

CONFIDENTIAL
Press Conference #71
Warm Springs, Georgia

November 22, 1933, 10.40 A.M.

THE PRESIDENT: I have just been told that this is the seventy-first press conference since the fourth of March. Just think, I have survived seventy-one.

Q May we quote you on that?

THE PRESIDENT: Well, you will have to finish the seventy-first.

I don't think there is any news.

Q How are you going to get along without Mr. Sprague?

(Laughter)

Q Do you care to make any comment on him, Mr. President?

THE PRESIDENT: No, there is only phrase that I could use, off the record, res ipsa loquitur.

Q That sounds like what I am thinking too. (Laughter)

Q Can you tell us whether you are going to see General Johnson Friday?

THE PRESIDENT: Yes, he is coming down either late Thursday night or the first thing Friday morning, I don't know which.

Q You don't know what he is going to talk about or what he has specifically come down for?

THE PRESIDENT: The chief reason is that I told him he needed about twenty-four hours of real holiday. And,

in addition to that, I imagine we will talk about whatever codes he has up his sleeve.

Q Is Henry Ford coming down, Mr. President?

THE PRESIDENT: Not that I know of.

Q Mr. President, has anybody sent you wild turkeys or do you expect any?

THE PRESIDENT: I don't think anybody sent any wild turkeys.

The last wild turkey I had down here was three years ago. My boy Jimmie went hunting, he had just one morning, that was all, and he got his wild turkey and sent it up to me. He was pretty lucky. He had just one morning's shooting.

By the way, are you comfortable there in your cottage?

Q Yes, we find it much better than the McPherson cottage where we were the last two times. It has a central heating plant and the rooms are much more comfortable.

THE PRESIDENT: I think it is a fairly quiet party all the way through. Morgenthau and his wife are coming down and probably Harold Ickes is coming down too.

Q Do you have a date for Mr. Morgenthau?

MR. EARLY: They are either arriving here or leaving Washington on Friday.

THE PRESIDENT: Harold Ickes is coming down, when I don't know. Bill Bullitt may come down.

MR. EARLY: I think Harry Hopkins is coming down some time.

THE PRESIDENT: Harry Hopkins, I think, is going to come down.

Q What are you going to talk with Morgenthau about, Mr. President?

THE PRESIDENT: About everything.

Q Anything special coming out?

THE PRESIDENT: No. None of these people are coming down to talk about anything special.

Q Do you know if Bullitt's sailing date has been announced in Washington?

THE PRESIDENT: Not yet. I guess you had probably better not write anything about it, it might complicate things in Washington. The question was whether he would go over just for a short trip to make the arrangements. You see, it requires a good many arrangements to be made before people actually go in and the question was whether he would go over now, the end of November or the beginning of December, just for a couple of weeks to make the arrangements and then come back here, pick up all his staff and go back the first part of January, or whether he should wait and collect his staff and go over about the same time. I do not think you had better write anything about it because they have not settled it in Washington, so far as I know.

I think the story ought to break from there.

Q Anything further on Cuba?

THE PRESIDENT: I have not heard a word since Welles left.

Q Is Mr. Welles coming back through here?

THE PRESIDENT: I told him that if he wanted to he could, that was all.

Q What did Welles tell you?

THE PRESIDENT: The only thing he told me was that it was damned good to go through a whole night without hearing bombs going off and rifle and machine-gun fire. He had a wonderful rest.

Q Mr. President, I certainly want to thank you for that statement on Dr. Hyde's experiment.

THE PRESIDENT: It is an awfully interesting thing. As I understand it, this will enable us to use for print paper the pine trees which do not have any commercial value otherwise, and especially the types of second growth that would not ever amount to anything for lumber. For instance, down the valley here, there is a ridge that goes almost clear across the State, and there is a sort of scrub pine which grows tremendously fast for the first fifteen years and then quits.

Q That is stunted.

THE PRESIDENT: It grows in the first fifteen years, it grows about thirty feet high and then quits.

Q It means a great deal to Georgia and much to the newspapers.

THE PRESIDENT: And he thinks that he has a cheaper process.

Of course the only other thing we have to watch out for now in all of the Southern pine States is to see that we do not cut the whole pine crop off without replacing it as we go along.

Q You know, it replaces itself. It will come right out of the ground.

THE PRESIDENT: Up to a certain point. Of course there are a good many areas that when you cut the pine clean, you get a deciduous growth in place of it.

Q That is true.

Q Do you care to offer any comment on the telegram the newspapermen sent from the Treasury yesterday?

THE PRESIDENT: No comment, but I can talk to you off the record about it. What we are doing in the Treasury is what we have done in the other departments. The best illustration is what happened in 1913 when I went to the Navy Department. That was before we got things centralized in the Secretary's office. It was about two weeks after I got there.

The method in those days -- did any of you people ever cover the State, War and Navy Building?

Q Yes, sir.

THE PRESIDENT: I don't know if you go far enough back, but in those days it was the custom to dig up, to get hold of an officer, to get your own particular news source in each one of the departments. It was a perfect nuisance and different stories would come out, something like this particular thing I have in mind. There was quite a controversy going on among the engineering people as to the relative merits of the Parsons turbine and some other kind of turbine. It was a purely technical thing, but the argument waxed with the heat in July. Of course, we could only have one kind of turbine on a new ship. Well, finally they got hold of one type of turbine and ran it for about a week and then the other fellows woke up and they ran their type for a week. Both types of turbines were perfectly good and we put half of them into one type of ship and the other half into another type of ship, so everybody was made happy.

