existing taxes under the last tax bill?

THE PRESIDENT: No, we haven't got to taxes at all. That will be a matter for Congress to act on. What we are working on now is the next 28 days and then the period between

December 5 and action by the Congress.

Q Do you think you can license dealers under the AAA?

THE PRESIDENT: Yes, some form of licensing would be possible.

Q That would prevent wild-catters getting into the business?

THE PRESIDENT: It would also be directed toward the prevention of over-importation and it might also prevent just dumping the whole thing in the lap of Congress and praying to Heaven that something will come out. In other words, with a Government policy in existence, they have something to take as a basis and then decide any way they wanted to. At least they would have a basis to work on.

Q What about the smuggling of liquor?

THE PRESIDENT: Yes, the Treasury Department is standing absolutely ready to continue its coast guard and international boundary operations to keep smuggled liquor out.

Q Wasn't there an alternative plan for AAAA control?

THE PRESIDENT: There were over a half dozen alternative plans. They all fell under some form of AAA or N.R.A. control.

Q How about a corporation?

THE PRESIDENT: That would fall under it too. It is still in perfectly vague stage.

Q Are you going to meet with them pretty soon to go further into the situation?

THE PRESIDENT: Yes, I think probably somewhere around Tuesday or Wednesday of next week.

Q Attorney General Cummings yesterday mentioned some sort of possible restrictions which were just generally spoken of as a curb on imports -- a permanent curb on imports. Have you any ideas on that that you might give us?

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

Q It is limitations on imports, generally.

THE PRESIDENT: Whatever is done would be done through the code method.

Q Have you reached a conclusion as to how high the tax can be made without encouraging bootlegging?

THE PRESIDENT: I haven't done anything except look at columns of figures as to what the tax will be on December 5.

Q That would be interesting.

THE PRESIDENT: I cannot quote it from memory and haven't the figures here. I see no reason why that should not be announced by the Internal Revenue people or by the Customs people.

Q That is the existing law?

Q That is what it is for the time being but there has been a pretty general sentiment that a permanent tax of three dollars or more would rather encourage than discourage the bootlegging fraternity. Is there anything you can say on that?

THE PRESIDENT: We haven't got as far as that. The only thing we are trying to discover is what does go into effect on the fifth of December.

Q Has anyone advanced a report in connection with the consideration of tariff? I believe that in all discussions they would have to have a report here and there has been none since Prohibition, unless they have some figures on the importations of the bootleggers.

THE PRESIDENT: You are over my head.

Q I am over my own head too. What I was trying to say was that in enquiring about tariff proposals recently I was told that there could not be any definite proposition made until they had reached an opinion based on representative years.

THE PRESIDENT: Well, I think I can answer that question by saying that somebody yesterday, I have forgotten who it was, said they had checked up on the average 1909 to 1914 period. Does that answer the question?

Q Was that the only period they had used?

THE PRESIDENT: I know that was the period they were using.

Q Is it your intention to proclaim the repeal of the Eighteenth Amendment on the date of its repeal or until January 1?

THE PRESIDENT: I think that goes through the regular form in the Secretary of State's office.

Q Because of the tax law appended to the N.R.A. bill that proposed a five per cent tax on dividends withheld at the source, you have to proclaim the Amendment repealed in order to get these taxes repealed, do you not?

THE PRESIDENT: I will undoubtedly have to proclaim it.

Q There is agitation for abolishing capital punishment in the District of Columbia. I would like to know your views on the subject.

THE PRESIDENT: That was asked me when I was Governor of the State of New York for four years. Probably the easiest way of putting it is that it is a legislative matter. My own personal belief is that I would like to see capital punishment abolished throughout this country but, on the other hand, every law enforcement officer with whom I have ever spoken -- not every one but the overwhelming majority of them -- believe that capital punishment is a definite and distinct deterrent of murder. It is, primarily, a legislative matter.

I am in the unfortunate position here, as I was in Albany, of having to pass on the question of the death penalty; it is the most disagreeable function that a governor or the President has to perform.

I think that covers the whole thing in as few words as possible.

Q If Stevie (Francis Stephenson) has enough liquor, may I return to Russia?

Q (Mr. Stephenson) Help yourself.

Q I wonder if, after the discussion tonight, discussions will be resumed at the State Department or here?

