

CONFIDENTIAL

Press Conference #60

Executive Offices of the White House

October 13, 1933, 4.10 PM

THE PRESIDENT: I don't know a thing since the day before yesterday.

Q Can you tell us anything about the meeting with Adolph Miller and Bruere, Douglas and Jones?

THE PRESIDENT: Adolph Miller, I haven't seen him for six months. He is a very old friend of mine and I had him in to lunch with me. That is all the news on that story. On the other story, Bruere and -- who were the others?

Q Jesse Jones.

THE PRESIDENT: Bruere and Jesse Jones, we discussed further the problem of the closed banks and we are not ready to tell you anything yet because the thing is not ready yet.

Q How about the Foreign Bond Committee? Anything on that yet?

THE PRESIDENT: Nothing on that.

Q Can you discuss the aspects of the Cuban situation as it is today?

THE PRESIDENT: I can tell you exactly what the Secretary of State said in Cabinet meeting and that is that there isn't any change in the situation. We cross-examined him and he stuck to his story.

Q This is Black Friday. (Laughter)

Q Will you give us your views on price fixing on oil?

THE PRESIDENT: Has there been any announcement on it yet?

Q Not on oil; we are waiting for it.

THE PRESIDENT: I don't believe I can tell you because it will have to come from the Secretary of the Interior, but I think it is about ready to break.

Q He said today it would not be out until next week.

THE PRESIDENT: Then far be it from me to violate his confidence.

Q I thought maybe you were going to tell us.

THE PRESIDENT: That comes out over his signature.

Q How about the Retail Code?

THE PRESIDENT: The Retail Code has not come to me yet.

It is a bad day today.

Q Is there anything new on the sugar situation? There was a delegation.

THE PRESIDENT: I was just talking to the Secretary of Agriculture and he is going to see some of the Senators and Congressmen, I think tomorrow morning. There again we are faced with a pretty difficult legal situation.

Q Are you going to issue an order for the building of Dam No. 3?

THE PRESIDENT: Yes, there is some real news. I am a little premature on that, too. I have suggested to the TVA that instead of allocating the full amount of the cost of the Cove Creek Dam out of the 50 millions, which would take three years to build, that as long as Dam No. 3 is an essential part of the general Tennessee project, I think it is entirely proper to allocate less than the full amount for the Cove Creek and to take a portion of that and allocate it for one year's construction on Dam No. 3. So I think Dam No. 3 will be started.

Q That order will be issued pretty soon?

THE PRESIDENT: I have made the suggestion to Morgan and I think it is all right, because he told somebody else who thought it would be all right.

Q Did you read those letters carefully that came from the steel operators on Captive Coal Mines?

THE PRESIDENT: Only once, seriously.

Q What did you get out of them?

THE PRESIDENT: I answered them; I think that covers it pretty well.

Q Your answer is as good as the others.

THE PRESIDENT: It does look like substantial progress is being made. That is for background. That was yesterday after-

noon; I have not heard anything about it today. The fat may be in the fire again at this moment, for all I know.

Q Anything about the visit of Robbins this morning?

THE PRESIDENT: He did not come in. He is coming in after this conference. He did come in, but I got half an hour behind and he is coming in again this afternoon.

Q Getting back to Dam No. 3, have you any idea of how much money will be allocated for the year's construction?

THE PRESIDENT: You had better check on it because I can't tell you. It is a third of the total amount.

Q There is 22 million dollars down on Cove Creek.

THE PRESIDENT: Well, let us see. I think Dam No. 3, less power, less hydroelectric, was 22 million and one third of that would be the amount allocated this year.

Q Mr. President, anything on Geneva?

THE PRESIDENT: I have not had anything at all since the day before yesterday on Geneva.

Q Mr. President, have you taken up the question of taxes with the chairman of the subcommittee?

THE PRESIDENT: Not general taxes. We talked today about the liquor taxes and we have this committee under Secretary Acheson, with members from the Treasury Department, the State Department, the Commerce Department and the Justice

Department, and they are looking into the whole question, wines and liquors, tariffs, taxes, the date the thing goes into effect and so forth and so on. Again, it is in the hands of the lawyers.

Q Have you any personal views on that that you can tell us? What you think it ought to be?

THE PRESIDENT: I have lots of personal views, but they seem to conflict with the law.

Q Will you tell us what you are recommending to Congress?

THE PRESIDENT: What we are doing in this first instance is this: There is an emergency. Between ratification and the time Congress meets.

Q Is there any doubt as to what the law is on that?

THE PRESIDENT: There is a great deal of doubt.

Q Have you read that section of the Public Works Act as to repeal of taxes when ^[repeal?] prohibition comes in?

THE PRESIDENT: Charlie (Hurd), you would have to bring me a copy, otherwise I won't get a chance to read it.

Q What about the liquor law for the District of Columbia?

Congress might get some advice from you on that.

THE PRESIDENT: The Attorney General remarked that that was the most difficult legal question of all.

Q Was it discussed?

THE PRESIDENT: He said it was a very difficult problem.

Q Can you tell us whether the British have made any further progress with respect to making us a concrete proposal on the debts?

THE PRESIDENT: I haven't heard a word on it. I am going to talk to Acheson tomorrow on it, I think.