There was the example. It had to be decided by the top people, and eventually it went to the Secretary. I suppose there was a story in it, but not the way the thing was done. Of course, when you have that sort of situation, you have to head the thing up and pretty nearly all the departments in Washington have done just that. I think it is much easier to get the story from the top. If there is a real controversy

it will come out anyway. You go to the top fellow who says, "Why, sure; there is a controversy going on between the Parsons advocates and the other advocates." And he would give both sides. That would be the perfectly fair thing. Under the old system, the press was being used as a means of gaining an advantage over the other fellow.

What we are doing for the Treasury is what we have been doing for every other department in the Government.

That brings up this other thing about having different statistics coming from the various departments go through Riefler for checking. I could give you two very simple examples: You know about Agriculture getting out several times in the course of the Summer, statements related to the parity price that farmers were getting for their farm products. Now, the Department of Agriculture is absolutely and thoroughly equipped to determine how much the farmer gets for his products. They are specialists in that and their figures are 100%. But they are not equipped to get the information on what it costs the farmer for his shoes and clothes, tooth brushes and stuff of that kind that he has to buy. The Department of Labor is equipped for that. The result was that in

the Department of Agriculture you had statistics which were wholly accurate on the one side because they had the equipment for it -- the value of the farm product and what the farmer would get for that product -- and they were not equipped to give the information on the other side, and they were not checking up with the Department of Labor as to the other side of the figures.

Now, all that happens is this: They will bring in to Riefler their story as to the parity price; Riefler will thereupon send it over to the Department of Labor to check on the Agriculture Department's figures on the cost of the things that the farmer buys. If the thing checks, that is fine; if it does not check, Agriculture is told, "Your figures do not tally with Labor's."

Another example is the Federal Reserve Board's publication that came out. You will recall that in it there was one sentence that said: "The falling off" -- I don't know whether it was orders or production or something else -- "in the industries that had to pay a processing tax was heavier than in the others." Now, the Federal Reserve statisticians had absolutely no means of finding that out. That particular sentence was pure guess-work on their part

and didn't happen to be true. You take, for instance, cotton, on which the cotton industry pays the processing tax. The reason there, and he could have found this out very easily from NRA or Labor, the reason there for the falling off was not the processing tax at all, but was the fact of everybody going in and giving all the orders in May and June and the first part of July, which gave us a tremendous over-production, especially because a great many mills tried to turn out all they possibly could, as you know, before NRA went into effect. There is another illustration. If the Federal Reserve Board statistician had gone to Riefler and shown him this, Riefler would have said, "Hey! That doesn't check. Go and see Labor. Go and see NRA. Get their figures."

Now, that is all that this centralization of statistics passing through the hands of Riefler means. It is merely a check to see that one department confines itself to its own knowledge and does not try to guess about other people's knowledge.

Q Do you mind if we use some of that, Mr. President?

THE PRESIDENT: Use it for background.

Q Anything about the possible length of your speech

Friday night? I have a query on that this morning.

THE PRESIDENT: It depends entirely on how the National

Broadcasting and the Columbia Broadcasting work it out. They are having a little difficulty with their time.

Q Thank you, Mr. President.

MEMORANDUM

Warm Springs, Georgia

November 22, 1933

(The President dictated the following to be given to the Press in the event there was any necessity. It was never released, to my knowledge.)

THE PRESIDENT: With respect to the money going out, you can tell them what the answer would have been. It would have been off the record, but that there has been a great deal of talk ever since last April of the flight of capital from the United States and that the people responsible for this talk have been privately going around New York City and other places in a mouth-to-mouth campaign, charging that between four billion and five billions of capital had left this country and last week I had a very careful check-up made by two different agencies. One was the Federal Reserve Bank itself and the other was through the representatives of private bankers in London, Paris and other European centers. Both of these check-ups agree, and the total amount from April to date is probably not more than six or seven hundred million dollars, which is a drop in the bucket, and that most of that amount is not money sent out of this country at all, but is credit balances which Americans, instead of bringing back home, have

left in London, Paris, et cetera, primarily for speculative reasons, hoping that by leaving it there they could eventually bring more money home than they originally got for the sale of American products. For instance, the best example is this: A raw cotton exporting firm, exporting ten millions worth of cotton to Liverpool, would be paid ten millions in Liverpool and instead of buying dollars with that ten million, they have left it on deposit in British banks.

MR. EARLY: Unless you have a reason for getting that out sub rosa, I would never give it out, not even as background.

THE PRESIDENT: Kannee, write it out and you and I keep it, because it is a pretty good explanation.

CONFIDENTIAL

Press Conference #72

Warm Springs Foundation, Warm Springs, Georgia

November 24, 1933, 4.00 PM

Q Mr. President, when are you going to begin your talks with Secretary Morgenthau? Tomorrow?

THE PRESIDENT: There won't be any formal talk.

Q Is Bullitt coming down tomorrow?

THE PRESIDENT: He will be here tonight.

Q Is Secretary Ickes due tonight?

THE PRESIDENT: No. He will probably be here Sunday. John J. Raskob is coming tonight.

Q What is he coming down here for?

THE PRESIDENT: On a social visit.

Q Did you hear about Johnson's breakdown?

THE PRESIDENT: What happened?

Q His Army car broke down and he arrived here in a Ford.

