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CALVIN COOLIDGE

REMARKS
by the PRESIDENT to
NEWSPAPER CORRESPONDENTS

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VOLUME VII

July 2, 1925 - December 31, 1925

Friday, July 2, 1926.

Report of the Newspaper Conference.

I am not sure just what time I shall leave, or rather what day, to go up to White Pine Camp. I can't leave earlier than Tuesday and I should expect to get away certainly by Wednesday.

I haven't any more information about the investigation by the Federal Trade Commission of the gasoline industry. Here is a speculative inquiry as to the effect of larger output on prices. I don't consider myself any better qualified to discuss that than the gentleman who asked the question. I suppose it will be apparent that if the price went up undoubtedly that would stimulate production, and if it stimulates it enough an oversupply would be produced which would undoubtedly have the effect of a reduction in prices. There has been an increase in production. Whether that is taken up by an increase in consumption would be a matter that would have to be considered in order to make any estimate as to what effect the increased production would have on the price. I think there are some 3,000,000 more automobiles this year than there were last, which undoubtedly causes a larger consumption of gasoline than in past years. There aren't any developments in the Fenning case which I have knowledge of, other than those which have been reported in the press.

Press: Could you say whether or not the Attorney General has made that report you have been looking for?

President: He hasn't made any report. I have asked him, as I

stated the other day to the conference, to keep watch of the situation and keep in contact with the Committee to see if any action is necessary on my part.

I shall go to the Capitol tomorrow to sign bills. I found after thinking it over that I recalled very clearly going up two years ago. There was some question about that in my mind that arose at a previous conference as to whether ^{the} President went up at the interim recess of Congress, or whether he only went up when Congress adjourned on the 4th of March, or went out of existence. He goes up at each time. While it has never been decided I think by a court of last resort whether the President has authority after Congress recesses to sign bills, some bills have been signed, but it has usually been the practice not to sign bills after Congress adjourns. I recall very distinctly being up there two years ago. I know Senator Lodge was Chairman of the Committee, being the majority leader, and he came in and notified the President that the Senate was about to adjourn and inquired if there was any more business. Something occurred during his conference with me, so that the President Pro Tem adjourned Congress before the committee got back to report - adjourned the Senate.

Did you find out Mr. Sanders - did you find out whether any Cope-land case had been sent over here from the Department of Justice?

Mr. Sanders: It has not come, Mr. President.

President: I had an inquiry as to whether any report had come

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over here from the Department of Justice relative to an application for a pardon for a man named Copeland in Buffalo. No such report has come here. No application has been received here for any pardon for a man by that name.

Tuesday, July 6, 1926.

Report of the Newspaper Conference.

Here is a question about the Shipping Board putting on more ships to transport wheat from the gulf ports. There is a large crop of wheat this year in that area that naturally sends its crop abroad through the gulf ports - Oklahoma and Kansas. That crop is now coming in. They are thrashing it. I took up with the Shipping Board the matter of putting on more ships and they had arranged to do so. I was told by Secretary Hoover and Secretary Jardine that they got the impression that they didn't intend to put on more ships down there, so I told Secretary Hoover and Jardine to go down to the Shipping Board and see if they had been correctly informed. They found out when they got down there that their information had come from some subordinate and that the Shipping Board itself was well aware of the necessity of more ships and that they are preparing to put them on. I think they are preparing to put on as many as 50, should it be necessary. One of the reasons why we need to put on more there is because the ordinary tramp ship that is oftentimes available for that kind of cargo is busy just now in the coal trade, on account of the cessation of the production of coal in England due to the strike. So we shall have plenty of ships there to take care of any situation that may develop.

There is no foundation for any suggestion that Assistant Secretary of the Treasury Andrews is going to resign. I have noticed some comment about that in the press, but I was just speaking with Sec. Mellon about it. He says that ~~the~~ Secretary Andrews will stay in his position.

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I am leaving this afternoon at 5:00 o'clock for the Adirondacks.

I don't know of anything that will be done in the immediate future about the 3 judicial appointments in Alaska. I think I may be able to take some action about the Middle District of Georgia very soon. I have got to make some inquiries of different people about that before I can make a final determination.

I don't know whether any communication has come here from a Frederick Peabody about the cancellation of the British debt. I think I saw some reference to that in the press. I don't recall having seen any communication come here. I took it to be the device that is oftentimes adopted of some one that wants to get a communication published so as to get their ideas before the public - they write a letter to the President.

Judge Van Fleet came in this morning to bid me goodby and also to say that he would like to retire from the Federal Trade Commission to go back to the practice of the law. I am urging him to stay. He is not going to retire just at present anyway.

There hasn't been any further report about Commissioner Fenning, but I expect that he will retire and some one will be appointed to take his place.

I would like to take this occasion to express my very deep appreciation of the splendid reception that the people of Philadelphia accorded to me on my visit there yesterday and the great interest they showed in coming out on such a threatening day to listen to my address, especially the great throngs that lined the streets on either side where it was known that we would pass.

I don't think that I have had such a marked reception on any visits that I have

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made to different parts of the country.

I would like to say also that I am very much gratified with the work that the Congress did. There was a very large amount of constructive legislation. The principal thing that will affect the country is the reduction of taxation. I wasn't able to do a great lot with the reduction of expenditures, but we did keep expenditures down fairly well. There was no bill of general importance that passed that I did not approve. There were three or four small things. I sent up a couple of veto messages of personal and local significance and there were three or four bills that I decided not to sign. One of them I hadn't been able to make up my mind about it. That is the bill relative to taxation of lands in Oregon and Washington. That didn't come in until just as I was about to leave the office to go to lunch and from lunch to the Capitol, so I didn't have a chance to investigate it. I am investigating it now to see whether I ought to approve it or leave it disapproved. The tax measure I would say was the most important piece of legislation. The approval of the World Court and the manifest desire to place that on a basis where its independence would be made more secure than it is now, leaving the other nations to approve that policy, is a matter of importance in international relations. I think that there wasn't much of anything in the way of treaties. The Laussane treaty and the treaty relative to the sale of arms and the use of gas didn't come up for final consideration. The Railroad Labor bill will we hope develop into a very important policy, because of the significance of it of leaving the management of the railroads and the employees to agree among themselves with the very manifest disposition of a new desire on

their part to harmonize difficulties that may arise and adjust them without the interference of the Government. And of course there is the building law which really represented a new policy of making a lump sum appropriation and leaving the administration of it and the disposition of it to the Secretary of the Treas. I also believe the Postmaster Gen. comes in on things that are of interest to the Post Office Dept. Then the aviation bill was very important, which also is the adoption of a new policy of administration. With the great amount of discussion that had been going on through the summer months in relation to the aviation situation, the present bill is in a very wonderful way, I think, almost in entire harmony with the recommendations made by the Navy Air Board, a considerable step in advance. There are some things that remain to be done. We passed a bill that had been agreed upon in the fall as a result of conferences between the Sec. of Agriculture and the Cooperative Farm Associations that is of considerable importance for the betterment of the cooperative farm movement in the country. There are some things that have been left undone. Muscle Shoals hasn't been finally determined. I spoke of the two treaties. Coal legislation hasn't been finally passed upon. And legislation for the consolidation of railroads. Another matter of importance which awaits future action is legislation relative to the licensing of radio plants. I think those are the principal features of this Congress. But the fact remains that no legislation of general import was passed that didn't have my approval and in all the main features that I desired to have the Congress act upon I secured favorable action. I don't want to make the personal pronoun there too large. I happened to express it in that way.

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some of the
I think the success of the present Congress was due to the fact that they assumed very largely their own responsibility and undertook to function as an independent legislative body without too much interference on the part of the Executive or too much subservience to the wishes of the Executive. That is I mean, trying to determine questions on their merits. As a result of that policy there was very little of partisanship that was shown in the decision of any large questions. There is another item that I left out, which of course is of tremendous importance, and that is the settlement of our foreign debts. I would place that as one of the major accomplishments of the last Congress. I didn't make any memo. and I presume that after you are away several others will occur to me of important achievements. You have my consent to put those in, if any of you think of them. ~~Index~~

I don't know how many of you are thinking of going with me up to the Adirondacks, as many as can I hope. Those who go I shall see up there. Those who stay in Washington I shall not of course see, and I wish to take this opportunity to express my amazement at the constant correctness of my views as you report them to the country. It is very seldom that any error creeps in. I don't know how that could be done. I wouldn't be able to report as correctly the views of any one of you. I don't know how you get before the country so clearly and so well my views as you do. And I also want to thank you for the consideration with which you have always treated the Presidential office during the time that I have been President. It has been very helpful to me in the transaction of the public business and I think very helpful to the country in coming to a comprehension of

of what the Government is trying to do, how it is trying to function, what efforts it is making to benefit the condition of the people. I hope those of you that stay here or go to some other part of the country will have the opportunity to have as pleasant a summer as I expect to have and as those who go with me I know will have.

Friday, July 9, 1926

Report of the Newspaper Conference.

It has been suggested that I state to those that haven't been in the habit of attending White House conferences that the President is never quoted. These conferences are held in order that members of the press may get a correct idea of what the policy of the Government is as represented by the President, and they have a right to use the information that is given to the conference as though it were their own information, but not ever to make a direct quotation of the President.

My work goes on here very much as it does in Washington. I don't see quite so many people; that is about the only difference; about the same amount of things come to my desk. And I haven't any plan for rest or diversions here other than what might occur to any of you. I have come up here mostly to get a change, as I said in Washington, if the White House were up here I might want to go to Washington for the summer, but being down there I thought it would be a help to come up here.

I don't know anything about the election of General Dalton as President of the Emergency Fleet Corporation, other than what I have seen in the press and a wire that came to me I think from Chairman O'Connor, containing the bare statement that General Dalton had been elected. I knew that he was under consideration with several others, and I think Chairman O'Connor asked me if I had any preference about it, and I told him that all the names he had under consideration were men that appeared to qualify and it would be entirely agreeable to me to have the

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Board use their own judgment about which of them they wanted to choose.

I haven't any special plans for tomorrow. I expect to attend church Sunday, but just where I shall go I am not certain. I don't know what churches there are about here.

I doubt very much if I shall have time while I am here to visit the Saratoga battlefield. How far away is that?

Press: About 100 miles.

President: Well, that is probably farther away, if it is 100 miles, then I should care to go. It makes too long a trip for one day and a good many inconveniences for the President, as you know, to try to remain away overnight.

There wouldn't be anything I could add to the statement about the plan of the Shipping Board to sell more of the United States Ships. I have stated my policy about that in my several messages to the Congress. Whenever there is an opportunity to make a ~~reason~~ reasonable disposition of our ships, I am glad to have it done. I want them of course to go into the hands of responsible parties with some assurance that they are going to be operated and the knowledge that they will be available for the defense of the United States in case of necessity and secondly, to serve the commerce of the United States. And I prefer to have all the lines we can in the hands of private owners and operators. The Shipping Board made a very good showing last year on reduction in expenses. I think the reports would show that they carried more freight and cost a great deal less money out of the Treasury than it has in the past.

I haven't any plan about automobile trips away from the Camp. I expect to go over to Vermont some time in the near future, possibly next week. I am not quite certain about that yet and no doubt I shall know long enough ahead so that I can get ready, and I am sure the press can get ready as quickly as I can.

Have you any idea how long you will stay there, Mr. President?

No, just a few days. As I stated, I expect to go to church Sunday, but I don't know where.

I have no information about a demonstration that is to take place in France, so I don't care to make any comment about it.

There is nothing further developed in relation to Commissioner Fenning, but I expect that he is going to retire.

I doubt if my fishing up here is a matter of very great or national importance, and I have always understood that it was very bad manners to question any stories about fishing.

I haven't any information at all about Commissioner Rudolph. I had heard that his health was not good for nearly a year, but I haven't seen him for some time so I couldn't add anything to that other than that it is virtually a mere rumor that came to me. I didn't pay any particular attention to it.