Q Reverting to the code situation, I wonder if you can give us any idea, in view of this letter you wrote last night to the steel owners of the Captive coal mines, I wonder if we would be warranted in saying in view of this letter last night that you do desire the concession by the steel companies of this second demand, which is for the selection of checks-off men by the workers themselves.

THE PRESIDENT: That is not "checks-off", that is "check-weigh" men.

Q Yes, the selection of check-weigh men by the miners in the Captive mines.

THE PRESIDENT: The difficulty of putting it that way is that I have not on the record defined what working conditions are. All I have said is that I stood ready to define what working conditions are and, of course, as to check-weigh men, the privilege has been extended by all the commercial mines throughout the whole section, throughout

that whole district, which represents about ninety per cent of all the coal mines.

Q When the classification of jobs in these new Federal agencies has been completed, do you expect to impose a fifteen percent wage cut on those agencies to bring the salaries in line?

THE PRESIDENT: That is something you will have to ask the Director of the Budget about. I, frankly, could not give you the answer. I don't know.

Q In your remarks the other day on the movie code, there is a lot of question as to whether you used the word "physically" or "mentally".

THE PRESIDENT: May I add that Steve (Early) was horrified because some of the stories carried that expression in quotes. (Laughter)

Q The expression is not clear as to whether you were speaking generally or particularly about child actors. Could you clear that up?

THE PRESIDENT: You see the trouble is that somebody pinned that remark on poor little Jackie Coogan.

Q He is not in the movies any more.

THE PRESIDENT: And if I were to define it further, people might tack it onto others and I would hate to have that

happen. I think it is safer not to.

Q Some of the newspaper comments in connection with refunding the Fourth Liberty Loan go so far as to say that it indicates you are not going to have inflation of the currency because you are not --

THE PRESIDENT: The Times editorial said that? (Laughter)

Q Was that really the Times editorial?

THE PRESIDENT: I am learning a lot, yes.

Q Do you agree with that editorial? (Laughter)

Q Mr. President, in discussing the proposed liquor taxes, have any estimates been given you as to how much might be expected the first year?

THE PRESIDENT: I haven't the figures. The Treasury Department has all the figures completed. They have been working on it now for about three weeks and all the tentative estimates on all sorts of different lines I think have been completed.

Q Speaking of editorials, there have been a good many written lately about the announcement of the fiscal policy. Is there anything about that?

THE PRESIDENT: Only from Charlie (Hurd), that is all. (Laughter)

Q I'm afraid that would not be authoritative.

THE PRESIDENT: You know, up to a certain point I might put it

this way: It was silent pressure but in the last week or two it has not been silent at all.

Q You said that the liquor problem as it affects the District of Columbia is a very difficult one. Who were you quoting when you said that?

THE PRESIDENT: The Attorney General in Cabinet meeting. It is difficult from the legal point of view.

Q There are two problems, whether we would go wet --

THE PRESIDENT: Did you say, "go wet"?

Q Stay wet, or whether we would get legal liquor, and the other is what sort of act we will have after Congress comes back.

THE PRESIDENT: I think the Attorney General was only referring to the question of what would happen on the repeal of the Amendment. I don't think he has got as far, in any of these discussions, as to what kind of recommendation we would make to the Congress. The interim period is all we are working on now.

Q Did Mr. Broderick have any particular errand down here?

THE PRESIDENT: He was talking about New York, representing ten percent of the problem both on national banks and member banks and non-member banks, and they asked him to come down here, as Superintendent of Banks of the

State of New York, to give his views on the question of closed banks.

Q Mr. President, is it proposed that a part of the new processing taxes should be shifted from the Agriculture Department to Harry Hopkins for Emergency Relief?

THE PRESIDENT: Well, that is that old corn-hog thing.

Q That they divert part of the processing tax to Emergency Relief?

THE PRESIDENT: I don't know. It is a terribly complicated problem. You had better check with them about it because it is possible, in the case of a tax on hogs, for example, to use a portion of that tax for Harry Hopkins' work, and the rest of it would come out of the relief funds. It is so complicated that I do not dare talk about it.

Just the same way, they are discussing -- you had better leave it off the record, but it illustrates it -- the question of beet sugar, trying to bring the beet sugar price up by putting some sort of processing tax on corn, on the ground that corn produces a great deal of corn starch and therefore is a competitor of beet sugar, bringing it in under the competitive line of goods, and using that processing tax on corn to pay the beet sugar people a bonus. It is all very complicated.

Q Can you tell us anything more in detail about Mr. Broder-
ick's visit?

THE PRESIDENT: He just gave us the situation as it exists
in the State of New York.

Q Are you considering consolidating the various consular
positions into one bureau?

(The President shook his head in the negative.)

Q Are you considering abrogation of the Platt Amendment?

(The President shook his head in the negative.)

Q Thank you, Mr. President.

(The Press Conference adjourned
at 4.25 PM)

CONFIDENTIAL

Press Conference #61
Executive Offices of the White House

October 18, 1933, 10.40 A.M.

THE PRESIDENT: The Secretary of the Treasury asked me to tell you that up to late last night subscriptions to the Treasury Department's loan of 500 million dollars had reached almost two billion dollars and subscriptions were still coming in by mail.

Q Have they the right to accept more than 500 millions of that if they want to?

THE PRESIDENT: I think so, but you had better check.

I think in most of the offers we say that we will take more. I don't think we will take more although we might take a little bit more.