(Laughter)

Q Is Mr. Raskob here for anything outside of a little social talk?

THE PRESIDENT: Well, you know Mr. Raskob has been connected with the Foundation for a good many years.

Q Do you expect to have any talk with Raskob outside of that?

THE PRESIDENT: I haven't the faintest idea.

Q How long will he stay?

THE PRESIDENT: I don't know.

Q Do you care to say anything about the attacks we see in the newspapers, the attacks on your monetary program?

THE PRESIDENT: No.

Q Have you been reading the papers? (Laughter)

THE PRESIDENT: It is in the same category with what I told you when you asked about Sprague getting out.

Q I found out what that meant afterwards. (Laughter)

Q Any reaction on your Cuban statement?

THE PRESIDENT: I haven't heard a peep.

Q There is a lot of discussion as to whether that meant an invitation to the Grau San Martin Government.

THE PRESIDENT: Just what was said. It is a repetition of what was said before.

Q To get back -- (interrupted)

Q There is a great division among these gentlemen on your statement. Some say it is an invitation and the majority think not.

THE PRESIDENT: The majority is right. Only, use that as background. From the very beginning, we have said all along that we are not taking sides in any way. It is up to the Cuban people to decide and so far it appears

at the present time that we haven't yet got a provisional government that clearly has the support of the majority of the Cuban people. What can we do? We can't do anything. The matter rests.

Q You seem to have pretty good confidence that we may get a good government down there, from that statement.

THE PRESIDENT: And then the only other thing there -- the only real bit of news in that statement was that we are going to do shortly what we were planning on for some time, and that is to swap Welles and Caffery. Of course that has been planned for some time.

Q There is a big mystery here, Mr. President. We had you and Morgenthau and Hugh Johnson meeting all afternoon.

(Laughter)

THE PRESIDENT: Just between ourselves, I talked to old man Doherty about Warm Springs and also to Judge Lacy about Warm Springs, and now I am going to take a sweat bath and get back in time to see Morgenthau.

Q Is it perfectly safe for us to report, as we have been doing, that there is no change in your present policy contemplated?

THE PRESIDENT: I think you are pretty safe in doing that.

Q Who is Judge Lacy? Is he from New York?

THE PRESIDENT: He is from Detroit. If you want a story, talk to him about what banks outside of New York City are doing. He is putting together the Detroit Trust Company.

Q Thank you very much, Mr. President.

CONFIDENTIAL

Press Conference #73

Warm Springs Foundation, Warm Springs, Georgia

November 29, 1933, 11.30 AM

THE PRESIDENT: The only news I have got that I know of is the set-up of the Federal Alcohol Administration. You will have to take this down because I haven't got it copied out for you. The Director and Chairman will be Joseph H. Choate, Jr..

Q He is the New York attorney?

THE PRESIDENT: Yes, he is the son of the former Ambassador. Those representing the departments are W. A. Stover, representing the Department of Justice, at present Chief Counsel of the Prohibition Unit in the Division of Investigation of the Department of Justice. Edward G. Lowry represents the Treasury Department; he is now Special Assistant to the Secretary. I think he is the son of Edward Lowry.

Q He represented the Evening Post in Washington.

THE PRESIDENT: I think so. Dr. W. L. Thorpe represents the Department of Commerce; he is the Director of the Bureau of Foreign and Domestic Commerce. Mr. Harris Willingham represents the Department of Agriculture and he was primarily responsible for the drafting of the Code.

Well, I have to go over agriculture with the Secretary for about an hour and then I am going down to the pool to continue there.

Q What are you going to take up in that connection?

THE PRESIDENT: Agriculture in general.

Q Please help us out this morning. (Laughter)

THE PRESIDENT: I am going down to see the CCC camp at three o'clock.

Q That is Camp Meriwether, is it not?

THE PRESIDENT: I think so, yes.

Q Is that on the Foundation, Mr. President?

THE PRESIDENT: No, it is across the railroad tracks.

Q Mr. President, we have had several inquiries concerning the hanging out in California of the two kidnapers.

THE PRESIDENT: Well, look, please, as a matter of favor, do not say anything about it because I have not made up my mind one way or the other, because I don't know. It depends on whether I am as mad in the afternoon as I was this morning, also as to whether a President has any right to say anything about a Governor.

Q In Maryland also, over on the Eastern Shore, they had a fight.

THE PRESIDENT: I see they drove the militia away.

Q They also ran a newspaper man out of there.

Q We had another lynching in St. Joseph, Missouri, last night.

THE PRESIDENT: Really?

Q A mob of seven thousand took two negroes out of jail after they had confessed to attacking a white girl.

Q They took them away from tanks and the National Guard. They had tanks around and they took them away just the same.

Q Still want to count ten, Mr. President?

THE PRESIDENT: The Washington dispatches, of course, were cock-eyed about this visit of Gene Black's.

Q How do you spell "cockeyed", Mr. President? (Laughter)

THE PRESIDENT: That is all right. I still button my collars in front. But as to Gene Black, before I left Washington -- there is no mystery about it -- he said, "I am going to be home before Thanksgiving. Can I run down?" I think Bruere is spending Thanksgiving with him and he came down just as a house guest. There is no more significance to it than that.

Q There is a Press Association story saying that he will not resign unless you request him to.

THE PRESIDENT: That is what they call freedom of the press.

Q Mr. President, can you tell us anything about your discussions with Secretary Ickes while he was here? We never did catch him.