I think I will reiterate that I was especially pleased with the work that the Congress did and because I didn't want to take all the glory of it I hope that won't be misunderstood. I thought it was especially to the credit of the Congress that they had functioned as a legislative body in accordance

with recommendations that I had made in my without being constantly forced into some position by action on my part. I think Senator Curtis is entitled to great credit for his management in the Senate. It is a difficult position that he had. He possesses great tact and great experience, and has a wide knowledge of parliamentary law. I depended upon him when I was President of the Senate to advise with me about intricate questions of parliamentary law and found him very scholarly in that regard. And in the House the Speaker, Mr. Longworth, was equally successful - and Floor Leader Colonel Tilson. I saw more of Colonel Tilson than I did of the Speaker. That was because Colonel Tilson was directly in charge of things on the floor, though he always acted with the advice and concurrence of the Speaker, but it happened that I conferred with him oftener than I did with the Speaker on account of that arrangement that they had. I don't see how ~~they could~~ either body could have been conducted during the session better than they were, and it is very difficult to see how they could have produced more constructive legislation and spent less time in useless debate than was spent in the last session. I don't recall a time when there was greater harmony between the Executive Branch of the Government and the Legislative Branch than there has been since I have been President. I have had the support of Congress in all major things that I have been interested in and some things that are not decided yet, but those that have been decided have almost all been decided in accordance with my recommendations.

I have here a statement that I am giving out for the press relative to those sailors whose bodies were recovered in the S-51.

Tuesday, July 13, 1926.

Report of the Newspaper Conference.

I don't know whether Senator Wadsworth will get an opportunity to come up here this summer. It is my recollection that I told him I would be pleased to have him come if he was in this section at any time. Very likely he may call on my later.

Do you expect Representative Snell to come up here, Mr. President?

President: Well, only in a general way that I expect those with whom I have been associated in Washington that are in this vicinity to drop in from time to time. I think I made the same suggestion to Representative Snell. I think this is his District?

Press: Yes.

President: I told him I was going to be in his District this summer and hoped he would have a chance to come in, and he said he would try to come. I haven't any plans for any other visitors that are definite. I should expect that there would be about the same number and class of people come to see me here that came when I was up at Swampscott last year, with the exception that that was a little more accessible. There were located within 20 or 30 miles of me there a couple of million people, a good many of them old friends of mine. Up here the population is not so dense. Perhaps there wont be so many people come here. Everyone from the West that comes East naturally goes ~~through~~ to Boston. Of course this is rather off the beaten path up here. People that may be leaving the West to come to the East go through Utica and they wouldn't come

by here.

I haven't any definite information about the Geneva Conference. I haven't had any official reports on that since I came to White Pine Camp. The last I knew they were making reasonable progress on the problems before them. This is a preliminary conference and for the purpose as I understood it of laying out an agenda for the final conference that will occur some time later. I understood that they had decided on a form for a great many questions. Some questions there is a difference of opinion about. I assume that such questions as that will be taken up when they come to the plenary conference.

I am not certain when I shall leave for Plymouth. I thought last week I might get away the latter part of this week. I am not sure about that now.

Nothing further developed in the Fenning case.

There will likely be a good many surmises and suppositions as to what I am going to do about the Congressional elections. I have no particular objection to those being made if it is understood they are surmises, and that I have no plan about it at the present time, and that the public will understand that such reports as ~~that~~ they read from time to time are suppositions.

I think nothing is being done about the negotiation of a treaty relative to the construction of the St. Lawrence waterway. What we have is a joint board of engineers that are working on the problem to find out just what is involved in it, what engineering works will have to be put in, what the cost would be, just where the works would be located, and so on and so forth. When those facts have been developed it would be then that the matter would be ripe for

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negotiation relative to a treaty, but until those facts are developed of course there would be no action that could be taken relative to the making of a treaty. I haven't any plan about any visit to the St. Lawrence River power development section. There wouldn't be anything there that I know of that I could see that would help in the solution of the problem,^{it}/being much more desirable to me to sit down with the maps and plans and reports of the engineers than it would be to try and do original surveying and engineering work itself.

Mr. President, have you any idea when the engineers are expected to report?

No, I don't. There is a joint board working on it. I had expected that they would probably be able to make some report this Fall. Sometimes those things progress rapidly and sometimes they are matters of long delay. It is difficult to speculate about them and make accurate forecast.

I hope you gentlemen are enjoying the weather and the location up here as much as I am. I find it exceedingly pleasant and everything very much to my satisfaction. Of course I have the usual amount of work to do up here, but am not tied up mornings and afternoons in conference and have more time for outside work. We are all up here as the recipients of hospitality and I hope that the press may be able to point out the good things about this place. I don't find many drawbacks about it myself. I don't happen to have many inquiries this morning.. The other day I had quite a lot of inquiries about mosquitoes. I didn't know that that was a subject that required Presidential

utterance. But mosquitoes don't bother me as much up here as they would on the South Portico of the White House. What I was trying to indicate to the press is that they not esaggerate anything unduly that might tend to drive people away from this region, when they are here and in receipt of hospitality.

Press: Can you say anything about fishing, Mr. President?

President: Progressing very well. I have fished some in the lakes. I find fishing very good up here and enjoy it very much. The sun I find is a little warm, but not unbearably so, - not anything that causes me any inconvenience.

Tuesday, July 20, 1926.

Report of the Newspaper Conference.

Secretary Davis and I discussed only incidentally the question of munitions depots. He said that there was a location in Utah that would be available, but the expense of moving our munitions out there would be pretty heavy. I think he said that none of the munitions that belong to the War Dept. have been exploded. What he did say which was of most importance was that careful studies were being made to make the locations of munitions as safe as possible.

I am not just certain when I shall go to Plymouth. I had rather expected that I might go last week some time, but I wasn't able to get away. I haven't any definite plan about it. What would the members of the conference prefer, to go by automobile or by train?

Press: Train.

President: Seems to be unanimous. Well, I think I can arrange to take you over there by train, if that would suit you better. I will do what I can in that direction. I suppose I will have to set down a time when I have made up my mind to go and then stick to it. Otherwise there is something coming up all the time that seems to make it desirable for me to be here. I got word that the Secretary of War was coming up, and now the Secretary of State is coming up here later in the season. He is going to speak at Plattsburg at the celebration there of the MacDonald victories on Lake Champlain.

The resignation of Commissioner Fenning is in the hands of the

the Attorney General. It was received just about the time we were leaving Washington. He has some small matters that we wish to have him clear up before he relinquishes the office. That will take but a few days and then he is to retire. I suppose that he would have given in his resignation any way, but I did send a request to him that he should retire.

Press: Was that request since you have been up here?

President: Why no, I said I got the resignation just as I was leaving. The request was made just before I came away.

There isn't any particular significance in the visit of Senator Fess. He told me while I was in Washington that he was to be in the Adirondacks this summer. He has some friends up here. I think he makes it a practice to come up here every summer. They are located within 30 or 35 miles. I understood he was to be at Tupper Lake, but he is at Loon Lake. Perhaps he was going to Tupper Lake later, and I told him of course that if he was here I hoped very much he would have a chance to come and stay a day or two with me.

I am not expecting to speak at Plattsburg at the unveiling of the MacDonald monument. As I indicated before, the Secretary of State will be there. I understand there will be some representatives of the Canadian Government there, which makes it especially appropriate for the Secretary of State to be present.

Press: Do you think you will go over, Mr. President?

President: No.

I haven't any information about what Chairman Parker or other members of the House Commerce Committee are contemplating in relation to coal legislation

for a conference with the coal operators and coal miners during the vacation. I knew that Representative Parker had prepared a bill, or that his Committee had, on coal legislation, which they were proposing to take up immediately on the reconvening of Congress. There didn't seem to be time to take it up at the last session. I think I have said enough to make that plain. I didn't know anything about a plan for trying to make an adjustment between the operators and miners, other than what I have seen in the press. I think I indicated at a conference that was held long ago that perhaps the railroad legislation which was passed at the last session might furnish a foundation principle for legislation and adjustment in the coal industry. There are two or three things that I wanted as coal legislation. The first was the opportunity to call in a temporary Board to adjust differences whenever an emergency might arise, and the second was an opportunity to have a coal administration whenever a scarcity was threatened. Those are the two principal things.

There isn't any comment that I can make on the fall of the French Cabinet. It is hardly appropriate to comment on a matter of that kind.

I hope that I may have a chance to go to the training camp at Plattsburg some time during the summer. That is about 50 miles away and I judge we could go over in the morning and return in the afternoon.

If I go by train to Plymouth I shall go to Ludlow, and I think the members of the press would find accommodations at Ludlow or at Tyson, which is about 6 or 7 miles from Plymouth. It is in the town of Plymouth, but that is the

post office name, 5 miles toward Plymouth from Ludlow. There is a very good hotel there that was opened long ago but has been closed quite a good deal and reopened last summer. I went down there to lunch with Secretary Mellon and Senator Smoot when they came to Plymouth to confer with me relative to the Belgian Debt settlement, so that I know that it is a very comfortable place. And there is also at Woodstock a very good Inn that some of you are already acquainted with.

I haven't had any report from the Secretary of Agriculture relative to his work in putting into operation the bill that was passed at the last session relative to cooperative marketing.

And I haven't any information other than that which has appeared in the press about bank failures in southern states. That seemed to be due to some local conditions there. It is my understanding that those were mostly state banks and not national banks.

I also expect to visit the Saranac Veterans Bureau Hospital ~~and~~ for tubercular patients while I am here.

The Adirondacks climate is very much like that with which I am acquainted over in Vermont. I noticed that a number of the old-timers over here came from Vermont. Paul Smith came from Milton. A man named Plumbly, a very famous Adirondack figure for a good many years, came from Suesbury, next to Plymouth. Suesbury is even more like the Adirondacks region than Plymouth is. The fishing is better here than it is in Vermont.

I have an inquiry about the appropriations. If any one is interested to analyze the increased appropriations for the present year you will find that there

is a very complete study of that in the remarks of Martin B. Madden, as you know, the Chairman of the Appropriations on the part of the House. It is in the Congressional Record for Monday, July 12, 1926, beginning on Page 13,006. Of course our Post Office Department is a growing Department. We mean to keep it practically self-sustaining. Sometimes there is a deficit. There has been all the time since I have been President. Wages have been greatly increased in the Post Office Department since 1914, increased about 50%. Those that were getting \$1400 at that time are now getting \$2100, and the general average of increases in the postal service is very close to 50%. That accounts for a very large part of the increase in the appropriations for 1926 and 1927, that is the budget that has just passed. The Government expenditures are \$273,000,000 greater. There is \$100,000,000 of that which is accountable for on account of the adjusted compensation, or the bonus law. The first year that it went into effect it was estimated that the expenditure would not be known and that an appropriation I believe of \$50,000,000 would take care of it, so that for this year we made up that deficiency with \$100,000,000 I think put in the regular appropriation for the bonus bill. As I recall, it was \$125,000,000. I won't be sure about that. I know it is \$100,000,000 extra we had that we put in. So that the Veterans Bureau has \$173,000,000 more in the present budget than it had in the last budget. Then there was a great deal of money that came due on the matter of roads. We had been making appropriations that took care of the current needs, but last year there were very large bills that came in, so that the appropriation for this year is \$26,000,000 greater. Then we have adopted the public

buildings bill. Haven't had a public buildings bill for 12 years, and that accounts for \$14,000,000 more. Prohibition costs are \$13,000,000 more. Rivers and Harbors carries \$10,000,000 more. That is for special work that is being done in the Mississippi Valley, notably from Kansas City, or rather from St. Louis to Kansas City going up the river, or from Kansas City to St. Louis down. If you are reporting for the Kansas City papers it would be Kansas City first, if you are reporting for St. Louis papers St. Louis first. Then there were some refunds, \$5,000,000 of refunds on cigars taxes and automobiles. We have increased pensions for Civil and Spanish War veterans \$5,000,000. The Arlington Bridge \$2,250,000. Then we have begun construction of military posts to replace the temporary housing erected during the war. That doesn't come out of tax money really, but of course it does appear as an appropriation item. That is \$2,250,000. We passed a law that as that military land was sold off the proceeds might be taken to make better housing facilities for our military posts. And the Sesquicentennial is \$2,000,000. Judgments against the Government in the Court of Claims and other judgments are nearly \$9,000,000. The total increase outside of the Post Office, of which these are the principal items, is \$273,000,000. I think these items that I have given you figure up to about \$260,000,000. But there are some other small items of one kind or another and you can refer to this little table here in the Congressional Record to give you a very complete explanation of it if you wish to. Now, some of those of course are permanent. The public buildings program runs for five years. The Veterans Bureau bill for the next year wont be nearly as big. The cost for the Post Office next year I should expect would not be as large.