Q There was a time, some time back, when they did not do that and the banks would subscribe far more than they would get.

THE PRESIDENT: I don't know what this one read but if we take a little more, it will be a small drop in the bucket. I don't think they run more than 25 or 50 million dollars, something like that. That raises a nice question we have not decided yet. One of the other government departments, the Farm Credit Administration, put in a bid for 20 million dollars of these Treasury bonds and the question is whether they

should get the preference or be scaled down like everybody else, and nobody knows the answer.

Q Anything about the rate of conversion?

THE PRESIDENT: It is coming in. The Secretary says it is coming in exceedingly well. I don't know what the figures are but that is a thing that will go on for several weeks. Nearly all of them come in through the banks.

Q The thing to do is to float a couple of more. Strike while the iron is hot.

Q What is your reaction to that showing?

THE PRESIDENT: Excellent in every way. Both the Secretary and I are delighted.

I got a report yesterday at the Council meeting from the interpreting economist. Some of the figures, I think, will be interesting to you. On agriculture, compared with the twelve months ending in March, 1933, prices of products which the farmer sells have showed an increase of -- this was up to September -- an increase of 32 per cent. The prices of the products which the farmer buys showed an increase of 11 per cent.

Q This is the period since March?

THE PRESIDENT: From March to September in comparison with the previous year March, 1932 to March, 1933. On manufacturing -- we haven't the same comparison --

in September factory employment in comparison with 1929 had recovered two-fifths of the decline and the income of factory workers had recovered one-fourth. The cost of living in September had risen 9 per cent since March.

I think those are the only salient ones and then, of course, with them you have the figures given out by Labor yesterday that showed the increase in factory workers and industrial workers.

Q Does the report of the economist show how far below parity the purchasing price of --

THE PRESIDENT: What do you mean by parity?

Q Pre-war parity.

THE PRESIDENT: Of course it is way down, but I couldn't give you the figures and that is one reason why we all feel that the price of commodities today is still too low.

Q Do you care to discuss the wheat embargo declared by the Governor of North Dakota?

THE PRESIDENT: No. All I can tell you is for background -- I suppose you can use it -- and that is that wheat is still altogether too low.

Q What sort of results are you aiming to get from your hog-buying program?

THE PRESIDENT: Well, you saw that announcement yesterday -- was it yesterday?

Q Yes, sir.

THE PRESIDENT: Of course, there again hogs and corn are too low. You see, here is one thing that I think we are all apt to fall into error on and that is seeing the trees and not the forest.

This is all part -- let me talk for a minute or two -- this is off the record entirely because we ought not to base a story on it since it isn't a story at all. There has been a good deal of talk about -- well, now, for instance, I think it was the Wall Street Journal this morning had an editorial. They took the orthodox point of view that there is this flood of money waiting for investment. Everybody has money to invest and it is held up from investment because we are not stabilizing, because we are not going back on gold and so forth and so on. Of course, that is a very comfortable, orthodox way of looking at it, and they use the expression that they want to return to the free use of money, and you and I know that we are not going to allow the free use of money in this country. We are not going to allow Doc Crawford, with one hundred thousand dollars, to become the owner of twenty million dollars worth of corn on margin. We are not going to allow the Steel Corporation to put in additional steel rail plants when there is altogether, at the present time,

at least twice the capacity of production that the railroads can possibly use. In other words, we are not going back in this country to the free use of money, and that crowd might just as well get it out of their heads.

It is the same thing in relation to the Securities Act. There is a very definite drive being made by certain elements to have the Securities Act modified or repealed. They would much rather have it repealed. They would much rather have the old, free use that they had before -- being able to sell watered stocks to you and to me. Well, they are not going to have that right any more. We are just awfully sorry, but the Nation says that we are not going to have the free use of money in the same sense that they had it before.

As a matter of fact, of course, the Securities Act was modelled on the British Companies Law that was passed, as I remember it, in 1922 or 1923. The London Market, which claims to be the leading financial market of the world, and probably is, has been operating under the British Companies Act since -- for ten or eleven years. That Act is based on the theory of publicity. Under it they have sent quite a number of gentlemen to jail as, for instance, Mr. Hattry and

a number of his associates. Our Securities Act was modelled on that law and hasn't even the strength of that British Act, it is not nearly as severe.

There will be mighty few changes, if any, in the Securities Act this Winter. I think we can bank on that as a pretty good prophecy. These people who claim they can't finance this, that or the other thing -- all they have to do is to bring an example of some refinancing or new financing some company wants and say why they can't issue the securities. Nobody has ever done that yet. All they are talking about today is in perfectly general terms that the Securities Act might lay them open to individual responsibility. Well, there won't be anybody sent to jail, if they carry out the provisions of that Act. It calls for reasonable care in checking up on the figures that they hand out to the public. It is based on good faith in the issue and what they state to the public, and nobody is going to go to jail if they can persuade the jury that they have been using reasonable care and good faith and adequate precautions. That is all it is based on. And the same thing is true about any kind of financing. In other words, the country is

working to the point today where private initiative -- individual free use of money, which is other people's money -- won't be permitted to waste your money and mine as, for example, and one which I have used on other occasions, in building new additions to old enterprises which couldn't possibly be used.