THE PRESIDENT: Let me see, what did we talk about? I will tell you what we did talk about -- the thing you can use. We went over, very carefully, all of the allotment figures of the three billion three hundred million, and they showed, after we got through with them, only about one hundred fifty million that is still free, that is to say that is not yet allotted or earmarked. In all probability within the next three weeks, certainly by Christmas, we will have all of those allocations finally made.

Q You mean the entire three billion three hundred million?

THE PRESIDENT: That will be the entire three billion three hundred million, applied, allotted or earmarked. When I say "earmarked", just to give you an example, the Chicago Sewage Disposal will take quite a lot of money -- I would be afraid to say whether thirty or sixty millions, whatever it is -- and they are not ready yet on their plans, but it is a project that we think we ought to go through with because of its importance in carrying out the St. Lawrence Treaty so as to end the present diversion of water for sewage purposes. That is merely an earmarking because none of it will be spent for a couple of weeks.

Q Offhand, would you run over some of the major allocations from that fund? It would certainly help us to build up what promises to be a good story.

THE PRESIDENT: Gosh, I wish I could tell you out of my head.

Has anybody any records on that?

MR. EARLY: I can probably get them for you.

Q If you could give us some of the future allotments.

THE PRESIDENT: There was only about four hundred millions left when he came down here and by the time we got through there was earmarked or allotted 250 million out of it. There was one item of a hundred million dollars and I can't, for the life of me, remember what it was. Wait, it was 135 million.

Q It wasn't for the newspaper men's home, was it? (Laughter)
When all this money is used up, are you going to ask Congress for more?

THE PRESIDENT: We haven't got to that yet. I think you can use this in your stories. I also asked the Secretary to let me have, when I get back, an estimate of how much of the total allotted money will be actually spent for wages and materials prior to July 1, 1934. Secondly, what portion of the total three billion three hundred million will be expended for labor and materials during the fiscal year 1934-5 and also what remainder there will be that won't be expended until the fiscal year 1935-6. That, of course, will be an approximate amount.

The best illustration is that we loaned thirty-five or forty million dollars, I think it was, to the Triborough Bridge in New York, which is a self-sustaining project, therefore we had to finance the entire amount. In other words, we couldn't let them have just one year's work, we had to put the thing through. It will take three years to build it and what I am trying to find out is what proportion will be spent this year, what next year and what the third year. Now, having found that out, we will know more definitely how much more we should ask Congress for, to be added to the 1934-5 portion of the money already appropriated. Is that clear?

Q In other words, does it mean in addition to the three point three or merely how much Congress shall appropriate of that amount?

THE PRESIDENT: No, no. It means an addition. As an example, one of the necessities for an additional appropriation in the following fiscal year is some of the government projects that will take two or three years to build and on those government projects we have only allocated from the three billion three hundred million the amount necessary for this year.

For instance, as an example, upper Mississippi. We

only allocated to the Upper Mississippi Dredging Project and Canal Project an amount to carry us through this year. Obviously we won't stop then. We will need additional Federal funds to carry it on for another year or possibly two years. We are waiting until we get those figures to determine how much to ask Congress for.

Q You see what we are up against on the stories on the monetary issue. Anything you can tell us about it?

THE PRESIDENT: I don't think there is a thing I can tell you about it, except what I think I can only tell you off the record, because I would much rather have no story come out of Warm Springs. Off the record, the difficulty is this: The objective of the policy was made perfectly clear on the 21st of October. Now, in the methods of arriving at the objective, we keep the objective in mind and are constantly working towards that. One day we buy gold and another day we don't. One day we put up the rate and another day we don't. Therefore, it is not in any way accurate to say that because we don't happen to buy one day or happen to put the price up one day, the policy has been changed. Not at all. We have been working from the very beginning with a perfectly simple objective, and it has worked out very well.

Q And, of course, if you tell about it in advance, it won't work.

THE PRESIDENT: Let me give you an illustration of the difference between this country and England. Chamberlain had a question put to him in Parliament the other day. The question was, "Will you please tell us what has become of the equalization fund of two hundred million pounds? Is it still being used? How much has been spent? Is there a loss in it or a profit in it?" And what do you suppose his reply was? He said, "It would be contrary to public policy for me to discuss the equalization fund in any shape, manner or form." And the British public said, "All right. That is fine." In other words, their conduct of operations is very similar to ours -- very little difference between the two. They have been doing it since 1931.

Q A couple of years ahead of us.

THE PRESIDENT: You had better have this off the record.

Q Can we make it clear, what you say about the daily operations of the Treasury?

THE PRESIDENT: For instance, you take the crazy, perfectly crazy stories out of Washington. The Federal Reserve System a month ago -- a whole month ago -- practically

quit their open market purchases. They tapered down. They had been running as high as about 15 millions a week and they tapered down. Everybody knew they were doing it and they got to the point two weeks ago when they were not buying or selling anything as an open market purchase, as a definite operation. Of course there always is a little purchasing between sections, things like that, which shows plus or minus two or three millions. Unfortunately, last week they were not having any open market operations and on the balance it happened to be a million minus by chance, whereupon large headlines and leads saying, "Row between Treasury and Federal Reserve System."

Q I think, Mr. President, it would be rather clarifying if we could make clear in some way that where gold is purchased today it has no significance on the maintenance of your policy.

THE PRESIDENT: No; what we are seeking is a definite objective. I think you can make that clear.