THE PRESIDENT: I don't know.

Q Nothing definite?

THE PRESIDENT: It is just pure guesswork on my part but I suppose the natural thing will be the State Department.

Q From something you said, are we to understand that on December 5 or 6 or shortly after you will wipe out all of the taxes voted by the last Congress?

THE PRESIDENT: What do we do?

Q It is automatic under the law.

THE PRESIDENT: I guess I had better send for Homer Cummings (laughter).

Q There isn't any question of those taxes, where they are being -- (interrupted)

THE PRESIDENT: This is the first time I had heard about it.

Q When you asked for this increased taxation to meet the expenditures on public works, you asked that they be applied until Prohibition is repealed. And, under the law which Congress passed, those taxes are repealed when you proclaim the repeal of the Eighteenth Amendment?

THE PRESIDENT: Now I know, yes. I would have to look up the language of the act. It would give me discretion to defer?

Q It did not say anything about discretion. It said that whenever the President shall proclaim repeal, these taxes are automatically repealed as of certain dates.

THE PRESIDENT: I will have to give you an absolutely horseback opinion on it. In good faith I suppose I would have to proclaim the repeal. Now, the time I would proclaim the repeal would normally be when the Secretary of State is notified by the 36th State and as soon as he is notified by the 36th State then, normally, I would issue the proclamation.

Q The argument has been made that you could forget about it until after the first of January and then the taxes would remain in effect another year?

THE PRESIDENT: I don't think that would be good faith.

Q When do you expect Ambassador Welles to come back?

THE PRESIDENT: How old is Anne? (Laughter)

Q I don't know.

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

CONFIDENTIAL
Press Conference #69
Executive Offices of the White House
November 15, 1933, 10.57 AM

Q Is anything going to be done on the Conrad Mann pardon case today?

THE PRESIDENT: I don't know; it is still under advisement.

The story on hoarding was given out, was it not?

Q Yes, sir.

Q Is it understood that we cannot leave here until the conference is over?

THE PRESIDENT: Absolutely.

The reason I am late is because I have been over at the White House talking to Litvinov. If I were asked to write a story on it, I could not write one except to tell you what is the truth, that we are proceeding normally.

Q As a result of the conference with Litvinov this morning, could it be said that recognition will be reached by Friday?

THE PRESIDENT: I would not say "recognition". Heavens above! Read the letter to Mr. Kalinin. I haven't the exact language but it said that there were many questions, the solution of which would help to reestablish normal relations. That is approximately the wording of it. I think

the only thing you can say is that the thing is getting along normally. I would hate to limit myself to Friday or Monday or any day. I think you could express the thought that if something is signed, sealed and delivered by Friday that does not, by any means, mean a breakdown of conversations or anything else.

Q Did you invite him to go to Warm Springs?

THE PRESIDENT: Of course I would be delighted if he would come down there but I do not know. I do not think you can say that he has been invited to Warm Springs because we don't know what will happen by Friday.

Q Do you expect something to happen by Friday?

THE PRESIDENT: I don't know. Things are proceeding normally. We haven't got beyond that.

Q We were under the impression that you rather hoped that it would be over by Friday.

THE PRESIDENT: Yes, I still hope. Hope springs eternal.

Q Can you tell us what you talked about this morning with Litvinov?

THE PRESIDENT: It would take six columns.

Q Fine. (Laughter)

Q The fact that they are proceeding normally means that they will continue?

THE PRESIDENT: Oh, yes. Absolutely nothing that would suggest a breakdown or things like that. Things are proceeding in a normal way and I think we have made progress, very definite progress.

Q You are still making progress?

THE PRESIDENT: Very distinct progress.

Q Do you contemplate any change in your gold purchase policy?

THE PRESIDENT: No.

Q Contemplate any moves in that connection?

THE PRESIDENT: Following a perfectly consistent policy. I will come to that a little later. I will show charts that are interesting.

In the meantime, Steve suggests that nobody leave because they are having copies made of this thing. I think the easiest way is to read the letters: One was from Will Woodin to me of October 31st. (Reading)

"My dear Governor:

"It is so cheering to hear your voice over the telephone, that I always feel better after talking to you.