Somewhere around 250 million dollars have gone into steel rail plants that will never come out because steel rail plants can turn out four million tons and the railroads will probably never use more than one and a half million tons. There is an excess of $2\frac{1}{2}$ million tons a year which is capitalized at two million dollars a ton. That is your money and mine and we will never get it back. And those were conservative companies.

Q How are you going to prevent that?

THE PRESIDENT: Planning. I will give you an illustration which you cannot use because it would involve running the thing down and using the names.

A fellow came in the other day and wanted Government money in the way of a loan so that he could put up a new concrete plant. We have enough cement plants in the United States to turn out twice the cement we can possibly use. He was told a very simple thing. "If you will eliminate an equivalent amount of old cement plant production, all right, go ahead and build

the new plant." He wanted to keep the old and build a new one besides.

Q Suppose somebody comes in with an improved process?

THE PRESIDENT: That is a very different thing; nobody wants to stop that at all. In other words, new processes, improvements and other things are perfectly all right.

Q You commented on the Wall Street Journal editorial.

We have made the point of monetary uncertainty. Do you care to say anything about that?

THE PRESIDENT: Certainly. Here is this vast flood of money -- this is off the record, mind you -- I will ask the Wall Street Journal a simple question, "Where is it going? What would they put it into?"

Q All we can say is in the past it has gone some place.

THE PRESIDENT: Yes, into speculation, a large part.

Now, on the speculation end, that is another thing. You take the Chicago Board of Trade. Here is the question mark: 80 per cent -- I think it is somewhere around that figure, perhaps a little higher -- 80 per cent of all the trading on the Chicago Exchange is speculative. In other words, it is just fellows who are gambling in corn. They never take delivery of corn -- they just buy and sell something on paper, that is all. Twenty per cent is what may be called

legitimate futures operations. If I am a miller, milling flour, and I think the price of corn is at a pretty good level for me to buy, and I want to make future commitments for the sale of flour, six months ahead, and want to know what the corn is going to cost me, I want to make future contracts and, at the same time, in order to protect myself, I want to make a hedging operation so that I know that the corn will cost me a fixed amount.

If I am a cotton merchant and want to sell a shipload of cotton in Liverpool, it will take me a month to get it there. I am satisfied with today's price, therefore I will sell cotton in Liverpool. That is a hedge. Hedging is insurance where it is a perfectly legitimate transaction in the commodity itself. Nobody wants to stop it but, on the other hand, this fellow Crawford is an example of what depresses commodity markets. This last drop in wheat, which has cost the farmers of the country a very large amount of money, was caused not by any change in the wheat situation in the world, it was caused by the fact that a whole lot of speculators were long on it. They saw it slipping a little bit here and there as a result of a good deal of short selling and they got tired of making a loss and dumped probably several hundred thousand bushels of wheat in the market and

it broke to 68 cents. Who suffered? The farmers, and not because of legitimate dealings but because of speculators. Now, is that a right thing? I doubt it.

Take the Stock Exchange itself. Suppose Fred's (Storm) great-aunt dies and leaves him a million dollars --

Q (Mr. Storm) Swell. (Laughter)

THE PRESIDENT: -- and Fred leaves the newspaper business and starts to turn that million dollars into ten million dollars on the Stock Exchange. Of course, the chances are that he will lose it, like most people. But the point is that with that million dollars Fred can do an awful lot of harm to the securities that are owned. Let us say that you own some securities. You have to sell them for some reason -- let us say you have bought a house or are building a house, something like that -- and Fred's operations may cost you several thousand dollars. It is a great question as to whether that sort of thing ought to go on.

Q Are you looking for new legislation along those lines?

THE PRESIDENT: I think so.

Q On monetary uncertainty, do you see anything that might furnish some assurance?

THE PRESIDENT: No comment.

Q The Wall Street Journal is not for repeal of the Securities Act.

THE PRESIDENT: I did not mean the Wall Street Journal. Quite a number of people who are perfectly sincere and perfectly honest believe that until we go back to gold and until we stabilize and enter into an agreement with France on the French franc and England on the pound, and with Italy on the lira, here is all this money waiting for investment and that is the way to raise prices. The Lord only knows where that money would go, I don't.

Q Would you have any objection to using for background the fact that there may be new legislation to control speculation?

THE PRESIDENT: I think it is better not to because the thing is awfully vague at this point.

Q On your cement friend illustration: You could control that where he asks for an RFC loan or through the issuance of securities. But suppose it was a smaller operation -- and a lot of them would make it just as bad as one big operation -- financed through bank loans? Does the Government contemplate controlling that sort of thing through bank loans as well?

THE PRESIDENT: At the present time, no. We will come to it eventually.

Q You have it in the codes.

THE PRESIDENT: In effect, we have it in the codes.

Q Mr. President, what can you tell us about the retail code which seems to be somewhat along this line -- its price fixing?

THE PRESIDENT: I wish I could tell you something but, frankly, I haven't made up my mind. There are an awful lot of pros and cons that I haven't made up my mind on it yet. There is a lot of justification both ways. I am having a conference with various people this morning.

Q Can you tell us something about your Executive Order of yesterday with regard to penalties for code violations?

THE PRESIDENT: To tell you the honest truth, I was surprised to see any story at all because I thought it was a perfectly normal part of the operation.

Q It is at that, but it made a good story, just the same.

Q Are you for the modification of the Glass-Steagall Bill for insurance deposits?