Q And we can say that?

THE PRESIDENT: Of course the speculators would love to know what we are going to do tomorrow.

Q I am going to ask you about silver. I want to know whether I should buy some. (Laughter)

THE PRESIDENT: I haven't done or thought anything about silver for several weeks. Of course it is being studied in Congress and the Treasury.

MR. EARLY: I don't think you mean to permit the use of all that detail you went into.

Q No, only on that one point.

MR. EARLY: Some of that other stuff you couldn't possibly use.

THE PRESIDENT: Just that one point. The daily operation should not lead to any conclusion that the thing has been abandoned or there has been a change in policy or anything like that.

Q It does no harm to say that you have your objective and are working toward it?

THE PRESIDENT: Yes.

Q How about saying that you think it is working pretty well?

THE PRESIDENT: No, I would not say that.

Q Has Mr. Wallace been behaving?

THE PRESIDENT: Well, I don't know; the only problem about Wallace and Ickes is that neither of them took a bath while down here. (Laughter)

Q Throw them in the pool, Mr. President.

SECRETARY WALLACE: Good farmers wait until Saturday. (Laughter)

THE PRESIDENT: Here is an appointment for Eugene Vidal. I have

appointed him a member of the Special Advisory Committee for Aeronautics.

Q Can you tell us anything about Mr. Choate; has he a good liquor background?

THE PRESIDENT: He is an old friend of mine. He is a fine person. I don't know what else you can say about him.

Q We haven't seen that Code. As I understand it, the Administrator has pretty full power under it.

THE PRESIDENT: Yes; of course the general theory is that it leaves the actual control in the industry itself. The primary control is in the industry. We have three objectives: The first is to allow the sovereign states full authority, in every shape, manner and form, over the methods of sale. In other words, we are carrying out the Democratic Platform on that. The other two objectives are to get pure liquor at a reasonable price without --

Q That is a good idea.

THE PRESIDENT: -- without flooding the market because, if you start to flood the market it means cut-throat competition and that means that somebody is going to put out rotten liquor. And, of course, we want the elimination of the bootlegger as far as we can.

And then I think, if I were writing a liquor story, I would make it clear that this Code was made necessary and had to be rushed through so that we would have some control between the 5th of December and the time that Congress acts. And it is, in a sense, experimental because Congress may want to change it after they see how it works. On the other hand, Congress may say that we have not sufficient information or data on its work at this Session so that we will let the thing go over to another Session and see how it works in the meantime.

Q Mr. President, Secretary Wallace indicated the other day that the consensus right now was in favor of a rather low tax. Has anything been reached on that?

THE PRESIDENT: Not yet. We are still working on it. Of course we have a perfectly definite law on what the tax is or will be from the 5th of December on. There is, of course, quite a lot of sentiment, -- it is being studied -- quite a lot of sentiment in favor of a subdivision of the tax on liquor by what might be called a "gentlemen's agreement", -- I think I talked about this before -- between the States and the Federal Government under which the States would reserve to themselves the occupational tax. That would be the tax on the dealers, the hotels,

restaurants, selling agencies of all kinds, and retain that, leaving to the Federal Government what is known as the volume tax. Now, that would be left to the Federal Government in this way: The Federal Government would collect a volume tax and would return to the several States a percentage of that volume tax in the case of those States that put no volume tax of their own on. Now, that is merely one of the various methods of taxation that are being talked about, but the whole matter, of course, will depend on Congress rather than the Administration.

Q What does the Code provide as to importations? Does it limit them?

THE PRESIDENT: I could not tell you. I don't know.

Q Mr. President, there is some talk about rigid limitations on hard liquor.

THE PRESIDENT: Hard liquor? I would be afraid to say anything on it because there is something in there but what it is I do not know. I haven't a copy down here.

Q In the return of the tax by the Government to the several States, would there be any distinction between a State such as New York, which is wet and permits the sale of liquor, and a State which is absolutely dry, prohibiting

the sale of liquor?

THE PRESIDENT: You see, in a State like Georgia, which would prohibit the sale, the thing would not come in at all. The question would not arise.

This will have to be off the record, but if you got a bottle of good liquor down here, it would, necessarily, be in this State illegally but it would have paid the tax in some other State where it had been legally sold and the State in which it had been sold would get the benefit of the drawback.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #74
Warm Springs Foundation
Warm Springs, Georgia

December 2, 1933, 10.30 A.M.

THE PRESIDENT: I just signed the alcohol importing code.
The correct title is Code of Fair Competition for
the Alcoholic Beverages Importing Industry.

Q Is that going to let any in?

THE PRESIDENT: It follows substantially the lines of the
other code. Temporarily it allows, until Congress
acts or does not act, a preliminary permit. And,
thereafter, what would be a definite permit system
under the FACA.

Q A permit system under what?

THE PRESIDENT: The Federal Alcohol Control Administration.
By the time you get back to Washington you will have
to learn a lot more letters.

Q Does that mean that whatever Congress indicates will
come under that Administration?

THE PRESIDENT: Oh, no. Of course the whole theory of the
FACA is that it is an effort to bridge the gap between
the fifth of December and such time as Congress may
act. Of course nobody knows what Congress will do.

Q There is a temporary permit. And thereafter --

THE PRESIDENT: Yes, if Congress does not act or modify or change it in any way.

Q On this alcohol thing, what is going to be the attitude of the Government towards the sale of beer licenses in Georgia, Georgia being dry?