Public buildings will be larger next year because we expect to appropriate about \$25,000,000 a year, but we found that \$14,000,000 was all that we could expend advantageously this year. It takes so long to make plans and lay out the work. It is difficult to make any estimate about pensions. The Civil War veterans are dropping away very fast. That item which now runs about \$2,000,000 will naturally decrease. Of course the country is a growing country. It keeps expanding all the time and there is tremendous pressure on the Federal Government to take on new activities which the Congress resists as well as it can and which I resist as well as I can. As we pay off the national debt of course the expenses are going to be reduced for interest, but I think the plan is that as interest charges are reduced more money will go into the sinking fund. That isn't spoken of here, but it is my recollection that there is \$30,000,000 more in the sinking fund for the present year than last year. That means we are using that to pay off the public debt.

Friday, July 23, 1926.

Report of the Newspaper Conference.

I am very sure there is not the slightest foundation for any report that General Wood has resigned as Governor General of the Philippines.

Press: In that connection, have you received any word that some complaints have been made about Mr. Thompson chumming with Quezon?

President: No.

My son John is at summer school at Burlington, the University of Vermont. I don't know just when he does get through. I think some time the latter part of August.

I don't imagine that Senator Butler will come up here. Representative Snell lives near here. I presume he will drop in some time during the summer, and I presume Senator Wadsworth will, though about that I haven't any particular information. As I said the other day, I have spoken to him about it.

I didn't have any discussion at all with Senator Fess about any plans for farm relief.

I don't think that General Andrews is undertaking to negotiate any treaty with England. The conduct of the foreign relations of this country is in the hands of the State Department and the President.

I haven't any information as to what use was made of the money that was advanced to the British during the war, other than what has been stated by the Treasury Department. The records are all there and show for themselves.

~~I haven't any information as to what~~

I don't know of any agitation against the United States for the purpose of regaining avenues of trade that the United States has entered into which other countries would like to have. There is always competition in foreign trade. I don't think it is any different now than it usually is. And I don't see any evidence that the United States is likely to lose any foreign trade that it now has. It is in better condition to take care of it than other countries are and will probably continue to be in a position to give better service than others, and for that reason will be able to hold its trade.

I haven't been able to get any one to succeed Commissioner Fenning. It is a somewhat difficult task anyway to get a Commissioner for the City of Washington. Of course I am somewhat handicapped in trying to deal with it while I am up here and not being in Washington where I could carry on negotiations in respect to it personally. There is a feeling on the part of some of those who have talked with me about it that if Commissioners of Washington are to be subject to the kind of attacks that are being made on them that they don't care to consider holding such an office. I don't know how far that is going to embarrass me in getting some one to take Mr. Fenning's place. There are a lot of very good men in Washington. I think that I shall be able to find some one that is acceptable. But it isn't an easy position to fill.

Press: Is General Helmick being considered, Mr. President?

President: Well, I don't know about that. I think his name is one that has been suggested to me. The difficulty is not in a lack of suggestions. There have been a great many men suggested. The more that are suggested, until

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you find a man to take it, the more work there is in investigating the suggestions and the longer it takes to come to a decision.

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Tuesday, July 27, 1926.

Report of the Newspaper Conference.

It is probable that there wont be any appointment of an Assistant Secretary of the Treasury to succeed Judge Moss for several weeks. Mr. Mellon didn't make any recommendation before he went away and the appointment may not be made until he returns.

And I don't know how soon an Assistant Secretary of Commerce in charge of civil aeronautics will be appointed. Most of the immediate work that is to come under that Department consists in mapping out the air lines and marking them and lighting them. That would be done in conference with the Army and Navy and a man is to be detailed from the War Department, if that has not already been done, not as an Assistant Secretary of Commerce but to advise about the work of the mapping out of these air lines, so that there isn't anything pressing there that would come under the direct supervision of an Assistant Secretary. Of course Mr. Hoover is an engineer by profession and while I don't suppose he professes to be particularly well versed in aeronautics he is well versed in the particular problem that he has to deal with just at present. But as soon as some one can be found that would appear to fill that position the appointment will be made.

I haven't any particular questions to discuss with Mr. Ford. I knew that through his business connections he was in touch with all parts of the nation and wanted to discuss the general business situation over the country with him. I shall ask him what progress his organization is making in aviation

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and what plans they have for the development of commercial aviation. I was informed last spring that they were working on plans for making quite a large number of planes. I was desirous of finding out ~~th~~/ how those plans were materializing and what provisions they are making for the manufacture of planes.

I don't expect to discuss the foreign situation at all with Mr. Child. I doubt if he is in touch with that now. It is some two years since he retired as Ambassador to Italy. I think he has been giving almost all his time and attention to domestic problems, judging from the articles that I have observed he has been contributing to current literature. I think there is a publication called current literature, I didn't refer to that, but I referred to the general field of newspaper and periodical publications. I presume Mr. Child will stay two or three days. He is at his old home now in Pennsylvania.

The only object that I know that President Crowley has in coming is to pay his respects to the office, as I am located up here along one of the lines of his railroad. I don't think he has any railroad matters or other matters that affect the Government at all to discuss with me.

I don't know of any occasion that might call for an extra session of Congress. I do not expect to go to the Congregational Church at Malone next Sunday. I have chosen a church over in Saranac Lake and I hope to attend that while I am in this section.

I have noticed in the morning press a report of the death of Robert T. Lincoln. He was at one time Secretary of War and at another time Ambassador

to London. In business life I think he was President of the Pullman Co. at one time. He was a man of large and varied experiences. I had met him two or three times when I was in Washington. He came to call on me when I was Vice President and I had seen him at other times. I didn't meet him until he was very advanced in years, so that my knowledge of him came more from his reputation than from personal contact. If you will remember that he was in college at the time that his father was elected President of the United States, which was 66 years ago, you will see that he was a man that was very old at the time I came to Washington. I think he was then over 80. But he was a man of remarkable attainments, which even under the handicap of constant comparison with his father were not only remarkable but such as are exceedingly creditable to any American citizen, both in the public service that he performed and in his private business life. ~~The-business-conditions-in-the-country-are~~

The business conditions in the country are more than meeting expectations. It had been thought at the opening of the year that there might be something of a slowing down in business. That hasn't seemed to materialize. The first six months of the current year showed good business conditions and since the first of July there has been something of an advance in general business conditions. I think that is attributable partly to the reduction of taxation. It takes some time to get the full effect of that, but it stimulates business by releasing money that otherwise would go into the public treasury which can go into enterprise. A very good example of that commented on in the press, which took place in the middle of June, was when the Secretary of the Treasury was

able to meet out of the current funds all of the current expenditures. It had been expected in banking quarters that he would have to call on the country for a loan of some \$300,000,000 and banks had accumulated funds for the purpose of making that loan to the Government. When the Government didn't call on them for that money it was at once available to go into business enterprise. As far as I can see myself and as far as I am advised by the members of my Cabinet, Mr. Hoover who keeps very closely in touch with the business situation and Mr. Mellon who is in touch with the banking situation and the business situation too both advised me just before I left Washington that the business outlook for the coming period, immediate period, was good, and so far as there have been developments since I talked with them their expectations have been fully confirmed.

Nothing further has developed in relation to a new Commissioner for the District of Columbia.

There are no understandings in any of the debt settlements other than what are included in the terms which were signed by the parties and ratified by our Congress with foreign Governments. This country hasn't any method of making any understandings except through the duly authorized channels of treaties, and all those treaties of course go to the Senate for ratification, and in almost all cases, I think practically every case, the Senate adopts a motion removing the injunction of secrecy, so that our treaties are public and of course the debt settlements were all public. They were public when they were referred to Congress, somewhat different in nature than a treaty because they partook of the expenditure of public money and for that reason were ratified by both the Senate and House.

There is no way we could make any private understanding. No one has any authority to make it. The only method that a private understanding could be entered into with this country, would be by a treaty ratified by the Senate from which the injunction of secrecy was not removed. Then it would be private in the sense that it wasn't published. I doubt if we have any treaties of that kind. I have never heard of one. It is customary oftentimes to discuss treaties in executive session, but it was the uniform practice when I presided over the Senate that if a treaty had been ratified that the injunction of secrecy so far as the treaty was concerned was removed and the treaty became public.

Press: Didn't the agreement entered into with Great Britain carry the provision that if other countries got better terms than they had it would be reduced? But I understand it was repealed. It doesn't exist now.

President: There isn't anything of that kind as far as I know. I am very certain that there wasn't anything of that kind in the agreement that was submitted to Congress. I think that agreement was ratified in its entirety.

Press: Could this possibly refer to the exchange of notes that occurred before the material was sent to Congress?

President: There wasn't any exchange excepting at the time the loans were made. There were negotiations for settlement. Of course the negotiations for settlement were merely an attempt to get duly authorized and empowered representatives of foreign governments to come here and negotiate with us for settling the debts. Mr. Baldwin came over here with Montague Norman and some other members of a commission and settled the British debt back, I think, in 1922.

There has been quite a good deal of discussion in the press about the attitude of foreign countries towards us. I doubt if we need to pay too much attention to that. I have seen reports, I don't know how trustworthy they are, of alleged difficulties that some of our tourists have had abroad. Two kinds of tourists go abroad. One kind are of a somewhat bumptious nature. If that kind of tourist gets some education abroad and finds out that there are other people in the world that are entitled to some consideration and respect as well as Americans, I don't think that will do any great harm. There is another kind of people that go abroad that have an appreciation of the amenities that are usually practiced, and if they do not find things to their liking abroad of course their remedy is to come home and stay here and spend their money here. But the main point that I wanted to emphasize is this: ^{as} That/one holding the office that is responsible for our foreign relations and one who wants to maintain friendly relations with all other nations, I always regret that some of our people make assertions that are not always warranted by the facts, the main effect of which is to stir up animosities in foreign countries against us. When anything of that kind occurs I always hope that the people abroad will realize that it is a somewhat irresponsible utterance and doesn't really represent the feeling of this Government and probably doesn't represent the public opinion of this country. Now, it is a poor rule that doesn't work both ways, and when some irresponsible person abroad makes some statement that is likely to irritate us why I have to apply the rule here that I hope others will apply to us and realize that it is not an expression on the part of foreign governments, probably doesn't represent

their convictions, probably isn't an accurate representation of the public opinion abroad. Our desire is to maintain friendly relations with all other countries and accord them that treatment that will secure us that result. It is necessary at this time to have our own people keep in mind that the people abroad are in a difficult situation. They have met tremendous losses as a result of the war. Their economic and business situation troubles them, but instead of our disregarding their condition and heaping criticism on them I think it ought to be the part of our people to view their difficulties with sympathy. Of course we have undertaken to do what we could to help and have been successful in that respect in a good many ways, but perhaps one of the most helpful things we ~~can~~ can do is to make allowances for the conditions that foreign countries are in and not indulge in our part in any unwarranted criticism or any recriminations. We ought to be thankful that our own condition is as good as it is and manifest a desire to have other nations working towards good conditions. I think perhaps from that outline you will get the idea of just what I have in mind.