"Last August, after a severe illness, I took up with you the question as to whether on account of my health I should relinquish the position I now hold in your Cabinet. You suggested that I try remaining away from my desk for a few weeks and, as far as possible, forget the Treasury, in order to give my system a chance for full recovery.

"Unfortunately, I am not exactly built that way, and it has been impossible for me, on account of the great responsibility I feel, to refrain from being almost as active in the affairs of the Department when away as when I was actually at my desk. I have tried faithfully to carry out your suggestion but it has been a failure, as evidenced by the relapse which I have just suffered. Therefore, I feel that I must tender my resignation and seek complete rest and a change of climate. My physicians have told me that unless I do this, they will not be responsible for the outcome.

"I cannot express the intense regret I feel in writing you this letter. I have been so happy in serving you, and if I could only continue I would be the most grateful of all people. You will know that every policy of yours has had and still has my devoted support, and I have never doubted that you are the one man that can lead this country out of its difficulties.

"Faithfully yours,

"WILLIAM H. WOODIN"

To which I replied on November 2nd,

"Dear Will:

"I do not need to tell you that I am deeply grieved at the thought of your not continuing, but, at the same time, as I have told you, I would not for anything in the world injure your health by any insistence on my part that you carry on the impossible task of running the Treasury Department and simultaneously giving full obedience to the doctor's orders.

"The first consideration is your complete recuperation and this can only be accomplished by giving up all work for the next few months. If you will do this, it is not only my hope but also my sincere belief that in a few months you will be able once more to give to the Government the fine, unselfish service

which all of us in Washington have so greatly appreciated. We need you back again, and the country needs you back again.

"For this reason, I am going to ask you to withhold your resignation; to take a complete leave of absence and to do all you can to get full health and strength, without any responsibility or thought of work.

"I hope that you will do this for me because of my own personal affectionate regard for you and because of the very great services which you have given to our country during a critical period of our history. While you are away I can well appoint someone with government and financial experience to be Acting Secretary.

"Very sincerely yours,"

Well, those two speak for themselves. So the Secretary of the Treasury has gone along in a fine way with my thought and he is not resigning but remains Secretary of the Treasury and is going on a leave of absence and is leaving on Saturday from Washington. He is going out, I think, to Arizona because the doctors are perfectly convinced that he has to complete his separation from anything having to do with telephones or conversations. One of the things that have brought these relapses is the fact, as you probably know, that he has been on the telephone about twenty times a day and he also felt it was incumbent upon him to see Tom and Dick and Harry even when in bed with a terrible throat and a high temperature.

So he is going out to Arizona; he is going to cut completely loose from telephones and seeing people, and the doctors are sure he is going to get in shape in a few months. He is going out on complete leave of absence.

I suppose you will see him today. Will was very anxious to make it perfectly clear that he is not expecting any remuneration from the Government (laughter) while he is away. In other words, he is going out on leave of absence without pay.

Also, yesterday afternoon he had a very nice talk with Dean Acheson -- of course this, I think, we had better make off the record but, for your information, Dean is a fine boy; he has done awfully good work but, of course, he has not had the kind of experience in both government and finance which I really should have during the next few months. So he is retiring with the affectionate regards of all of us and Henry Morgenthau, Jr. becomes Under Secretary of the Treasury and Acting Secretary during the next few months while Woodin is away.

Q Mr. Acheson remaining as Assistant Secretary?

THE PRESIDENT: No.

Q He is leaving Government service?

THE PRESIDENT: Yes.

Q Is it off the record that Morgenthau will be Acting Secretary?

THE PRESIDENT: You can print that, but there are two things there and I would not want people confused. I have read Woodin's letter to me and mine to him, representing the actual, true facts. It is not a case of resigning because he wants to. That is about the last thing in the world he wants to do.

Q When does this go into effect?

THE PRESIDENT: Saturday.

Q Mr. Morgenthau will become Acting Secretary of the Treasury then?

THE PRESIDENT: Yes.

Q Does Acheson leave the employ of the Government entirely? Is it a complete severance?

THE PRESIDENT: Yes.

Q As of what date?

THE PRESIDENT: Friday afternoon or Saturday.

Q Everything is clear on Acheson leaving and Morgenthau succeeding as Acting Secretary? That is not off the record?

THE PRESIDENT: No.

Q No change in the status of Dr. Sprague? Any change in his status?

THE PRESIDENT: What about it?