THE PRESIDENT: The Federal Government sells a beer license in Georgia --

Q Everybody has to have a Federal license and a city license even though it is contrary to State law.

THE PRESIDENT: That is something we will have to look into.

Q I wonder if you could tell us something about the convictions for violations of the Prohibition Law? They are soaking them right along in Atlanta. Convictions for bootlegging get 18 months in the Federal penitentiary.

THE PRESIDENT: Well, they violated the law.

Q I was just wondering whether there would be amnesty?

THE PRESIDENT: The question of the reasonableness of the sentence is a different thing but they certainly violate the law. There is no getting around that.

Q Does this Code fix the amount of liquor which may be imported?

THE PRESIDENT: No, that will be done in a preliminary way on the estimated needs of the country. I think that is the easiest way to express it.

Q Based on the 1910 to 1914 average? How much came in in 1910 to 1914?

THE PRESIDENT: I don't know.

Q We want to make sure we have enough. (Laughter)

THE PRESIDENT: We can always come down here Stevie (Mr. Stephenson), it is all right.

Q There was some question of discriminating between the amount of hard liquor and wines?

THE PRESIDENT: No, I don't think so. I think the average of the 1910 to 1914 period would be the controlling amount as applied to hard liquors and wines.

Q That was a minimum of the 1910 to 1914, was it not?

THE PRESIDENT: Yes.

Q I think it was expressed on the basis of the minimum of 1910 to 1914 average. What would that mean, the minimum for one month?

THE PRESIDENT: I don't know; do you Mr. Lowry?

MR. LOWRY: They have taken the five-year average, sir, on a monthly basis and divided it by twelve.

Q We keep hearing from abroad that something is doing on currency.

THE PRESIDENT: That was yesterday afternoon's story. I just characterized it then as another one.

Q Last night one came in to the effect that Great Britain and France had both made overtures to you for some kind of an understanding?

THE PRESIDENT: That is number two in 24 hours.

Q I continue to hear from Washington, despite my stories to the contrary, that you are going to talk money to some extent on Wednesday night?

THE PRESIDENT: You are right and Washington is wrong.

Q Have you received any protests from Norman Thomas in connection with the lynching cases throughout the country?

THE PRESIDENT: There was one from Norman.

Q Is there anything new on money that we should be watching for?

THE PRESIDENT: I would not tell you if there was but there isn't.

We have to have a little ceremony. Mac's pocket was picked Thursday night. He lost his watch and he did not like to admit it because it might have -- (Laughter). But I had the Secret Service look for it and they found it somewhere. I would not care to tell you where. (Laughter)

Q How many guesses do we get?

THE PRESIDENT: No, there are limits. The first guess might be right.

MR. McINTYRE: I would like to know how it got off the chain.

* * * * *

Q I wonder if you could tell us anything about the meeting of the Board yesterday with respect to further develop-

ment of the Foundation? Was any definite action taken in any way along that line?

THE PRESIDENT: No. About the only thing that happened was that we talked in general about the future development and of course one thing is perfectly obvious and that is that before we can actually tear down the old Inn, we have to have two units of bedrooms. Georgia Hall takes care of all the administrative end, the eating end and the social end, but we have to have two more units of bedrooms. Of course they have various plans on for raising additional funds this Winter and I hope very much by Spring we will have enough money to put up the two new buildings. They will be wings of Georgia Hall and as soon as that happens down comes the old firetrap Inn.

Q What do you figure you will need for this in the way of money? How much?

THE PRESIDENT: Somewhere between \$50,000 and \$75,000.

Q Mr. President, someone has asked me to ask you if there is anything new on Henry Ford?

THE PRESIDENT: I haven't heard a peep. The only thing we did have, off the record, because we don't know enough to make a story about it, the Secretary of Agriculture called up Mac last night and wanted to know about bids for Ford cars and we told him we did not know anything

about it, to get in touch with the Comptroller General and General Johnson, -- why bother us?

Q May I revert to this liquor story just a minute? Have you named anyone as Administrator of that Code, sir?

THE PRESIDENT: Of the Code itself?

MR. LOWRY: Not of this particular code. This code will be administered by the FACA.

THE PRESIDENT: Yes, the FACA will administer it like the other code.

Q Will there be a separate head of it?

THE PRESIDENT: No, the same five people.

Q Watertown, New York, hears that Cosgrove has been appointed as one of the three members of the Advisory Committee of the Public Works Administration?

THE PRESIDENT: Yes, that was approved several days ago.

He takes the place of -- I think it is TenEyck of Albany.

Q This is just a State Advisory Board?

THE PRESIDENT: Yes. TenEyck took it temporarily and then, at the end of the three months' period, he got out and this is merely to take his place.

Q That is Peter TenEyck?

THE PRESIDENT: Yes. It is the up-State Board. I think we have two in New York and it is the up-State Board.

Q What is the name of the board?

Q Advisory Committee of the Public Works Administration?

For the record, that was today he was named?

THE PRESIDENT: He was.

Q I can't be scooped like that. (Laughter)

THE PRESIDENT: All we got was, "Would it be all right to appoint him." That was several days ago.

Q Are you leaving tomorrow, Mr. President?

THE PRESIDENT: I will be on board at two thirty. That is the Southern Station, not the A. B. & C., so don't go to the A. B. & C. Station and wait for the train. (Laughter)

Q The last time we were here you said that you would say something about the lynching situation?