Friday, July 30, 1926.

Report of the Newspaper Conference.

I haven't made any decision yet about a new District Commissioner.

One of my difficulties is that so many people that I should like to consult about it are not in Washington. They are away on vacations and it makes the choice of a new man very much more difficult.

Press: Were there many people mentioned for this position?

President: I don't think such a great many. I have had quite a number of letters suggesting different individuals. I don't know that I could just estimate how many. My offhand opinion would be ten or a dozen, but it may run up to fifteen or twenty, though I hardly think so.

Press: Any women suggested, Mr. President?

President: I don't recall any now. I am quite certain that I haven't noticed any women suggested.

Press: Any civic organizations mentioned or suggested?

President: ~~any~~ Several civic organizations made suggestions, not as a unit.

I am not sure when I shall leave for Plymouth. I may get away next week. And I don't know how long I shall stay over there. Two days any way and probably not more than a week any way.

I haven't had any report from the State Department relative to Geneva.

Mr. Mellon has not gone to Europe for the purpose of transacting any Government business whatever. He has gone with his son to take a motor trip

and also to visit his daughter who after her marriage went to Rome, Mr. Bruce being attached to the Roman Embassy. Mr. Mellon doesn't possess, as Secretary of the Treasury, any authority to make negotiations with foreign Governments. The only authority he has in that respect is as Chairman of the Foreign Debt Commission. The authority that he has in that connection has been exhausted with the exception of three or four small items, so that it can be authoritatively stated that he is not in Europe on any Government mission whatever.

Press: If there is any change to be made it would have to be by Congress wouldn't it?

President: After the debt Commission has functioned and settled the debt with England the Debt Commission hasn't any authority over the debt. They were appointed to negotiate a settlement. After they have negotiated and Congress has accepted it, their authority ceases. There are two or three small countries. Greece hasn't settled its debt. Austria hasn't. But Austria has a moratorium granted by the Congress for, I think, 20 years. But he has not gone abroad to make any negotiations whatever. Rather, he has gone abroad to get away from Government business.

I think Mr. Ford gave you all the information that he gave me relative to the possibility of commercial aviation. Their experience seems to demonstrate that there is going to be a development in commercial aviation in this country. When that is reduced to its lowest terms it means that it is possible to transport certain classes of merchandise and passengers on a commercial basis. That

also means that it is not so expensive that other methods of transportation must necessarily be adopted. Now, that doesn't mean that it would be profitable to carry coal by aviation in its present development, or that it is probable that there is going to be a very large passenger service. I think in our postal service that we are now taking in close to half of what the operating costs are.

Press: Is that beyond the expectations of the Department, Mr. President?

President: Well, I think it is as much or more than the Department expected. Of course it varies on different routes. I think the New York to Chicago route is the one that shows the largest percentage of income compared with expenditures. I am not saying that we take in half of what it costs, but the cost of operation per month. Of course that doesn't include the planes that have been bought and the investment that has been made, but it does include the general operating costs. It isn't possible to make any estimate of things of that kind in advance. So much depends on development. It didn't seem that the telegraph and telephone were going to play an important part in our commerce and be commercially practical when they were first started, but they have turned out not only to be that but to be a great public advantage and have become a great business employing a large number of employees and calling for a great investment of capital. The experience in the air is only recent. It is a new field of exploration, and with the probable improvements and inventions that will be applied to it I feel that there is every reason to expect that it will be commercially possible to carry passengers and transport merchandise by air.

But that is at present rather more of expectation than it is of accomplishment. The expense is still so high that for almost all classes of merchandise the advantages of going through the air would not be sufficient to warrant the additional expenditure necessary, so that they would be taken off the regular methods of transportation. The matter of the embargo on Arms shipments to Mexico, or lifting that embargo, is something that the Secretary of State and I had discussed from time to time for a long period. Never have made any definite conclusion about it. It is not expected that there will be any action whatever about it in the immediate future.

Tuesday, August 3, 1926.

Report of the Newspaper Conference.

The Mexican embargo on arms was established by Presidential proclamation in accordance with a law of Congress. It hasn't been changed in any way. In order to be changed it would have to be done by a proclamation made and signed by the President and duly promulgated. There hasn't been any change in it whatever. I don't know whether it includes such a thing as sulphuric acid and airplanes. It all depends on the purposes for which it was thought they were going to be used. If some one would want commercial planes in Mexico that does ^{not} come under the embargo; or if some one wanted sulphuric acid in Mexico, that doesn't come under the embargo. If they wanted planes for military purposes or sulphuric acid for military purposes, those would come under the embargo. But nothing is shipped into Mexico, except under certificate of the Mexican authorities here in this country, that is supposed to be used in any way for military purposes.

Press: Mr. President, these two commodities may so easily be converted into military purposes while ostensibly being intended for commercial purposes.

President: Well, that is for the Mexican Government to look out about and for our people that sign the manifests or whatever it is that they call the consular papers that go with shipments. So far as we know, the arms embargo is being executed in absolute good faith.

My position in relation to limitation of armaments is exactly what

it has been. I have stated it several times in my messages to Congress and in public addresses. I also stated it at a newspaper conference not so very long ago in Washington, - that my desire and the desire of this Government is to do everything we can to make the Geneva Conference succeed and think it would be unfortunate if any action should be taken at the present time looking towards any other conference which might be used in a way that would be detrimental to the success of the Geneva Conference.

I have no information about the reduction that the Federal Farm Loan Board has ordered in interest on loans made at the Federal Farm Loan Bank at Houston, Texas, from $5\frac{1}{2}\%$ to 5% . I don't know whether the Board is considering any other reductions. Those are purely banking and business operations and ought to be left to the banking discretion of the Farm Loan Board. I should feel a great deal of hesitation in undertaking to interfere by suggestion or anything of that kind with the fixing of rates of interest. That would look like a political bank rather than a business and financial bank, and quite naturally those that look after the banking business of the United States, whether it is the Federal Reserve Board or the Farm Loan Board, ought to be free to exercise their best business judgment unimpeded by outside influences. Of course it goes without saying that the rate of interest ought to be such as will pay for the service rendered. These banks are financed by bonds that are issued carrying a definite rate of interest. I think most of them pay $4\frac{1}{4}\%$. The banks should have enough income to meet that interest and meet such

incidental losses as always occur in banking interest and pay the expenses of operation. With that as a foundation of course it is realized that it will be to the advantage of the farm interest to secure loans at as low a rate of interest as possible, the farming and agricultural interests that are served by these banks, and it is to their advantage to have such a rate of interest as will keep the banks in sound position and pay for the expense of the service and continue them as successful going concerns.

There is no foundation for the suggestion that I have sent any cablegram to Mr. Mellon. I stated exactly what his purpose was in going to Europe at the last conference and the last one before that.

I have appointed Proctor L. Dougherty to succeed Mr. Fenning.

I am expecting to leave for Plymouth in the morning, going by train. for the accommodation of the newspaper men, unless they publish it, and if they publish it I am going by automobile.

Press: But we can publish the fact that you are going.

President: Yes, you can publish the fact that I am going to start for Plymouth tomorrow.

Press: You don't want anything said about how you are going, whether by train or automobile?

President: No. Of course it isn't decided yet. If you publish that I am going by train I will leave by automobile.

I expect to talk with Mr. Firestone about the business situation.

They are large dealers in rubber and are interested in starting rubber production. I want to find out from him what progress they are making in that direction.

This is the fourth anniversary of my being President. The country has made a great deal of progress in the past three years. It hasn't been so noisy as it has at some other times, but judging from the general condition of the country it has been fairly successful.

Three years ago the German reparations problem had not been solved. The French still occupied the Ruhr. That question has been taken care of.

Our own problems were those that arose as a result of the war. Of course after the cessation of hostilities and during the almost five year period from November, 1918, until August, 1913 (should be 1923) the questions became almost entirely, so far as our country was concerned, economic. We had our great war debt, which has been steadily reduced. We had high taxes, which have been reduced by two acts of Congress. And we had the question of keeping Government expenditures as low as possible. Those questions have been met very successfully.

The business of the country for the past three years has been, I should say, on the whole, better than any other three years. Of course there was a very large business during the war, but it was a business that was paid for by using up the capital of the country. The business of the past three years has been paid for in the ordinary business way, out of its earnings. We have been gradually recovering from the depression, and to a considerable extent,

due to the reductions in taxes, there has been a decline in commodity prices. They don't stand so low now as they did in the middle of the deflationary period, but they are considerably lower than they were three years ago, which means that the people are able to purchase the same amount of commodities at a less expenditure of money, and this notwithstanding the fact that wages have not decreased, but on the whole, so far as there has been a change, wages would show a trifle of an increase over what they were three years ago.

There are some parts of the West where a full recovery has not yet been made. Mr. Ford told me that in North Dakota and in Nebraska business showed some falling off due to crop failures on account of lack of rainfall. Last year there was a considerable crop failure in Nebraska, and this year in parts of that State and in the Dakotas there has been dry weather, so that they have suffered from failure of crops. The textile industry has not been very good for the past few months, but it has been showing signs of a recovery, especially during the month of July. The metal industries and the automobile industry apparently are first-rate. The railroads of the country are doing a larger business than they ever did before and are practically all recovered and on their way to recovery from the strain they underwent during the war. They are a very large purchasing power when they are prosperous and able to finance themselves and put in the improvements and the extensions that are all the time required for the purpose of meeting an increasing business, and it goes a long way toward

making all the business of the country productive and prosperous.

We hadn't resumed relations with Mexico, so far as sending an Ambassador there three years ago. Judge Payne and Charles B. Warren were in Mexico as Commissioners working out a plan for an adjustment of claims and for a recognition of the Mexican Government, which took place after I became President, and Mr. Warren returned there as our first Ambassador. We have adopted such legislation as the new immigration law, the Railroad Labor law, I have mentioned the two tax bills, they were important, we have ratified a great many treaties, the Senate has voted to adhere to the protocol of the Court of International Justice, and a great deal of other legislation that I can't recall offhand. Perhaps you gentlemen will recall some that I haven't. But the main thing is the general result, which has left the country in a flourishing and prosperous condition.

Press: Did you mention war debts, Mr. President?

President: No. The war debts have been settled. That of course is a very outstanding feature of the last three years. Those are the greatest international financial transactions that were ever entered into between different nations.

I feel that we are making some progress towards further agreements for limitation of armaments. We negotiated a treaty concerning the sale of arms. That doesn't change the present treaties, so far as we are concerned, that were entered into at the Washington Arms Conference, but very

slightly. There are some changes, but they are practically the same thing that was entered into there in their main outline.

As I was about to say, a Government can't always secure the prosperity of the country. The best it can do is to create conditions under which the country will be prosperous if it adheres to sound business practices. I think that has been especially characteristic of the past three years; the caution and wisdom on the part of the business interests of the country in not becoming involved in overextension, in manufacturing a lot of goods without first knowing where they were going to secure a market, and in not borrowing a lot of money, but rather attempting to finance their own needs themselves. That has left the country in a condition that is basically sound.

There was a reaction in the prices of securities last winter that was entirely healthy and on the whole, I believe, beneficial. The recession in prices that took place at that time has been very largely made up in the last six or eight weeks. Levels on the whole are not quite so high as they were last winter. But that is not a matter that affects very much the sound business condition of the country.

Movements of freight are very large and the output of our manufacturing establishments taken as a whole is large.

I wouldn't want to be understood as indicating that the economic and material prosperity of the country is the only thing that ought to be

considered, but it is so necessary to a consideration of other things that it is a fundamental consideration. We are not able to make much progress in other directions, unless we have sound business conditions. I feel that in addition to our material prosperity we are making progress in educational ways and in the general moral standards of the country. We have been troubled by some crimes of violence, but I think that has not been so large as that which has been inflicted upon the country in the succeeding period that has followed other times of war. Nor do I mean that we are in such perfect condition that we don't need to do anything more. There are a great many more things that we ought to do, and it is going to be necessary to put a good deal of effort into maintaining our present position.