THE PRESIDENT: Oh, no; that is in and of course the banks also have got the assurance that it is going into effect the first of January.

Q Mr. Berle made a speech last night that the deposit insurance wasn't going to work and some change would have to be made.

THE PRESIDENT: Not that I know of. We can't tell until we try it.

Q Any banking legislation in mind?

THE PRESIDENT: Not legislation. We are working at the present time on the definite list. All banks are going to be opened and insured on the first of January and I haven't any other story on it.

Q Is that proceeding satisfactorily?

THE PRESIDENT: Getting on very well. The only thing I think you can say on it is that not merely the overwhelming majority but practically all the banks opened now are going to stay open. Of course there will be a few very small exceptions.

Q Is that question all bound up in the general lining up of this new banking program, the liquidation of the solvent but non-liquid banks and the general banking program you spoke of some time ago?

THE PRESIDENT: There are the two phases. One is the banks that have closed from the first of January down to date. You got that story. That is going ahead. The other one is the actual putting into effect of insurance on the banks now open.

Q Is there any definite date you might give us to expect to begin operations on the opening of banks that have been closed?

THE PRESIDENT: I don't believe I can give you a definite date. I hope to have a schedule by next week.

Q Thank you, Mr. President.

THE PRESIDENT: By the way, before you go out, one thing, also off the record. I don't know -- I haven't checked with Jefty O'Connor, but Jefty said something about the Postal Savings. We are not going to close up the Postal Savings Bank.

Q Did you give any attention to the Los Angeles Post Office matter? There was some question as to whether it would be built or turned down. I wondered whether it had come to your attention.

THE PRESIDENT: You will have to ask Ickes or somebody on that.

Q You mean the new post office?

THE PRESIDENT: We have approved a lot of them. I don't know what is open. I don't know about the others -- what they are doing.

Q This NRA punishment for chiselers, is that to be tried and penalized by the NRA or turned over to the Department of Justice or district attorneys?

THE PRESIDENT: I haven't the faintest idea. I don't know.

Q Thank you, Mr. President.

(The Press Conference adjourned at 11 A.M.)

CONFIDENTIAL
Press Conference #62
Executive Offices of the White House

October 20, 1933, 4.05 P.M.

THE PRESIDENT: Shut the door and nobody to go out.

It is not fair to the people in the front row if anybody sneaks out. I have two letters which I will read to you and copies will be available for you at the close of the conference on your way out. (Reading) "The White House, Washington, October 10, 1933." That was almost two weeks ago. What is today, the 20th?

Q Yes, sir.

THE PRESIDENT: (Reading)

"THE WHITE HOUSE
Washington, October 10, 1933.

"My dear Mr. President:

"Since the beginning of my administration, I have contemplated the desirability of an effort to end the present abnormal relations between the hundred and twenty-five million people of the United States and the hundred and sixty million people of Russia.

"It is most regrettable that these great peoples, between whom a happy tradition of friendship existed for more than a century to their mutual advantage, should now be without a practical method of communicating directly with each other.

"The difficulties that have created this anomalous situation are serious but not, in my opinion, insoluble; and difficulties between great nations can be removed only by frank, friendly conversations. If you are of similar mind, I should be glad to receive any representatives you may designate to explore with me personally all questions outstanding between our countries.

"Participation in such a discussion would, of course, not commit either nation to any future course of action, but would indicate a sincere desire to reach a satisfactory solution of the problems involved. It is my hope that such conversations might result in good to the people of both our countries.

"I am, my dear Mr. President,

"Very sincerely yours,

"FRANKLIN D. ROOSEVELT.

Mr. Mikhail Kalinin,
President of the All Union Central
Executive Committee,
Moscow."

To which he replied:

"Moscow,
October 17th, 1933.

"My dear Mr. President:

"I have received your message of October tenth.

"I have always considered most abnormal and regrettable a situation wherein, during the past sixteen years, two great republics -- The United States of America and the Union of Soviet Socialist Republics -- have lacked the usual methods of communication and have been

deprived of the benefits which such communication could give. I am glad to note that you also reached the same conclusion.

"There is no doubt that difficulties, present or arising, between two countries, can be solved only when direct relations exist between them; and that, on the other hand, they have no chance for solution in the absence of such relations. I shall take the liberty further to express the opinion that the abnormal situation, to which you correctly refer in your message, has an unfavorable effect not only on the interests of the two states concerned, but also on the general international situation, increasing the element of disquiet, complicating the process of consolidating world peace and encouraging forces tending to disturb that peace.

"In accordance with the above, I gladly accept your proposal to send to the United States a representative of the Soviet Government to discuss with you the questions of interest to our countries. The Soviet Government will be represented by Mr. M. M. Litvinov, People's Commissar for Foreign Affairs, who will come to Washington at a time to be mutually agreed upon.

"I am, my dear Mr. President,

"Very sincerely yours,

"MIKHAIL KALININ.

Mr. Franklin D. Roosevelt,
President of the United States of America,
Washington."

I don't think there is anything much to add to that except this: This won't fall on you people, but there is a certain difficulty which the press

always has and that is the headline fellow. And he is very apt to copy your leads. I hope that before you send your stories in that you will read both of these letters. They describe the situation 100 per cent. This is a request and an acceptance of the thought of sitting together at a table to see whether we can devise means for settling various problems that exist between two great nations, two great peoples. That is as far as it goes. And that is all it is.