THE PRESIDENT: I won't do anything before I get back to Washington. That is off the record.

Q You do not intend to go to Atlanta this afternoon?

THE PRESIDENT: Lord, no. I have all the mail to do. But I do expect to get back to Washington without any papers.

Q Did you enjoy your stay down here?

THE PRESIDENT: I had a grand time and I think we all did.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #75
Executive Offices of the White House

December 6, 1933, 10.50 A.M.

(Mrs. Roosevelt was present together with a few
house guests.)

THE PRESIDENT: I think about the only news is that we have had, as you know, a good many problems caused by lack of information in localities about what the Government's agencies could do or were doing. There has been a good deal of duplication of machinery in the 3,000 and some odd counties in the United States. People who needed relief of one kind or another or needed financing of one kind or another did not know whom to go to, despite the fact that there have been anywhere from half a dozen to a dozen representatives of various agencies of the Federal Government in such localities. It has been a rather necessary state of confusion caused by the setting up of these various agencies. It could not be helped. But I think the time has come for us to try to consolidate information about the Federal agencies in the form of some kind of information that will tie everything in together, where any individual or group or corporation can go to find out all the intricacies of the new machinery.

So we are setting up, to take care of these emergency activities of the Federal Government, a National Emergency Council, which will be composed, here in Washington, of the Secretary of the Interior -- Steve will give you a list afterwards so I don't know whether it is worthwhile for you to take this down -- the Secretary of Commerce, the Secretary of Labor, the Administrator of AAA, the Administrator of NRA, the Administrator of Federal Emergency Relief, the Chairman of the Home Owners Loan Corporation, the Governor of the Farm Credit Administration, a representative of the Consumers' Council and others. In order that the local activities in the different localities may be linked directly and effectively with the Federal Administration, there will be appointed State Directors and under those State Directors there will be County Councils for the average county in the United States. In the case of a city, it will be a City Council.

The main Council in Washington will sit as a central information bureau for the purpose of conveying any information with reference to various Government agencies and will send out that information, in simple, plain language, to the State Directors and, through them, to the County Councils. In other words, they will set up similar bureaus in the various counties,

providing machinery, temporary in character, for the adjustment of such controversies as may arise out of the operation of NRA and AAA and other agencies and, through the coordination and reorganization of the efforts and activities of the Government, will tend to eliminate a number of the agencies necessarily created during the early stages of the emergency but now no longer necessary.

For the time being and until a permanent director is appointed, I have asked Frank Walker, Secretary of the Executive Council, to serve temporarily as Director of the National Emergency Council. This, I might add, is not to be used for propaganda. It is merely an information service for the people in every locality.

Q Will its activities be confined to giving out information?

THE PRESIDENT: Only to people who apply for information or to give out statements as to the proper procedure to be followed.

Q Are these gentlemen to be paid by the Government, Mr. President?

THE PRESIDENT: I could not tell you; I don't know, John (O'Brien). I imagine in a good many cases, in counties for instance, they will serve without pay.

Q That has not been decided?

THE PRESIDENT: No; it has never been raised.

Q Are there funds available to pay these people?

THE PRESIDENT: Yes, it comes out of the general NRA funds.

Q Since Postmaster General Farley is somewhere in Europe and we cannot reach him, will you be kind enough to give information as to local appointments, the District Attorney and the Public Utilities Commissioner?

THE PRESIDENT: I hope to take it up some time during the balance of this week and let you know. But that is only a hope and not a promise.

Q Mr. President, can you give us something on lynching?

THE PRESIDENT: No.

Q Can you give us something on the Securities Act in connection with Commissioner Landis' visit yesterday?

THE PRESIDENT: No; we just continued conversations, that is all.

Q Did he bring a report supposedly giving the names of the investment houses which say they cannot float any loans because of this --

THE PRESIDENT: No; he did not give me anything like that. Merely told me about the condition, about the applications which had definitely been made to the Commission up to the present time.

Q Mr. President, could you discuss the December 15 re-financing program?

THE PRESIDENT: I don't think they are ready for it yet at the Treasury. I think it is fair to assume that there won't be any trouble.

Q Mr. President, has it been definitely determined to amend the Securities Act?

THE PRESIDENT: No. I don't know where you people get all those silly stories. In other words, the whole operation not only of that but of stock exchanges is being studied by various people in the Administration and also in the Congressional committees, and that is about as far as you can go.

Q The background you gave us some time ago still stands?

THE PRESIDENT: Yes.

Q That was to the effect that there would be no modification of the liability?

THE PRESIDENT: No.

Q You still feel the same way?

THE PRESIDENT: I did not say there would not be any modification of the liability features; on the other hand, I did not say there would be a modification of the liability features. It goes both ways. That is literally all the news there is in it.

Q I gather that the Act will not be weakened in any way at all.

THE PRESIDENT: I don't think it will in its purpose and objective. I don't think there is a chance of its

being weakened.

Q Mr. President, would you care to discuss stock market regulation?

THE PRESIDENT: I haven't looked into it at all. I have not discussed it with anybody for several months. I probably will talk with some of the Senate people. Senator Fletcher came in here the other day and the only subject we discussed was the Trans-Florida Canal.

Q Did you reach any decision on that?