Tuesday, August 10, 1926.

Report of Newspaper Conference.

Of course I haven't had any direct communication with President Calles. Notes have been sent from time to time to Mexico by the State Department on the land question. I don't know whether one has been sent in the immediate past or not. I have given directions for a general policy in relation to the land question with Mexico which is in accordance with the agreements that were made between this Government and Mexico, and as questions arise notes are sent in accordance with that policy.

I haven't any direct or definite information about Ambassador Sheffield's coming up here this summer. I had assumed that he would come here some time during the summer - I mean back to the United States - but I have no direct or definite information when he is coming and I do not assume that he is coming for the purpose of making any direct report that has not already been made or would not be made in the ordinary discharge of his official duties.

I am going to go over the budget with General Lord. The reports from the different Departments making their recommendations for appropriations for the coming year are in. Of course when they come in General Lord's department takes them up and analyzes them, and then I go over them with the General to determine what action we shall take in relation to them. There are always quite a number of items that the General and I need to discuss together, in order to determine what recommendation I want to make.

Sometimes I make suggestions back to the Departments as to something that can be left out or something that can be done in another way from which which has been proposed in their reports.

Press: As I understand it, the General is coming here with requests for appropriations from the Departments and not the completed figures. He has not finished going over the figures?

President: Oh no, that is not finished until a week before the convening of Congress.

I wanted Secretary Hoover to come up and report on the general business situation of the country, to see if there are any things that can be done to help in any weak places that possibly may be developing. I suppose it is a matter of general knowledge that on the whole the business of the country is in an exceedingly prosperous condition. It is necessary to keep watch constantly to see if there are any weaknesses developing anywhere and to see if any possible remedy can be provided. And he has some appointments in his Department that I want to consider with him.

I hope you all enjoyed your stay over in Vermont. I find it is helpful to me to go back once in a while to see that I am not forgetting how people earn their living, how they are required to live, and what happens when those who have harness breaks, or one of their shoes need some repairing, sit down and mend it. You can go out and do some work on fences, do such odd jobs as are necessary to keep the house in repair, and in gen-

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eral do such things as are necessary for the ordinary American citizen to do. There is always a little danger that those who are entrusted with the great responsibilities of business and Government may come to forget about those things and disregard them and lose the point of view of the great bulk of citizens of the country who have to earn their living and are mainly responsible for keeping their houses, farms and shops in repair and maintaining them as a going concern. I find it very helpful to go back and revive my information about those things, lest I should be forgetful about it and get out of sympathy with those who have to carry on the work of the nation.

Friday, August 13, 1926.

Report of the Newspaper Conference.

Mr. Hoover and I didn't discuss to any extent the possibilities of the development of commercial aviation. The immediate question before the Department is the carrying out of the provisions recently enacted into law. It has mostly to do with the establishment of National Air Routes and with the making of rules for navigation and inspection of planes and the licensing of pilots on National Airways. I am going to appoint a National Advisory Committee to the Department of Commerce on the establishment of these National Air Routes. That Committee will consist of some representatives of those that are especially interested in aviation and will work in conjunction with the Assistant Secretaries of Commerce, War and Navy, in the laying out of the National Air Routes. I am also going to appoint another National Advisory Committee on rules for navigation, inspection of planes and the licensing of pilots on National Airways. Both of these Committees will represent the commercial industry and the various Government Departments. The Government of course will not operate planes on the National Airways except where the Post Office is engaged in such enterprise. These services will be for private and commercial airplanes.

Mr. Flaherty, representing the Knights of Columbus, has had a conference with Secretary Kellogg, which I suggested, thinking that the records are all there and all the details of of our Mexican relations. The experts on that subject are there at the Department and he will be able to get much better information there than he would if he came to me in the first instance. I have

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also suggested to him that after he had had that conference, if there were any matters that he thought could be cleared up by having a conference with me, I should be pleased to have a conference with him.

Nothing was said by General Lord or me in relation to appropriations for prohibition enforcement. I didn't go into the details of the budget recommendations for the various departments very much. I didn't go into the details at all of those that are recommended for - all these recommendations are tentative - for the Department of the Treasury, so I can't give any information on which you could rely very much as to the cost of enforcement for the coming year, as compared with the cost for this year. It is rather my impression that as the building program for the Coast Guard will be out of the way for next year that the entire appropriation for enforcement will not be as large for the coming year as it will be for this year. That is merely an impression that I have and it may not be absolutely correct.

Mr. Hoover reported to me, as I told you he would, on the general business condition of the country, which he said was excellent. I asked him especially about our foreign commerce. He said that foreign commerce of the European nations and foreign commerce of the world is just about the same now as it was before the War. The English commerce is about the same. They have gained a trifle. German commerce is not so much and the French commerce is not so much. Our foreign exports reduced to pre-war prices as nearly as we could do that is 50% greater than it was before the war. Our imports are 37% greater. There were

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three items that went into the difference in the balance of trade between last year and the year before. The price of cotton and wheat which we exported was lower, so that our exports were not so much in dollars on that account. Not that our entire exports were less, but that on that account the value in dollars was less than they would have been if the price of wheat and cotton had been the same as it was the year before. And the cost of rubber importations was very much larger. So we had in dollars a bringing up of our imports and also in dollars a lowering of our exports, which left us with a less balance of trade in our favor. But in manufactures our exports are holding their own and increasing some. I think he said this year they were running about 12% ahead of last year. These other things are raw materials. The real question of whether we are able to maintain our trade with the rest of the world comes from our ability to do it in manufactured products. It isn't a question of raw materials, but of manufactures, and in that particular we are more than holding our own.

Mr. Hoover is working with the textile industry, the spinning industry especially, the cotton industry, and is making some progress in some readjustments in that industry that will be ~~be~~ beneficial. In the last month or six weeks there has been quite a distinct improvement. Some work is being done in the way of tentative plans for helping the agricultural situation by means of attempting to organize through the different agencies that extend farm credits, the banks, insurance companies and the mortgage loan concerns, to get coordinated effort there.

Paul Smith's, N.Y.,
Tuesday, August 17, 1926.

Report of the Newspaper Conference.

Here is an inquiry relative to the status of the correspondence with Mexico relative to their land laws. About all I can say about that which can be understood without entering into a long explanation about rather technical matters would be that Mexico has made large concessions to the demands of the United States on these questions, but that there are still a number of questions that have not been definitely determined. I am informed by the Secretary of State that so far as he recalls he has had only one specific complaint - he has knowledge of only one complaint - that has been made in relation to the taking of church property in Mexico, I mean specific complaint that this property has been taken and not a general complaint about the taking of church property that was lodged with our Ambassador there and our Ambassador made representations to the Government relative to it and was informed that it would be adjusted. It is very hard to say whether American citizens have suffered indignities in Mexico. That is rather a broad term. Some of them have been expelled from Mexico. The Mexico Constitution has that 33rd Article, which gives the Mexican Government authority to expel anyone. That is known in Mexico as 33ing people. It gives the Government absolute authority to expel any one they may desire to expel. That is sometimes resorted to. Whenever it appears to be used without any action on the part of the person against whom it is used that would justify it, it has been the practice of our Ambassador there to intercede, sometimes

successfully and sometimes unsuccessfully.

I have noticed a number of speculations in the press recently relative to actions and proposed actions on my part, which were without any foundation. Members of the press here at Paul Smith's have a conference with me twice a week in which they have opportunity to make any inquiries, and there really isn't any excuse for sending out unfounded statements as to actions that it is assumed I am going to take, because it is always possible to check them up in conference. Now, here is one in relation to a \$100,000,000 banking pool for loan purposes on farm property. I have no knowledge of anything of that kind. There was a man here last week representing some fruit cooperatives that said his concern needed financing to the extent of half a million or a million dollars, and I told him about the Finance Corporation that had been organized for the purpose of helping out in North Dakota two or three years ago and the one that was organized for the purpose of helping out in Iowa last Fall, and suggested to him that he look into that and see if his concern couldn't be financed by the same method. But that was a very small thing. He said that under the terms of the Fess bill he would have been able to get such relief as he wished, and that under the general law if provision was made granting the same terms to his industry that was now extended to the cattle industry he would be able to secure relief.

Here is another store that I have no information about and never heard of until I read it in the press. That is the story to the effect that I had issued some order or taken some action in relation to what might be done to

to industrial alcohol to make it unusable for beverage purposes. I don't know of any provision in the law that gives me the slightest authority to take any action. I don't know what authority the prohibition enforcement agencies and those who have charge of the regulation of the manufacture and sale of industrial alcohol may have. If any one wanted to write a story about that, I would suggest that they look up the statutes, see what the law is, and finding out what it is they could make a pretty good estimate of what might possibly be done. I find that in the administration of my own office it is of great help if I can keep in mind that I am administering an office under the terms of the law and the Constitution, and I get along very well if when each question arises I find out what the law and the Constitution requires me to do and do that. I haven't the slightest information about what the law does authorize the authorities to do in relation to the manufacture and sale of industrial alcohol. Of course I have a general notion of it the same as every one has, but I haven't any idea of the details of it or what authority they have to make it unpalatable or to put things in it to make it unfit for beverage purposes. Nobody has ever spoken to me about it and I never heard of it until I saw a story about it in the press.

Here is a question that wants to know to what extent is the latitude of the Executive authority in relation to this particular instance. I don't know. That would be a question that might well be studied by the one that asked the question, to get the statute and look it up. I am always glad to do those errands for the press and I am very glad to give information if I happen to have it.

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I don't imagine that the Executive authority has any latitude or that there is any statute about it. I do presume that the authorities who have charge of the industrial manufacture and distribution of alcohol are given some authority which is conferred on them. It isn't conferred on the President.

I have been over with Mr. Kellogg some of the details of the office and the questions that have arisen since I left Washington. I thought I could take it up a little more intimately by conversation than I could by reports from him. He has touched on some of them in the address which he is to make tomorrow that has been given to the press and would be much better described there than I could describe them, so I will let that address speak for itself when it is published. From what I am saying here, I don't want it indicated that I am giving a prior release of it. It is to be released in accordance with the statement on it.

I haven't any information - this should go with the other things that I said about farm matters - as to a conference that is to be held in New York. I don't know who is starting such a conference and I don't know the purpose of it. I assume that it is a general discussion of farm problems. I saw either in the press or else some one told me that some one had started a plan for a conference and I asked Mr. Barrett. I had a long conversation with him and he didn't say anything about it and I asked him if he heard of it - I must have seen an item in the press relative to this conference - and when we were riding out to the Camp I asked him about it, whether he had heard anything. He said "Very little," that he had had an invitation to go but didn't know who was managing it

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or who had initiated it or just what its purpose was, but that he had had an invitation to come and bring some members of the Farm Union. That is the only information I have in connection with that item.

I have already indicated that I have never given General Andrews any direction about industrial alcohol, and never heard about it. I sort of wonder whether the General has heard anything about it. Possibly he has.

Mr. Rosenwald is the directing force in a very large mail order house, a man of large business experience that comes into contact with large sections of the country. I wanted to talk with him about the general business and economic condition in that part of the country with which he comes in contact to see whether he had any suggestions of anything that could be done to make business better.

There isn't anything further that can be said about a Mexican policy other than what I said the other day. Wherever the rights of American citizens as to their persons or property are infringed, why, our Government will do what it can to see that they are duly respected. But of course it hasn't any authority under diplomatic usage or international law or treaty rights to interfere in the purely domestic matters of Mexico.

Here is an item that crops up from time to time. It has been rather neglected for the past few months. That is the resignation of a Cabinet member. This is said to be a dispatch from the New York World from Washington that Secretary Kellogg had informed me of his desire to retire to private life. I don't know of any foundation for it. He says he is well and is able to work hard and sleep well. He is a very valuable member of the Cabinet and of course

with his experience and increasing knowledge of the Department becomes more valuable every day. I should regret very much to have him resign and feel very certain that he hasn't any such thing in contemplation.