Q Mr. President, could you indicate to us some of the problems that need solution?

THE PRESIDENT: I wish I could. You know, there are a lot of them that have come up in the past sixteen years, some of them are very old problems and some new. If I were to start listing them for you I would have to consult the State Department first. I would be afraid to start listing them.

Q When is he likely to come over?

THE PRESIDENT: On that we have had no further exchange, but I hope very soon.

Q Will he be received at the White House? Would he stay at the White House?

THE PRESIDENT: Oh, heavens! Good Lord, I haven't begun to think of that yet. Of course I have had Prime

Ministers at the White House -- that is just for your general guidance. I would not write any crazy fool story. You know what the past history is.

Q With whom would he talk?

THE PRESIDENT: With me.

Q How were those letters sent -- by personal messengers?

THE PRESIDENT: Sent by cable. Heavens, yes; I couldn't have gotten the answer any other way -- it is dated the 17th.

Q Any comment on the vote of the farmers of Nebraska and the embargo in North Dakota?

THE PRESIDENT: Only what you already know. The Administration is seeking to raise the prices of commodities. There is nothing new in that. There is no change in policy.

Q In connection with your plans, is the Administration considering price fixing?

THE PRESIDENT: There again, it would take me half an hour to discuss price fixing with you. It depends entirely on the crop and the emergency and so forth. We have loaned money on cotton up to a certain point. We have agreed, made a partial agreement on hogs and corn. We have made an agreement that fairly well establishes the price of tobacco. I do not call it price fixing. That gives people the wrong impression.

Q Do you think the farmers are too restless?

THE PRESIDENT: Now, Charlie (Hurd), that is just an opinion question, an "if" question.

Q Is there anything new on the captive mines situation?

THE PRESIDENT: There have been two exchanges, one letter from either Myron Taylor or --

MR. McINTYRE: It was Taylor, I think.

THE PRESIDENT: And then a reply from me to him. They have not, either of them, been given out and my reply went to him about two days ago. Just an effort to make progress, that is about all you can call it.

Q The last two or three days we have had stories that these conferences between the steel company people and the miners' unions have virtually fallen through. Can you tell us anything with regard to that?

THE PRESIDENT: Again it would take me fifteen minutes. I would have to go into the whole thing. They were adjourned temporarily until the letters were written. I don't know whether they have been resumed or not. Anyway the situation is still in flux.

This correspondence is being given out in Moscow at the present moment. It is now 11.30 P.M. there.

Q Getting back to the Russian question. Does the bringing of the Commissar Litvinov over here constitute

recognition in any sense?

THE PRESIDENT: Just read the two letters -- they tell the whole story. There isn't anything more. There again is just what I want to avoid. I don't want the headlines to say that the United States recognizes Russia. All we have had is the exchange of letters and a gentleman coming over here to talk and that is all it is.

Q Why don't we say it is a forerunner of recognition?

(Laughter)

Q Any public works' money been allotted for motorization and airplanes?

THE PRESIDENT: I think there is some coming. I don't know whether actually allotted or not, but it will be a small amount because we don't want to allot too much -- there are a lot of other things.

Q How about the retail code?

THE PRESIDENT: That hasn't come to me yet.

Q Mr. President, there is a forgotten man down here.

Can you tell us anything about the progress of that retail code -- when you expect to sign it?

THE PRESIDENT: I don't think it is completed yet.

Richberg is waiting outside to talk to me about it.

I don't think it is in final form.

Q Any indication of time -- two or three days?

THE PRESIDENT: I hope so -- by the early part of the week. Richberg wants me to sign it this afternoon. I can't tell you whether I will or not.

Q Are you agreed on the minimum mark-up in the retail code?

THE PRESIDENT: I haven't seen it.

Q Thank you, Mr. President.

(The Press Conference adjourned at 4.15 P.M.)

CONFIDENTIAL

Press Conference #63

In the President's bedroom, at the White House

October 25, 1933, 10.45 AM

THE PRESIDENT: I thought I would have you up here instead of postponing things until this afternoon. The reason I am held in bed is because I have just had a lamp on me. It is just a cold in my nose and nothing else and no temperature at any time. I will be up in fifteen minutes.

That lamp, infra red, is a perfectly grand thing.

Have you ever tried it?

Q No.

THE PRESIDENT: I had it on my nose and it clears up in just about ten minutes.

Q What do you call it?

THE PRESIDENT: Infra-red. It is just a heat lamp.

Q Just the opposite of a violet ray?

THE PRESIDENT: It is what they call the other end of the spectrum.

Q Any truth to the report from New York?

THE PRESIDENT: What is it?

Q This was about Mr. McKee being reported as insinuating that he has your backing and that LaGuardia will be against you.