THE PRESIDENT: No. The Trans-Florida Canal situation is this at the present time: I am, personally, very keen about a canal across the northern end of Florida, a ship canal, and the War Department brought in a preliminary survey, I think it was last July or August. Their survey was for a 35-foot canal. But the cost was so high that in all probability it would not have been self-sustaining, in other words the revenues from the ships using it would not pay the interest and amortization on the cost of the canal. I am most anxious, if we can do it, to build a ship canal down there which will liquidate itself.

Therefore, the whole thing went back to the War Department to see whether they could re-survey it and build a canal at a substantially lower cost.

Of course, the more they can cut off from their original estimates, the more it will come close to paying for itself.

Q Have you any recollection of the figure?

THE PRESIDENT: Yes, as I remember it, it was about 125 or 130 million dollars. It was for a 35-foot canal throughout and one of the questions we raised was whether it would not be possible in the first instance, in the building of it, to make it a 30-foot canal with 35 feet for the locks so that eventually, when we get larger ships going to the Gulf ports, we can deepen it to 35 feet. At the present time there are very few ships that go to Gulf ports that draw more than 27 or 28 feet -- practically none.

Q Does that link up with the Inter-Coastal Canal?

THE PRESIDENT: Yes, but of course the two things are entirely different in their purposes. The Inter-Coastal Canals are only 9 feet in depth. It would mean that your shipping in canal boats or small barges drawing less than 9 feet, would use this Trans-Florida Canal to get from the Atlantic into the Gulf.

Q Mr. President, can you give us anything new on the Cuban situation?

THE PRESIDENT: No; I asked Phillips about it yesterday and he said there wasn't any news.

Q Mussolini has suggested that the Covenant of the League of Nations be revised in order to make it easier for the United States, among other nations, to join it. Have we given him any grounds for belief that we would be prepared to do so?

THE PRESIDENT: No, no indication on the subject at all.

Q Can you tell us whether you intend to say anything later on about lynching, such as recommending legislation for anti-lynching?

THE PRESIDENT: I cannot tell you anything at this time. That will have to remain a closed book for a little while longer.

Q Can you give us any indication of what the attitude of the United States Delegation at Montevideo will be towards the proposal for a six-year moratorium on all debts?

THE PRESIDENT: I think it has been made very clear on that, that ^{it} is primarily a subject between the Republics which have sold bonds to investors outside of their own borders, between them and the investors. In other words, the easiest way of putting it is that the United States is not owed any money by any of the South American republics and it is therefore a matter between those republics and any of the bondholders, the holders of their bonds.

Q Did the survey of the economic situation that you were supposed to make in the meeting yesterday reveal anything? Is there anything you want to tell us?

THE PRESIDENT: No, we did not even get charts yesterday. Conditions were about the same as the previous week, so the Interpreting Economist did not give us any charts.

Q Anything on the CWA?

THE PRESIDENT: Well, of course there is tremendous enthusiasm for it all over the country and it is doing an awfully good job. There were 2,000,000 men actually put back to work last Saturday and there will be 3,000,000 men at work this coming Saturday, and we really expect to get it up to the 4,000,000 mark by the 15th of the month.

Q Can you tell us anything about the establishment of a Missouri Valley Authority, like the Tennessee Valley Authority?

THE PRESIDENT: No, I have not had a chance to talk to Senator Norris about the Missouri Valley. As you know, the whole Mississippi watershed, with the exception of the Tennessee watershed, has been placed under this new Mississippi Valley Commission, which is an unpaid Commission that takes the place of the old lame-duck commission. Perhaps I should not

characterize it as that -- strike it off the record. That Commission will cover the entire watershed, all the water that runs into the Mississippi Valley.

Perhaps the time has come -- I don't know -- for the creation of a special Missouri Valley Authority; on the other hand, it is such a very big project that we are not quite ready for it yet. I have not had a chance to talk to Senator Norris. From what I know now, I should not oppose the creation of a Missouri Valley Authority but it is such an enormous Valley and covers such an enormous extent of territory that, frankly, I don't know whether we are quite ready for it.

Q Any chance of linking that with a Columbia River Authority?

THE PRESIDENT: That is separate entirely.

Q Have you expressed any opinion on a similar scheme for the Arkansas Valley?

THE PRESIDENT: That is exactly in the same condition.

It is an enormous territory. It runs clear up to the middle of the Colorado.

Q A bill is being prepared for it?

THE PRESIDENT: Yes.

Q Mr. President, have you given any thought to the proposed New York Subway loan which the RFC seems a little loath to grant?

THE PRESIDENT: I have not talked to Secretary Ickes about it at all. Of course there are two questions: One is the security that would be given to the Government for the subway funds and the other question is which is the most important, the subway or the other project for sewage disposal? I doubt whether we have enough funds to do both subway and sewage disposal.

Q Mr. President, have you any feeling that perhaps the States in their gallonage tax on liquor are going to defeat the purpose of this Repeal by boosting prices so high that the bootlegger will continue to flourish?

THE PRESIDENT: I have not heard what the various State proposals are.

Q They run from \$1.10 to \$2.00 a gallon.

THE PRESIDENT: I think I said at the last conference that I am inclined to look very favorably on the subdivision of the taxes so that the bottle tax should be levied by the Federal Government and the occupational tax should be levied by the State. That is the simplest way of doing it. Now, whether that can be worked out by a gentleman's agreement, I don't know.

Q Unfortunately they seem to have invaded the other field.

THE PRESIDENT: Yes.

MR. STORM: Thank you, Mr. President.

(The Press Conference adjourned at 11.05 A.M.)