I know that the Post Office Department has made a very good record in aviation. I think I spoke of that at a former conference. For some periods the starting off of planes and their reaching their destination on time was almost perfect. The amount of mileage that they have covered is large and the number of accidents has been almost negligible. It is a demonstration of the efficiency of American flyers, American made aircraft, and of Government operation in this field. But the Post Office goes into that of course in part to secure a rapid transmission of mails, but perhaps in larger part for aviation experience, as one method of national defense and commercial development. When we originally constructed our railroads they were helped very much by the local and National governments, and to develop a new field of transportation like aviation it was desirable and rather necessary that the Government should pioneer somewhat in it. Now, that didn't mean that the Government was going permanently into the railroad business. The work of the Post Office Department doesn't mean that the Government is going permanently into aviation. That is, that isn't the present policy and desire. And I think it may be stated as the policy of the Government that as fast as we can secure contracts with reliable concerns for the transmission of mail in such a way that we know the country will have the benefit of practically the same experience that it has under the Government, and the benefit of all of that greater initiative and enterprise that comes from private effort, that we shall

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make contracts of that kind with private concerns to take up the transmission of the mails. I wish I had more of the details of the accomplishments of the Post Office Department. That could of course be secured from the Post Office Department, but I haven't them here at hand.

Paul Smith's, N.Y.,
Friday, August 20, 1926.

Report of the Newspaper Conference.

As you have just had an opportunity to talk with Senator Wadsworth, I don't think there is much that I can tell you that you haven't already secured from him. The main report he gave me was that his own campaign for election is progressing very favorably and he had every confidence in his ultimate success. I don't know that there is any comment I can make on Secretary Kellogg's speech. It tells its own story better than I could tell it by undertaking to paraphrase it or comment on it. It was a statement of what the Government is attempting to accomplish and the policies it is trying to promote and the position that it holds on some current foreign questions.

Of course I don't know just when I shall return to Washington. I think I will be here three weeks more and perhaps get back about the 18th of September. Somewhere in there. I couldn't fix any definite time.

I have known in a general way that the Department of Justice was proceeding by injunction in cases where they thought there had been a violation of the Sherman Anti-Trust Law. I think they have had quite a number of cases of that kind, not with a desire to persecute or harass or injure legitimate business, but for the purpose of keeping competition open and doing the best the Department can to see that the laws are carefully observed. I don't know as they have had quite so much publicity about actions of that kind as has sometimes been the case, but I think their enforcement of the law has been

expeditious and effective wherever investigations or complaints have indicated that there was a basis for action. I think they have been very careful not to bring cases they were not convinced that the evidence would support fully their accusations.

I haven't had a chance to talk with Senator Capper excepting for a few moments. I had other guests last night and he started for the golf course this morning just as I started for the office, and he hasn't returned yet. I think Mr. Lambert might report more in detail about his whereabouts.

I haven't any detailed knowledge other than what is already public about treaties with Great Britain or proposed agreements with Canada. I don't understand that we are attempting to make any new treaty with Great Britain. The object of some conferences in London was the development of processes of procedure under the present treaty. I understood from Mr. Kellogg and from statements that I think were made on the floor of Parliament by Mr. Churchill that some agreements had been secured, not treaties but agreements, as to the execution of the present treaties that would make those treaties more effective.

I haven't had any information come to me relative to U. S. District Attorney Bernstein. I take it from this question that he is U. S. District Attorney in Ohio. This is Mr. Durno's question.

Mr. Durno. Yes sir.

President: I haven't any information about that. The only possible comment I could make would be that of course the Attorney General would un-

doubtedly give Mr. Bernstein leave from other duties in order that he might enforce any U. S. laws. What violations of U. S. laws may be involved in the murder of Mr. Mellett, I don't know. Of course the murder itself would be purely a violation of the local law of Ohio, and as such would come for investigation and prosecution entirely under the jurisdiction of the state authorities of Ohio.

I think I am going to Plattsburgh next week, Thursday.

Senator Wadsworth and I only talked of the national aspect of politics.

I invited Owen Young to come up here very much as I had other men that are prominent in industrial and business life, in order to find out how things are progressing in the business activities in which they are engaged and to secure any suggestions that they might make which I would think would be helpful to the betterment of the business conditions of the country. I always use that in its very broadest and most inclusive sense. I don't mean merely the carrying on of merchandising or banking or industrial manufacturing, but also agriculture and all the employment that arises out of the transaction of business in this country, not only those that buy and sell, but those that are engaged in production on the side of the employee and the wage earner.

Secretary Jardine notified us a day or two ago that he was going to be motoring through this part of the country and I was very much pleased to hear that, so that he can come and make me a visit. I understand Mrs. Jardine is with him, isn't she?

Mr. Clark. He didn't say.

President: Well, we are not certain about that then. Quite naturally

I shall discuss with him the matters that are in his Department. He has a great many matters. Of course agriculture is the basis, but under that is forestry and good roads. The money that the national government expends on good roads is expended through the Department of Agriculture.

Mr. Tabor, the head of the National Grange, indicated last Spring just before he went abroad that he would like to call on me late in the Summer or early in the Fall, and I have sent him word that I would be glad to see him. I understand he is coming Monday. The Grange is more representative of the Eastern agricultural interests. They have some membership in the West, but they are especially strong in the East and have a membership that consists not only of those who may be actively engaged in agriculture, but on the social side of the general population of the rural towns and the small villages.

I talked with Mr. Rosenwald especially about the business conditions of the country. I think he gave you the same figures that he gave to me, which were very encouraging and indicated that business conditions are good. I had the same information from Mr. Brosseau. Mrs. Brosseau is the President-General of the Daughters of the American Revolution. I understood from her that the Daughters of the American Revolution were interested in raising money to build that new auditorium in Washington that they have under way and that their efforts were meeting with a fair degree of success. I think it is planned to build that immediately in the rear of the present D.A.R. building.

I think I have already said that I secured from Mr. Brosseau the same

information about the general state of business, he being the President of the Automobile Manufacturers' Association, Isn't he?

Mr. Clark: Practically, yes sir. Their representative.

President: Representative and Executive Head. I talked with both Mr. Rosenwald and Mr. Brosseau a little about installment buying and they said that while that question had worried them a little some months ago, they felt sure that the installment business of the country was on a sound basis. Mr. Brosseau knew especially about installment buying of automobiles. I think that has been put on a sound basis. Mr. Edsel Ford, by the way, expressed the same opinion to me that such credits as are now extended in the purchase of automobiles are made on careful investigation and require a sufficiently large initial payment and are credits extended over twelve months only, being a short enough period to make the business thoroughly sound. That is for the purchase of passenger cars. I think perhaps the terms for the purchase of trucks, which is of course entirely a business proposition, may be a little more liberal. But the general drift of the information I have been able to secure, both from the Dept. of Commerce and from the business interests in the field, is that installment buying or credit is not over extended.

Press: Would you permit a question relative to what you said about the Department of Justice. There have been some reports coming from Washington that there might be some recommendations made for a change in the Sherman or Clayton Acts.

President: Nothing of that kind has been brought to my attention. It may be that their experience has developed the fact that some changes could be advantageously made. Whether the suggestion is to be that the law should be made more liberal or less restrictive of business, or whether it should be made more restrictive, I don't know. I haven't any information about that. There has been some discussion I think, not between myself and members of the Cabinet, but I have known of some discussion relative to perhaps some change in the law that would permit associations of importers. We now have under the Edge law, I think, permission for quite rigid associations of exporters. It has been suggested that that principle might be extended to certain classes of imports, but I don't think any plan of that kind has ever been worked out, merely a thought that perhaps it could be done. I think it would be quite difficult, as our importations are so broad and cover such a diversity that any general law applicable to importations would tend to break down the anti-trust law. It might be made applicable to certain specific commodities, but I don't know about that.

Press: Hasn't it been suggested that this might be to permit Americans to have something to fight foreign competitions on raw materials?

President: I don't know, but that was perhaps the connection in which I heard about it. I had a vague impression that I had heard the matter mentioned some time, but such mention as was made to me was rather to dismiss it as quite doubtful about the feasibility of its application.

Paul Smith's, N.Y.,
Tuesday, August 24, 1926.

Report of the Newspaper Conference.

I haven't had any conference with any one concerning a choice of nominee for Governor of New York. I don't expect to. I think they have a convention in New York for the purpose of nominating a Governor. I am perfectly willing to intrust whatever interest I might have in that nomination to the convention.

There isn't any comment that I can make on a proposal for a bridge across the Lake, Lake Champlain, connecting Vermont and New York. I haven't any information about it other than what might occur to any one, that it would be a convenience to travel and commerce to have such a bridge, but I haven't any idea at all as to whether it is expedient, and not the slightest idea where it should be located.

I haven't heard much of any comment from people that have come to see me concerning the tariff. I saw that Senator Capper thought that there was some desire on the part of agriculture to have higher duties on some agricultural products. I don't recall that he talked with me about that.

I don't think there is any foundation for any supposition that foreign countries will make a proposition for some kind of an economic trade in connection with our entrance into the World Court. I should suppose that question would be considered entirely on its merits. Any suggestion for a reduction of tariff or anything of that kind would be a suggestion that would have to be taken

up and acted on by the Congress. I should think it would be entirely impracticable and I doubt if any informed authorities in Europe would think of making any such suggestion. There is a great deal of rumor and comment and supposition going about in the press, both of this country and Europe, unfounded and a good deal of it harmful in its effect upon the friendly relations of different countries. I sometimes wish the press would read that address I made when the National Press Club of Washington laid its cornerstone, I don't know but it ought to be reiterated every day, in which I suggested that it was very harmful to the friendly relationship between countries to have unfounded reports in the press and that the press ought to exercise a great deal of care because it shares the responsibility with the Government in maintaining friendly relations. I don't know of any way that that can be made plain except through the application of the Golden Rule. I know we don't like to see unfounded criticism of our country in the foreign press, and it must be that they dislike to see unfounded criticism of themselves and their country in our press. There is a large field for candid discussion which is always helpful and educational, but unfounded rumors as to what this Government is going to do, or some other Government is going to do, usually results in misinformation and is a great deterrent to friendly relations.

Mr. Koenig who was here yesterday has had a good deal of experience in charitable work in New York. I was very much interested in inquiring of him about the general condition of work of that kind at this time. He says there is need of as much money now as there was in the past, because charitable relief costs

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more. The things that are to be provided require a larger outlay than they did in the past, on account of increased prices generally, but that the number of applications for relief is very much less than it has been in the past and the bad conditions that existed in some parts of - I speak now generally because of course he was talking of New York City and its environs, but I think the same is true over the country, the slum conditions that have existed in our large centers of population are gradually clearing up. That doesn't mean that all of the old buildings have been eliminated, places that are very largely unfit for human habitation, but the overcrowding has been eliminated a great deal and that people who formerly were in a state of great distress in what was known as the slums are now able to get good wages and live under very much better conditions than they ever had before.

Mr. Lewisohn is stopping somewhere in the neighborhood. He is a personal friend that always comes to see me when he comes to Washington. He usually has lunch and he is coming up to lunch with me today with his son. I don't understand that he has any Government or personal business - merely a call of friendship. I have a very high regard for him. He is a man of most estimable character, greatly interested in childrens' welfare, has done a great deal for childrens' hospitals and institutions that minister especially to orphan children. Of course he has been in his lifetime a man of very large business experience and still keeps it up, but I think is giving more and more attention to the charitable enterprises.

I want to talk with Martin Madden about the prospective budget. General

Lord and I make up a budget, but we have to depend on Chairman Madden and the Congress to pass it, and it is because of Mr. Madden's great force and his long study of the finances of the nation that we have been so successful in our experience under the budget.