THE PRESIDENT: I will have to be perfectly frank. The only

thing I can tell you on that is for background. I haven't even read what is going on in any local election. I haven't had time. I don't know and I can tell you, I think, another thing which we had best keep off the record -- entirely off the record. There was a certain municipality where they were having a primary fight about two months ago and some member of the Cabinet went there to make a speech on -- oh, I know who it was, it was Johnson. He had to make an NRA speech and one of the factions there in this primary fight met him at the station, grabbed him and took him to dinner and one of the leading people in that faction was the fellow who introduced him. So the next day -- Johnson didn't know anything about this thing -- and the next day that particular faction all over this particular city claimed that the Administration was backing them. "Didn't we have Johnson last night? Didn't we wine him and dine him and introduce him?" So at once the opposition began telegraphing me and demanding whether it was true that the Administration was backing the other faction and we did a perfectly silly thing. We said, "Why, no; of course not." Whereupon the other faction said, "Oh, ho. You see? They are not backing this faction, they are backing us." (Laughter)

That story is a perfectly good moral applying to any local election. We are, simply, not taking any part, and it is perfectly true that I haven't read the papers. There are too many local elections in the United States. And another thing, I don't vote in New York City and never have. I can tell you a lot about Dutchess County, but that is different.

Q Are you going up there to vote?

THE PRESIDENT: I am going to vote by mail.

Q Did you ever happen to meet Peter Pratt who ran the Pratt House?

THE PRESIDENT: Of course. He was a grand old fellow. How many speeches have I made from the front porch of the Pratt House?

Q Are you considering a revamping of the Tariff Commission, putting it into some department, like the Department of Commerce?

THE PRESIDENT: That has not been considered at all. I don't know where that story came from.

MR. EARLY: It came out of the Humphrey thing, sir.

THE PRESIDENT: He wasn't Tariff.

MR. EARLY: Federal Trade.

Q We figured that what happened down there might happen another place.

Q I have a request question. Is there anything new on the whiskey question or the whiskey regulations?

THE PRESIDENT: No. That informal committee and the different departments concerned are going to make some kind of a preliminary report within a couple of days. I don't even know whether they have had a ruling by the Attorney General. That is the first thing before we do anything else.

Q Just what will it cover; the report, I mean?

THE PRESIDENT: The first thing it covers is what happens the day the Eighteenth Amendment is repealed.

Q What taxes go into effect?

THE PRESIDENT: We don't know. The import duties and the taxes and does the old medicinal import law continue on the books. We don't even know that.

Q Have you any definite plans for Armistice Day -- your own personal participation?

THE PRESIDENT: I am going out to lay a wreath.

Q Anything else?

MR. EARLY: You are to lay a wreath and Mrs. Roosevelt will lay a single rose on the Tomb of the Unknown Soldier at eleven o'clock.

Q No speeches?

THE PRESIDENT: No. I do not think I have any more speeches scheduled at all. I did altogether too much talking the last two or three weeks.

Q The question of the constitutionality of having the RFC doing the gold trading has been raised. Do you have any question in mind about that?

THE PRESIDENT: The Attorney General has ruled on it.

Q There seems to be some difference of opinion among the --
(interrupted)

THE PRESIDENT: The Attorney General has ruled on it.

Q Will there be an Executive Order? Jesse Jones indicated there would be this morning at the Treasury.

THE PRESIDENT: No. They fixed the price this morning.

Q 31.36. The London price is 30.99. Is that news to you?

THE PRESIDENT: I knew it had gone up a couple of shillings.

Q Any discussion or further illustration of the monetary policy? (Laughter)

THE PRESIDENT: I thought the speech covered that all right.

Q I came over here burdened with questions, none of which seem worth while asking unless you want to discuss it in a general way.

THE PRESIDENT: Here is the thing. Of course everybody in New York would like to have from me a schedule for sixty days

or a year ahead saying exactly what will be done every morning before breakfast. It is perfectly natural that they would like to have it. But what we are aiming at is an objective.

Q Is this off the record?

THE PRESIDENT: No. You can use this for background. And, of course, when it comes down to an announcement of what will be done tomorrow or a week or a month ahead, that is perfectly impossible. Great Britain doesn't do it and no nation does it in their governmental financial operations. Nobody knows what the British Treasury or the Bank of England is going to do tomorrow or what the Bank of France is going to do.

Q Of course it is perfectly impossible to say now when or if any foreign operation may be engaged in?

THE PRESIDENT: No.

Q In that connection, I wonder if you are ready to say yet whether the Treasury gold, already held by the Treasury, will be revalued in any sense or in connection with the purchases by the RFC at higher prices?

THE PRESIDENT: That is like asking a question: "Are you going to issue a proclamation?", which I have power to do under authority of Congress. But, of course, I can't

say anything at all. That is what lots of people would like to know.

Q Do you consider it a favorable sign the way foreign exchange markets have discounted the mere announcement of this new policy?

THE PRESIDENT: There again you are bringing in a factor which should not be over-emphasized, and that is the foreign exchange value. It is the same thing that appeared a little bit in that AP dispatch a week or ten days ago in which the very excellent phrase was used about the 4% tail wagging the 96% dog, which is a peach.

Q (Mr. Stephenson) I wish I could take credit for it. (Laughter)

THE PRESIDENT: That is the difficulty of over-emphasis of what happens in regard to foreign exchange, except there you find a single factor of the American Government's policy. You have the other factor of British and French stories, etc., over which we have no control.

Q Can't that be fairly interpreted as a pretty definite reaction to the single policy of which you speak?

THE PRESIDENT: Not necessarily, because I haven't the vaguest idea of what they are going to do. They may reverse the trend this day, this moment.

Q What response have you had on your speech Sunday night?

THE PRESIDENT: We have had -- how many? -- 2,000 telegrams.

MR. EARLY: That is a fair number.