Q Any change in his status?

THE PRESIDENT: Not that I know of. Has anything happened?

(Laughter) You frighten a fellow. I did not know what had happened. (Laughter)

Q Have you selected Mr. Morgenthau's successor?

THE PRESIDENT: I have not got to that yet. Of course he cannot run both the Treasury Department and the FCA during the next few months. Somebody will have to go into the Farm Credit Administration.

Q Are you going to appoint the District Attorney before you leave?

THE PRESIDENT: Do you know something, I tried to hold that news until this morning so you could ask the question about the Commissioners, but, unfortunately, Jim Farley slipped on the thing yesterday morning and I just had to spring it. I had it all set for you this morning and it is all Jim Farley's fault.

Q Anything about liquor?

THE PRESIDENT: We are having another conference today, right away. They are waiting outside.

Q Can you tell us about what Norman Davis reported to you?

THE PRESIDENT: What you read in the papers.

Q Nothing more than that?

THE PRESIDENT: No. (Laughter)

Q Are there any other conferences scheduled with Litvinov, any appointments?

THE PRESIDENT: No, we have not been making any appointments ahead. For instance, this morning, it was the result of conversations he had had with various people last night. He might come in at any time.

Q Shall we have another press conference before you leave?

THE PRESIDENT: What time do I leave?

MR. McINTYRE: Six or seven o'clock on Friday.

THE PRESIDENT: I don't know, I really don't know.

Q Can you tell us with whom Litvinov talked last night?

THE PRESIDENT: No.

Q Are we going to get a United States Attorney in New York before you leave on Friday?

THE PRESIDENT: Do you hear what he is asking about? He is asking about the District Attorney in New York. (Laughter) I don't know. I think we did pretty well for this week. Blame Jim.

Q Can you tell us anything about your visit with Governor Smith?

THE PRESIDENT: Only what he told you. He told the truth and

nothing but the truth.

Q Can you tell us for background whether this conference this morning was the result of anything he received from Moscow?

THE PRESIDENT: Not that I know of.

Q Let's go.

THE PRESIDENT: Wait one-half second. I have three charts I wanted to show you. This is just economics, that is all. Steve can take these out and if anybody is interested in the charts on commodity prices, gold, silver, et cetera, they can look them over.

Q What is your opinion of them?

THE PRESIDENT: Very nicely done. (Laughter)

Q You mean good drawing. (Laughter)

(The Press Conference adjourned
at 11.10 AM)

CONFIDENTIAL
Press Conference #70
Executive Offices of the White House
November 17, 1933, 3.50 PM

MR. DONALDSON: All in, Mr. President.

THE PRESIDENT: Close the door and lock it. (Laughter)

We have with us today a resolution adopted by the American Iron and Steel Institute. (Reading) "Resolved, that the report of the Directors on the operation of the Code of Fair Competition during the 90-day trial period is hereby approved and the Secretary is directed to sign and promptly forward the report to the Administrator. Further resolved, that in approving the report this Board expresses and records its general satisfaction with the operations of the Code and its effects on the industry and requests that the so-called trial period be extended to May 31, 1934, to the end that sufficient time may be given to effectuate the purposes of Title I of NRA."

That is a very important matter, a matter of news, I think, because it does show that one of the larger industries is approving the results of the Code during the trial period of ninety days. I might add that we have had similar, though not such formal expressions, from

the textile industry, the lumber industry, and quite a number of others, asking in every case that the trial period be extended.

Last night, just before the magic hour of midnight, the United States agreed to the resumption of normal relations with Russia. You will find, when you go out, a large and voluminous document -- a great many pages -- and I am going to do something very mean -- I am going to ask you to read it before you write your stories.

You will see, perhaps, why it has taken some time to conclude these conversations with Mr. Litvinov. If you divide these letters -- these letters constitute an exchange between Mr. Litvinov and myself and cover the principal points which the two governments wish to discuss and reach an accord on before the formal resumption of diplomatic relations and other relations. They relate to four or five very important topics.

The reason I am asking you to read them -- they are not very long, a good many pages but not so formidable as it looks -- is that I am not going to comment officially or personally on the record in regard to these negotiations. I think the results speak for themselves.

Mr. Litvinov, as you will see, is to remain here a

little while longer to discuss certain phases of the conversations.