Will Wood is another one of the leaders of the House that is coming to make me a visit. I don't know that there is any special thing that we are going to discuss. I haven't any in mind.

Paul Smith's, N. Y.,
Friday, August 27, 1926.

Report of the Newspaper Conference.

I didn't have any talk with Ex-Senator Jackson of Maryland about politics. He is an old resident of this section. I think he told me that he and Mrs. Jackson had been coming up here for 17 years. They have a camp over on Loon Lake. The Senator has been in rather poor health lately. I knew he was up here and invited him and Mrs. Jackson to have lunch with my wife and me. It was purely social. I think he is the National Committeeman from Maryland, but I didn't have opportunity to say anything to him about politics in Maryland or anywhere else. While he seemed to be very much improved and was looking well, I judged from what he told me when he called on me in the office some time ago that he hasn't been in Maryland all summer and wasn't taking any part in any political campaign down there. But that was just an inference that I drew. He didn't say anything about it to me and I didn't say anything about it to him.

I expect Ambassador Sheffield and Mrs. Sheffield and perhaps their son will come up here to visit me before I go back to Washington. I think he has been in Washington to see Secretary Kellogg and I was advised that he is going to go to Atlantic City with his wife and son, so I don't know just how soon he will come up here. I would like to see him and talk to him some time about the Mexican situation and get, of course, his firsthand views about it. Mr. Sheffield as is well known is a very able man, a trained

lawyer, has made an excellent Ambassador and has managed a very difficult situation in Mexico with great skill and discretion, and any representation that he might make to me regarding what policy ought to be adopted in Mexico would have very great weight with me. I asked him to go there at a considerable sacrifice, and for a man who had the large legal practice that he had in New York I feel that he has performed a very distinct public service in making a sacrifice of that kind. Last year when he was here he came up to call on me in Massachusetts while he was going by there on a boat trip he was having. He had had a serious operation, from which I understand he has entirely recovered.

I don't know that there is anything I can say or add to such information as the press may have secured from Representative Will R. Wood about the Congressional campaign. I didn't go into the details of it with him. He told me that the outlook from his position as Chairman of the House Campaign Committee was entirely satisfactory. He thought there wouldn't be any doubt about the election of a Republican House.

I haven't seen the article of Professor Ripley. I have seen some references to it in the press. So I don't know just what it is that he suggests that the Federal Trade Commission could do or should do or ought to be authorized to do by law. I am very keenly alive to the fact that we have in this country now about 20,000,000 security holders who have made investments in the business concerns of the country, and I want to have everything done that can be done adequately to safeguard their interests.

That is a matter that I have had under consideration for a considerable length of time. I had a conference with Professor Ripley last winter relative to some subject that he had made suggestions about in a magazine article, about the issuance of stock that didn't have voting powers, and I understood that very largely I think because of the position that he had taken in his article in arousing public opinion that the listing committee of the New York Stock Exchange had indicated that they would look very carefully into the affairs of corporations that asked to list stock of that nature. Of course any one that gives the matter a moment's thought would recognize the great difficulty of the Government in undertaking to say what securities are good or sound or some equivalent word and what are not. That has usually been left to the judgment and discretion of Commissions and various states have, I think, adopted what are known as Blue Sky laws. Of course there is a good deal of difference between saying that a security is good and sound and saying anything about the prospective price at which it may sell on the market. I think we all recall that Government bonds which were issued in time of War depreciated in market value quite a good deal. They have since regained their position and I think all of them now sell at par or better, some considerably better. That is perhaps an extreme example of the difficulty of making any future estimate ~~to~~ as to what price a security may sell, even though it would have to be recognized as the best security in the world. So that I assume that what Professor Ripley is discussing is the question of corporate financing and the management of its business and the opportunity of the ordinary investor to get

accurate information in relation to his investment. Any remedial legislation or action that might be taken to secure that result would have to be done keeping clearly in mind that these concerns are not national concerns, but that they are State concerns. They get their authority under the law and by charters that are granted to them by the various States. There is a little difference about that in relation to the railroads, but generally speaking all of our industrial concerns secure their rights and powers from a state charter and not at all from the laws of the United States. So that the United States doesn't have very complete jurisdiction over them. I should want to give some more thought and study than I have to the question to see where the line should be drawn and what action ought to be taken by the states and what might properly be done by the Federal Trade Commission. Broadly speaking, the Federal Trade Commission has jurisdiction over interstate commerce, that is jurisdiction over the commodity that an individual or a state corporation has created and which they propose to dispose of through the channels of interstate commerce, and having jurisdiction over the product of the corporation is quite a different thing than having jurisdiction over the finances and the corporate practices of the corporation. So that I should rather conclude that the best and most adequate protection that security holders would have through publicity of the financial affairs of corporations would have to be brought about by the passage of state laws, rather than by the passage of laws by Congress or the actions of any Federal agencies. Undoubtedly the Federal Trade Commission has some juris-

diction over the finances, but it must be incidental I assume to interstate commerce.

Press: He says in his article that there is a case stated before the Supreme Court to test whether the Federal Trade Commission has that power over finances.

President: Well that rather confirms what I say, that it is a question that would need considerable study and investigation in order to determine it, but I should think it would be plain that whatever powers, as I stated the Federal Trade Commission has, would be incidental in some way or other to interstate commerce. I think it has been decided that the securities that are issued by a corporation are not interstate commerce. I suppose it is possible that they may be made such when they are sold from one state to another. There again you come to the product and not to the action itself. The more I think of it, the more I come to the conclusion - I have been giving a little thought along that line until I began to discuss it here - that any real remedy to secure publicity or give the shareholder the right to know what is being done with his money, how the business of his concern is being conducted, would have to come almost entirely from state action rather than from national action. Professor Ripley is a man of large experience and recognized ability, and he is an expert on matters of this kind, and any suggestions that he might make would be entitled to very careful consideration before they could be dismissed, and any theory that he

might propound as to the powers of the National Government would likewise be entitled to very careful consideration before it could be dismissed as unfounded.

Press: The Professor also seems to indicate that one of the difficulties now is that there are such a large number of forms of reports. Would that be remedied in any way if they had similar statements?

President: Well, those forms are all forms that are required by the state laws. I came in contact with that in my law practice and my experience in Massachusetts. The Commissioner of Corporations there makes up the legal forms on which corporations that are incorporated under the laws of Massachusetts and those which are incorporated under the laws of other states that come into Massachusetts to do business have to make reports.

Press: Did you have a hand in the passage of the Massachusetts Blue Sky law?

President: ~~I~~ I don't recall that I did. I am not sure about that one way or the other. I know that there were some bills of that kind while I was in the General Court and I think there were some brought up while I was Governor. We had some regulations and restrictions there, but we didn't have that need so much in Massachusetts, because in order to come in there and do business corporations had for a long time been required to file certificates with the Commissioner of Corporations and make a complete disclosure, and those were made public, so Massachusetts wasn't a very fertile field under the law for the sale of securities that didn't have a firm founda-

tion to warrant the assumption that they were proper investments.

Press: He points out an example in his article that corporations ought to be required to file a balance sheet as well as an income sheet, and he said the Massachusetts law requires them to show the balance and he thinks the reports ought to be more adequate, to show depreciation and so on.

President: That rather carries out what I have been saying, that where the state law is adequate and proper you get the result that Professor Ripley wishes to have and where ~~they aren't proper~~ they aren't adequate and proper I have considerable doubt as to whether the National Government can interpose to make it so. Whatever power it has would be under the Interstate Commerce laws to the Constitution. That is a broad power, but that relates generally to a commodity after it has been produced. I think the Court has decided that the mining of coal in and of itself was not interstate commerce, but after the coal is brought up on top of the ground and started to be shipped away then it becomes interstate commerce and the Federal Government has jurisdiction over it. But those are law questions and it is a well recognized principle of legal practice that advice is not to be given without first reading the document that the advice is to be given about and secondly, ~~xxxxx~~ without the consulting authority carefully investigating what the statutes may be, so what I have said would have to be taken with that qualification.

Paul Smith's, N.Y.,
Tuesday, August 31, 1926

Report of the Newspaper Conference.

Mr. Brush didn't happen to mention to me anything about foreign registry of American ships, that is American ships that might be sold and put under foreign registry. I think the policy of our Government is not to permit that. It may be more of a matter of sentiment than it is of practical value, but so far as I know there is no contemplation of making any change in the policy and so far as I am at present advised I shouldn't be in favor of making a change. That is a matter that I haven't any definite information about. I am only giving an offhand opinion. It might be modified after making a study of it. I think it is very desirable to keep all the ships we can flying the American flag and I would say that the inconvenience and the cost that might arise from that necessity America could well afford to pay.

I didn't see Mr. Brush's article or interview or whatever it may have been relative to foreign debts. It is sometimes easier for a person that is in private life and no longer charged with the responsibilities of the administration of the administration of public affairs to make a larger expenditure of the taxpayers' money than it is for those who have to be responsible for the collection of the money or the payment of it out of the pockets of the taxpayer. I have a good deal of respect for Mr. Baker's judgment and a high regard for his patriotism, but the matter of settlement or cancellation of our debts has been discussed a great many times. Our Government has taken an attitude on that which I do not think will be changed. All of the great powers, with one exception, have made a

a final adjustment and I think it is apparent that there is every expectation that France will adjust its debt settlement in accordance with the negotiations that have been made by its duly accredited Ambassador. So, as far as I am informed, I know of no reason for making any change in our policy. It has been pointed out time and time again that this money has to be paid by our taxpayers unless it is paid by the taxpayers of the country or the countries which borrowed the money. Mr. Baker I know is a perfectly sincere man and I don't want too much made of my suggestion that it is easier to make up your mind when you are not charged with public responsibility than it is when you are responsible for making the decision that settles the question.

I don't know about the attitude of Senators Gooding and Trammell about the World Court. I think perhaps we had better wait until after election to see what the final attitude of those in public office may be. There again I am not expecting any change. I should regard that as a question that the Senate has settled and can't see any likelihood that it would reverse itself.

I have only seen press reports referring to the action of the Philippine legislature on a proposed plebiscite on the question of independence. I am advised that the legislature has passed a bill of that kind which General Wood vetoed and that the legislature has passed it over his veto and that it will therefore come to me. All that I would want to say about it would be that I shall take it up when it comes and give it careful consideration, and I can't indicate now what action I shall take on it.

Press: Do you have an unlimited time to take up the matter?

I think it is six months. Now when that time begins to run, I am not certain. Whether it is six months after the final action of the legislature or six months after it reaches me or what, I do not know.

Mr. Hays is visiting me. He came up especially to talk about the plan that has already been broached of having the Government undertake the preservation of moving picture films that represent historical events. We are about to erect an archives building and we are discussing the question of providing storage in that building for films of that nature. Of course it would occur to you right off that it would provide for such films as those that were taken at the signing of the peace treaty, the making of the armistice, the return of General Pershing, the inauguration of Presidents, and generally the commemoration of historical events. As Mr. Hays expressed it to me, what a wonderful thing it would be if we had a moving picture now of President Lincoln delivering his Gettysburg address. These films go back to the time of Roosevelt. I have seen ~~new~~ ^{moving} pictures of his inauguration and of course they come up all through the succeeding time. Mr. Hays has the details of the suggestions that he wants to make and I have asked him if he couldn't grant the members of the press association here an interview so that they might get from him a little more of a detailed statement on it than I could give.

Press: Several years ago when Mr. Hays first brought that question up it was suggested that they be stored temporarily in the White House. Was anything done?

President: No. We only have a few films there and I think that all we have are some that refer to myself and my family.

There will be going out to the press under Paul Smith's headlines quite naturally a good deal of political gossip of one kind or another. Of course I am willing to assume responsibility for such suggestions as emanate from me at my conferences with the press on Tuesdays and Fridays. The other gossip that may go out from here I don't care to assume responsibility for and you members of the conference will have to fight that out amongst yourselves. You will probably find out by careful interrogation of each other what the foundation for the stories may be and whether you desire to carry on the story, enlarge on it, or whether it appears that the foundation is so slight that the story is so unimportant that it doesn't need further comment.