THE PRESIDENT: I think that is a fair number because I have had three big stacks that must run seven or eight hundred to the stack and shows the value, by the way, of going through those stacks. I found in the stacks which were classified as relating to the monetary end -- the speech -- I found three or four owners who wanted immediate action taken on the foreclosure of their mortgages. They could have gotten lost if I hadn't gone through them. We had two telegrams on the monetary end which were not favorable. One was from a gentleman in New England who says, "Don't like your speech; don't understand it." And the other one was from out West. What did that one say? It was rather a gem; it said, "Think you are all wrong. Silver is the only proper medium of exchange."
(Laughter)

Those are the only two telegrams, really.

Q Are they for direct quotation?

THE PRESIDENT: If you want them. One fellow didn't understand and the other thought silver was the only medium of exchange.

Q I see your speech converted the great Hoover Republican in the State of New York, Frank Gannett.

THE PRESIDENT: Yes; tickled to death. I got an awfully nice telegram from Frank Gannett.

Q He was the only die-hard left in the State of New York.

THE PRESIDENT: By the way, Ruby Black, off the record, brought in some clippings from the Portland, Maine, paper with the reference to/Gannett up there.

Q They are not relatives at all.

THE PRESIDENT: I wondered about that because the Gannett up there is thoroughly in wrong.

Q He has been sued for libel and so on.

THE PRESIDENT: I saw Phillips this morning and they do not know yet, definitely, but think that Mr. Litvinov is coming here very early in November. They do not know the definite date.

MR. EARLY: The papers say he will sail Thursday, which is tomorrow.

THE PRESIDENT: Very early in November, and that does bring up a rather difficult problem with respect to the Secretary of State going to Montevideo because I do want him in both places. That is why I am hoping that Mr. Litvinov will get here before the Secretary of State has to sail for Montevideo.

Q Then the Secretary is going to Montevideo?

THE PRESIDENT: Yes. I hope very much that the two things will work out so as to give him time to be at both parties.

Q My understanding is that the last boat which can make that Conference leaves on November 11th.

THE PRESIDENT: I think it does. I don't know whether it is the 11th or the 7th.

Q It is the 11th, I think. There is one on the 4th and one on the 11th.

Q Any callers today?

THE PRESIDENT: Various people, Wallace and several others.

Q Anything on the Captive mine situation?

THE PRESIDENT: I have not heard a word except -- you cannot use it -- a confidential message from Mr. Myron Taylor's secretary to Mac yesterday that they hoped to have an answer for me within twenty-four hours. There has been this correspondence I told you about the other day.

Q Anything to be said on the returns from the President's re-employment survey -- those cards which have been sent out in large numbers?

THE PRESIDENT: I don't know when they will come in.

Q I understand they are coming in but don't know the machinery that is handling them. It is in NRA, isn't it?

THE PRESIDENT: Yes, it is in NRA. Of course, the difficulty of any definite figures is that there are so many nooks and crannies you can't reach.

For instance, in Hyde Park there have been quite a number of people out of work in the Village of Hyde Park. Now those who find work in Poughkeepsie would naturally be reported on but, on the other hand, five or ten men might find local work on painting houses, etc. They don't come under any large employer and you would not get a return on them at all. That is why I think I was perfectly conservative in that estimate of four million people back to work that I used the other night.

The Federation of Labor figures showed three million six hundred thousand, and the Department of Labor figures only showed three million, but the Department of Labor figures only took in industries and, in addition to that, there are small towns all over the country where there are men who have gone back, but nobody is reporting those men who have gone back. For example, a farmer puts on an extra man or a fellow gets his house painted. That is why I think four million is a perfectly conservative estimate.

Q Anything further on the farm strike situation in the middle west?

THE PRESIDENT: I haven't heard a word outside of last night's papers.

Q The answer on the captive mine thing is expected in the next twenty-four hours?

THE PRESIDENT: You had better say "shortly".

Q Sort of getting tired of waiting for that, aren't you?

THE PRESIDENT: Sort of long drawn out. It is a nuisance.

Q Getting back to those figures, you used also that 13 million. Is that from the Federation of Labor statistics?

THE PRESIDENT: They said 13,650,000 or something like that.

I took that, but I took some off of it because a lot of their figures, inevitably almost, coming from the heads of local unions, include among the unemployed people who have had, during the course of the month, certain odd jobs. Now, as a very simple example of that, which I would rather you did not use, because it is a personal one, is a carpenter up there at Hyde Park who does belong to the local union. They put him down as unemployed and he had reported himself as unemployed, but actually that carpenter had made during the course of the month \$30 on odd jobs. That is why I cut the thing down a little bit to around thirteen million.

Q Do you anticipate that these employment cards that are coming in will bear you out in the four million?

THE PRESIDENT: No. Of course, there again these employment cards will come from places with populations over 2500 and you have to average it. There is no way of getting a definite census except through the ten-year census.

Q The question of Cuban recognition has come up. Anything new on that, or any developments in prospect?

THE PRESIDENT: All I know is that I said to Bill Phillips, "Anything new on Cuba?" And he said, "No."

Q We won't recognize them today, then? (Laughter)

THE PRESIDENT: I suppose I must get up and go in and begin seeing people. I think I will be over at the office tomorrow.

Q Thank you, Mr. President.

(The Press Conference adjourned
at 11.00 AM)