The big factor is, of course, that we have resumed relations.

The first page is an exchange of letters between the two of us saying -- in fact, my letter to Mr. Litvinov says, "I am very happy to inform you that as a result of our conversations, the Government of the United States has decided to establish normal diplomatic relations with the Government of Union Soviet Republics and to exchange Ambassadors", and "I trust the relations established between our peoples may forever remain normal and friendly."

To that, Mr. Litvinov replies in almost identical language.

The second page of the release is a letter to me from Mr. Litvinov relating to what has been popularly called, in this country, "propaganda". I think it says, "I have the honor to inform you that coincident with the establishment of diplomatic relations between our two governments, it will be the fixed policy of the Government of the Union of Soviet Socialist Republics", and then there are four paragraphs stating that fixed policy. To which I reply, "I am glad to have received

the assurances expressed in your note to me of this date that it will be the fixed policy of Russia," and then, after quoting his four paragraphs, I say that it will be the fixed policy of the Executive of the United States, within the limits of the powers conferred by the Constitution and the Laws of the United States to adhere reciprocally to the engagements above expressed.

The next exchange of letters starts the other way. I write to Mr. Litvinov in regard to what you and I would call the "freedom of religion." I will read this to you because I think it is an important thing. It sets forth what might be called the American position. (Reading)

"The White House,
Washington, November 16, 1933.

"My dear Mr. Litvinov:

"As I have told you in our recent conversations, it is my expectation that after the establishment of normal relations between our two countries many Americans will wish to reside temporarily or permanently within the territory of the Union of Soviet Socialist Republics, and I am deeply concerned that they should enjoy in all respects the same freedom of conscience and religious liberty which they enjoy at home.

"As you well know, the Government of the United States, since the foundation of the Republic, has always striven to protect its nationals, at home and abroad, in the free exercise of liberty of conscience and religious worship, and

from all disability or persecution on account of their religious faith or worship. And I need scarcely point out that the rights enumerated below are those enjoyed in the United States by all citizens and foreign nationals and by American nationals in all the major countries of the world.

"The Government of the United States, therefore, will expect that nationals of the United States of America within the territory of the Union of Soviet Socialist Republics will be allowed to conduct without annoyance or molestation of any kind religious services and rites of a ceremonial nature, including baptismal, confirmation, communion, marriage and burial rites, in the English language, or in any other language which is customarily used in the practice of the religious faith to which they belong, in churches, houses, or other buildings appropriate for such service, which they will be given the right and opportunity to lease, erect or maintain in convenient situations.

"We will expect that nationals of the United States will have the right to collect from their co-religionists and to receive from abroad voluntary offerings for religious purposes; that they will be entitled without restriction to impart religious instruction to their children, either singly or in groups, or to have such instruction imparted by persons whom they may employ for such purpose; that they will be given and protected in the right to bury their dead according to their religious customs in suitable and convenient places established for that purpose, and given the right and opportunity to lease, lay out, occupy and maintain such burial grounds subject to reasonable sanitary laws and regulations.

"We will expect that religious groups or congregations composed of nationals of the United States of America in the territory of the Union of Soviet Socialist Republics will be given the right to have their spiritual needs ministered to by clergymen, priests, rabbis or other ecclesiastical functionaries who are nationals of the

United States of America, and that such clergymen, priests, rabbis or other ecclesiastical functionaries will be protected from all disability or persecution and will not be denied entry into the territory of the Soviet Union because of their ecclesiastical status."

Mr. Litvinov replied:

"Washington
November 16, 1933.

"My dear Mr. President:

"In reply to your letter of November 16, 1933, I have the honor to inform you that the Government of the Union of Soviet Socialist Republics as a fixed policy accords the nationals of the United States within the territory of the Union of Soviet Socialist Republics the following rights referred to by you:

And then he goes on to quote these various rights which I have asked and at the bottom he refers to certain decrees and laws of Russia and of the several states of Russia and, toward the end, there is one point which was not covered by any of their laws.

"Furthermore, the Soviet Government is prepared to include in a consular convention to be negotiated immediately following the establishment of relations between our two countries provisions in which nationals of the United States shall be granted rights with reference to freedom of conscience and the free exercise of religion which shall not be less favorable than those enjoyed in the Union of Soviet Socialist Republics by nationals of the nation most favored in this respect. In this connection, I have the honor to call to your attention Article 9 of the Treaty between Germany and the Union of Soviet Socialist Republics, signed at Moscow October 12, 1925, which reads as follows:

"Nationals of each of the Contracting Parties . . . shall be entitled to hold religious services in churches, houses or other buildings, rented, according to the laws of the country, in their national language or in any other language which is customary in their religion. They shall be entitled to buy their dead in accordance with their religious practice in burial-grounds established and maintained by them with the approval of the competent authorities, so long as they comply with the police regulations of the other Party in respect of buildings and public health.

"Furthermore, I desire to state that the rights specified in the above paragraphs will be granted to American nationals immediately upon the establishment of relations between our two countries.

"Finally, I have the honor to inform you that the Government of the Union of Soviet Socialist Republics, while reserving to itself the right of refusing visas to Americans desiring to enter the Union of Soviet Socialist Republics on personal grounds, does not intend to base such refusals on the fact of such persons having an ecclesiastical status."

In other words, they cannot keep anybody out just because he happens to be a priest, minister or rabbi. Of course, if he is a murderer besides being a priest, it is quite a different thing. It sounds quite logical.

And then, the next exchange relates to legal protection. It is a letter from Mr. Litvinov to me.

(Reading)

"Washington, November 16, 1933.

"My Dear Mr. President:

"Following our conversations I have the honor to inform you that the Soviet Government is prepared

to include in a consular convention to be negotiated immediately following the establishment of relations between our two countries provisions in which nationals of the United States shall be granted rights with reference to legal protection which shall not be less favorable than those enjoyed in the Union of Soviet Socialist Republics by nationals of the nation most favored in this respect. Furthermore, I desire to state that such rights will be granted to American nationals immediately upon the establishment of relations between our two countries.

"In this connection I have the honor to call to your attention Article 11 and the Protocol to Article 11, of the Agreement Concerning Conditions of Residence and Business and Legal Protection in General concluded between Germany and the Union of Soviet Socialist Republics on October 12, 1925."

That is rather a special treaty under which or, rather, in accordance with which the United States gets absolutely the same rights as Germans do under their special treaty. I suppose the easiest way to express it is to tell you that the German Treaty goes a great deal further than the treaties with any other nation because it is very clear. Article 11 relates to guarantees by Russia of taking necessary measures to inform the Consul of the other party as soon as a national of the other party happens to get arrested in any part of the country, and that the Consul shall be notified either by a communication from the party arrested or by the authorities themselves within a given period of time. Also, in places of detention of all kinds, requests made by

consular representatives to visit nationals of their country under arrest, or to have them visited by their representatives, shall be granted without delay, also that the consular representative shall not be entitled to require officials of the courts or prisons to withdraw during his interview with the person under arrest. That has to be that way because it conforms with the customary Russian practice of justice.

To that I reply, thanking him for his letter and confirming what might be called these offers made by Russia and that we will do the same thing over here in case we arrest any Russians.

Then comes a memorandum of a verbal explanation by Mr. Litvinov of the question by me in regard to prosecutions for economic espionage.

"The widespread opinion that the dissemination of economic information from the Union of Soviet Socialist Republics is allowed only in so far as this information has been published in newspapers or magazines, is erroneous. The right to obtain economic information is limited in the Union of Soviet Socialist Republics, as in other countries, only in the case of business and production secrets and in the case of the employment of forbidden methods (bribery, theft, fraud, etc.) to obtain such information."

I think the thing explains itself. There is no use going on reading it but it is to clarify certain points on which a lot of people are in doubt.

Then comes a letter from Litvinov to me in regard to claims in which he states:

"Following our conversations I have the honor to inform you that the Government of the Union of Soviet Socialist Republics agrees that, preparatory to a final settlement of the claims and counter claims between the Governments of the Union of Soviet Socialist Republics and the United States of America and the claims of their nationals, the Government of the Union of Soviet Socialist Republics will not take any steps to enforce any decisions of courts or initiate any new litigations for the amounts admitted to be due or that may be found to be due it, as the successor of prior Governments of Russia, or otherwise, from American nationals, including corporations, companies, partnerships, or associations, and also the claim against the United States of the Russian Volunteer Fleet, now in litigation in the United States Court of Claims, and will not object to such amounts being assigned and does hereby release and assign all such amounts to the Government of the United States, the Government of the Union of Soviet Socialist Republics to be duly notified in each case of any amount realized by the Government of the United States from such release and assignment.

"The Government of the Union of Soviet Socialist Republics further agrees, preparatory to the settlement referred to above not to make any claim with respect to:

- "(a) judgments rendered or that may be rendered by American courts in so far as they relate to property, or rights, or interests therein, in which the Union of Soviet Socialist Republics or its nationals may have had or may claim to have an interest;"

It is a general release of all those pending cases in our courts. That is what it amounts to.

"(b) acts done or settlements made by or with the Government of the United States, or public officials in the United States, or its nationals, relating to property, credits, or obligations of any Government of Russia or nationals thereof."

To which I replied:

"I am happy to acknowledge the receipt of your letter of November 16, 1933, in which you state that:"

And then I quote his letter and say further:

"I am glad to have these undertakings by your Government and I shall be pleased to notify your Government in each case of any amount realized by the Government of the United States from the release and assignment to it of the amounts admitted to be due, or that may be found to be due, the Government of the Union of Soviet Socialist Republics, and of the amount that may be found to be due on the claim of the Russian Volunteer Fleet."

Then comes a letter from Litvinov to me relating to the expedition of the American Government in Siberia in 1918 to 1921:

"I have the honor to inform you that following our conversations and following my examination of certain documents of the years 1918 to 1921 relating to the attitude of the American Government toward the expedition into Siberia, the operations there of foreign military forces and the inviolability of the territory of the Union of Soviet Socialist Republics, the Government of the

Union of Soviet Socialist Republics agrees that it will waive any and all claims of whatsoever character arising out of activities of military forces of the United States in Siberia, or assistance to military forces in Siberia subsequent to January 1, 1918, and that such claims shall be regarded as finally settled and disposed of by this agreement."

Then there is a joint statement by Mr. Litvinov and myself,

"In addition to the agreements which we have signed today, there has taken place an exchange of views with regard to methods of settling all outstanding questions of indebtedness and claims that permits us to hope for a speedy and satisfactory solution of these questions which both our Governments desire to have out of the way as soon as possible.

"Mr. Litvinov will remain in Washington for several days for further discussions."

(Mr. Early spoke to the President)

THE PRESIDENT: The State Department calls my attention to a very serious error on the title page of this document. They have spelled Commissar with one "s" instead of two. So will you please correct it. (Laughter) I think you have everything.

Q Mr. President, does this exchange of letters mean automatic recognition or does that depend on an exchange of ambassadors?

THE PRESIDENT: Oh, my Lord; that is a technical question to which I don't know the answer. I should say, as a horseback opinion, that we resumed normal relations with Russia at ten minutes before midnight last night and that ambassadors will be exchanged as soon as convenient to both countries. But the relations were established last night at about ten minutes before midnight.

Q Mr. President, are the Archangel claims included in that Siberian agreement?

THE PRESIDENT: No, just Siberia.

Q Has the American Ambassador been selected?

THE PRESIDENT: Well, of course you will guess it if I do not tell you. I think that Mr. Bullitt, that we shall ask the Russian Government if the sending of Mr. Bullitt as Ambassador will be acceptable to them.

Q Can you tell us if the Russians have decided on their Ambassador?

THE PRESIDENT: No; nothing has been said about it at all.

Q Mr. President, getting away from the subject of Russia, do you contemplate changing the Coast Guard from the Treasury Department to the Navy Department?

THE PRESIDENT: I haven't any more idea than you have.

Q Mr. President, there are reports in Havana, published in the papers, that President Grau ^{San} Martin has asked for the recall of Ambassador Welles. Have you heard of anything?

THE PRESIDENT: Not a word and I have seen the State Department dispatches up to about ten minutes ago and there is nothing like that.

Q Any nominations coming out before you leave tonight?

THE PRESIDENT: I signed the commission of an Assistant Patent Commissioner about ten minutes ago.

Q Can you tell us anything about your next meeting with Ambassador Welles?

THE PRESIDENT: When he gets to Warm Springs. I do not know when he gets there; I think it is some time Sunday morning.

(The Press Conference adjourned at 4.10 P.M.)