Press: Do you intend to go to Tupper Lake tomorrow?

President: Mr. Clark, am I going tomorrow?

Mr. Clark: No definite date has been set. I thought you might go some time this week, but no date has been set.

President: I have spoken to Mr. Clark about arranging for me to go over there some day, and the American Legion Convalescent Camp and the Veterans Bureau Hospital. I think we can take them all in on one journey, some day this week. I suppose the newspaper men would like to go along. Have you any suggestion about a date that would be convenient for you?

Press: Any date that you might mention, as long as we ~~made~~ might know a day ahead.

Paul Smith's, N.Y.,
Friday, September 3, 1926.

Report of the Newspaper Conference.

I don't know when Ambassador Sheffield is coming up here. As I indicated the other day, he was going to Atlantic City as I understood with Mrs. Sheffield and their son, returning some time next week. But I imagine he may be up here the latter part of next week. Not earlier than that. No time has been set. Of course I expect to return to Washington as early as the 18th and it is possible that he may wait until I go down there. As I indicated, also, the other day, he has had a difficult position in Mexico which he has discharged with great ability naturally in representing American interests. By that I mean the interests the Government properly protects in Mexico, the rights of American citizens. He has been obliged to run counter to the desires of some people and quite naturally they resent the result of that action. You see that in the usual crop of rumors that emanate from somewhere and nowhere that Mr. Sheffield is not going to return, that powerful interests are going to prevent his continuing in office, or something of that kind. There is no foundation for that whatever. The only reports I have ever had in relation to Ambassador Sheffield are those that praised his conduct. I have never had any criticism. So that if you see any reports of that kind, why I think you can set them down as the natural result of a man representing this Government who has had to insist that the rights of our citizens be respected when there were some people that thought it would be to their advantage not to respect those rights.

I have been very much distressed at the illness of Major Brooks, who is the Steward, isn't he Mr. Clark?

Mr. Clark: Yes.

Press: What is his first name?

President: Arthur. He has been in the public service for a great many years. He was in the War Dept. and went to the White House with Mr. Taft when he went out of the War Dept. He was a Major in Command of a battalion in Washington for some years and still has that title by right of service, not by courtesy. He is one of the finest men in Washington. I had another man who I estimated just as highly when I was Governor of Massachusetts, Edward Horrigan, a member of the State Police who was stationed in the Governor's office and always went out with me the same as the secret service do here. I am very glad to be able to report that Major Brooks while still in desperate condition has responded to treatment. Dr. Melhorn says there is faint hope of his recovery.

Press: Is he in Washington now?

President: Yes. He came up here with me. I thought it might be good for him up here, but he needed some one to be with him nights. Mrs. Brooks didn't come up with him, so after staying a few weeks he went back. He has charge of the property of the White House. He is under bond to look after that in addition to his keeping the President in presentable appearance. But it is because of the fine character of the man that I cherish him so highly. I was very much distressed when I learned that he had become unconscious and probably

wouldn't regain consciousness. I am very glad to get a telegram today which says he is somewhat improved.

I don't know that there is anything I can say that hasn't already been said about the World Court. I feel quite certain that when the other nations come to examine the reservations they will see that the purport of them is merely to put this country on a parity with other countries that are members of the League and have a seat in the Council. I understand that they have already agreed to four reservations and the one that is under consideration is the 5th. As I understand the rights of members of the League who may be members of the Council, in order to have an advisory opinion it has to be by the unanimous action of the Council. That means that one nation in the Council can object to having an advisory opinion and the advisory opinion is then not called for. So I understand the the 5th reservation is merely for the purpose of putting the United States in the same position as other countries, which I think when it is understood and studied by the other countries in interest will be regarded as entirely fair. If other countries have the right individually to prevent the asking of an advisory opinion, why I see no reason why the United States shouldn't have the same right which it would have under the 5th reservation. The speedy action that has been taken on the first four reservations I should think would indicate that there would be little, if any, difficulty in the 5th reservation.

Here is a question that really answers itself. After stating that Secretary Kellogg desires countries to make some agreement to prevent competition

in armaments Secretary Wilbur has said that when our aviation program is carried out the United States will have first place in aviation. There is no conflict in policy between those statements, for the reason that we haven't been able to get any treaty relative to aircraft armaments and it is true that our country favors ~~and-it-is-true-that-our-country~~ the elimination of competition in armaments. I think I would go so far as to say in all classes and cases. There isn't any agreement though, I think, so far as this country is concerned, about aircraft. That leaves us entirely free. What Secretary Wilbur is alleged to have said here is that when our present program is carried out the United States will be in the top place in naval aviation. I think the only limitation we have on that is the limitation of aircraft carriers. We have some limitation as to their size and I think as to their number, but I am not so certain about that.

Press: Total tonnage, Mr. President.

President: Yes. So that under present conditions there is no conflict in those two statements. [What I should like to have the position of this country to be would be for doing away with competition in all kinds of armaments. We haven't been able to secure that entirely. Now, I would go a little beyond that. I am not in favor of entering into any competitive race with any country in any department of military equipment and defense, whether there is any treaty in relation to it or not. That leaves us in a position of course of going ahead and doing what we think may be fairly necessary for our national defense without any particular regard to what some other country is doing. We are not undertaking to compete with other countries in the building of submarines or of cruisers or of destroyers,

nor are we undertaking to compete with any other country in aviation. I see this question refers to naval aviation. But what I think that the report of the Aircraft Board pretty clearly demonstrated, and what I think is substantially true, is that our aviation is as far advanced and as well equipped as that of any other country. I think that has been the condition right along and is undoubtedly the condition now. That is not because we are trying to compete with any other country or build more aircraft than they do or anything of that kind. It is because in the usual and natural course of national defense we have developed our air program fairly well and are in many respects somewhat better than any other country. Some other countries may have more planes than we have. No country has any better planes than we have.

I have had here at Paul Smith's in the last three or four weeks quite a number of representatives of different industries and commercial activities of the country. If you will review what they have said in your own minds, which you can do just as well as for me to undertake to restate it, I think you will see that it demonstrates pretty well that the country is in a prosperous condition. I have had two or three representatives of the automobile industry, Mr. Liggett of the United Drug, and Mr. Rosenwald of Sears Roebuck & Co., and Mr. Young of the General Electric Co. and its allied industries. All of them testify that business as they find it over the country is in an exceedingly good condition. One or two men engaged in railroading have called; Mr. Brush who is I think now more engaged in railroad matters than any other particular line.

Every one knows that the railroads are exceedingly prosperous at this time. I noticed that Howard Elliott is in this part of the country and has dropped in to call on me. I don't think he has any business, but came in to pay his respects to the office. So that I judge from all this testimony that has come to me that the country is in a prosperous condition, and perhaps that would be worthy of a new story on the part of any of you gentlemen that have a disposition to write something of that kind out. It might be a constructive piece of work. I have had interviews with quite a cross section of the different interests. If you assemble those and recall them, I think they would make an interesting news story.

Paul Smith's, N.Y.,
September 7, 1926.

Report of the Newspaper Conference.

I don't know that I can say that there is any special question that I expect to take up with Mr. Drummond of Kansas City when he visits me tomorrow. He is the head of the Farm Congress, isn't that his designation Mr. Clark?

Mr. Clark: Yes, sir.

President: And in that capacity comes into quite intimate touch with agriculture and its problems. He is a well informed man and a student. My usual plan will be to talk with him about matters that relate to agriculture and kindred subjects.

I haven't had a chance to talk with Ambassador Sheffield this morning. He was just coming into the Camp as I started to come in here. I think Mrs. Sheffield and their son are with him. They will of course be here for two or three days. My own offhand thought is that it will probably be more profitable for both you and him if he has a conference with you, if he has anything that he wants to give out, than it would be for me to undertake to relate our conference.

Press: Did you have in mind any time for us to see him - this afternoon or tomorrow?

President: Well, you have my conference today. You don't want to get everything in the paper in one day. There is always going to be another publication the next day. I presume you want to see him today, but I should

think tomorrow would be all right.

I don't know of any comment that I can make on the preliminary report, and that is what I understand it is, a preliminary report of the Oil Conservation Board. It speaks for itself. The object of it is to be on our guard and keep the country supplied with the necessary oil products, that is oil, kerosene and gasoline, and it is what its name implies - a Conservation Board. In its general purpose it was to make a survey of the needs of the country with special reference to what might be needed in national defense for the Army and Navy, and in addition to that what might be needed for the commerce of the ~~REPUBLICAN~~ country. I don't understand that its purpose is to try and shut off from use any of the resources of the country that are needed at the present time, but on the other hand one of its purposes naturally is to devise methods for the prevention of waste and to prevent improper use of our natural resources. It will not attempt to get all the oil that we may have in the country on the ground in one year and throw it on the market when there wouldn't be any market and there wouldn't be any use for it and consequently the oil would be wasted.

Not much ~~/s~~ change is being made in the personnel of the Government. In the Post Office, where the service is necessarily growing all the time, I suppose we have to employ more and more people. I think outside of that the last reports I had from General Lord showed that since June, 1923, there had been a reduction in personnel of 15,000 or 20,000 people. There isn't much that can be done in the matter of reducing the personnel, but I have to stress that question some all the time, otherwise there is a tendency to load up the service with

unnecessary personnel. I was recently talking with a business man that I came in contact with when I was Governor, who went into the management of a certain concern, and found at their headquarters between 250 and 260 people, as I recall it, which with their final methods of operation they were able to reduce to between 40 and 50. You can't do anything of that kind in the personnel of the Government. There are very few reductions that can be made. There may be some Departments that can make slight reductions, but I am not looking for much of anything in the reduction of personnel. I am hoping to hold it about where it is. Perhaps we can make a little reduction here and there. I don't see much prospect of that.

I have some doubts as to whether the Congress will be able to take up at the next session a reorganization of the Departments. It is very difficult to get any action by Congress on a subject which has been pending for some time and while it has been pending the Executive Department has effected a considerable reorganization which has been done by Executive Order transferring different activities and bureaus from one Department to another. Something could be done by Congress.

I am sorry to have to announce that Major Brooks died between two and three this morning. I indicated at the conference the other day the very high opinion I have of his character. It will be a great loss to the White House. To show you his faithfulness and thoughtfulness - Thursday when he knew he was exceedingly ill and was only conscious part of the time he sent down to the White House and had some one come up so he might furnish them with the combination to the White House vault where the White House plate and silver is kept.

Mr. Charlton is visiting me. Mr. Clark said perhaps you would like to

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see him. He will be glad to come down and give you any assistance that he can.

I don't think of anything else that I can helpfully comment on this morning.

Paul Smith's, N.Y.,
September 8, 1926.

Report of Newspaper Conference.

I suggested to the conference yesterday that probably Ambassador Sheffield would talk with the members of the Newspaper Conference while he was here, but he says he has refused ever since he has come out of Mexico to give out any interview and he desires to continue that policy. I have talked with him in a general way about the situation. He will return to Mexico. He has my entire confidence of course and the entire confidence of the State Department. He has had our complete support and will continue to have our complete support in carrying out the policies that he has been carrying out and is now recommending. I do not anticipate any change. There haven't been any new developments that the press hasn't already had in relation to the land laws of Mexico or in relation to the domestic religious difficulty that they are in. The policy of this country of course is to protect the rights of American citizens in the enjoyment of the personal privileges that they are entitled to under international law, usage, custom and our treaties, and their rights in the ownership and use of their property.

There was one other matter that I was going to speak about yesterday. I find that Commissioner Glassie of the Tariff Board's time expires and I had thought that under the law he might hold over. I find that is not the case. The Senate has a Committee investigating the Tariff Board and allied questions and there has been a suggestion that the membership of the Board might be

reduced - instead of having six it might be reduced to four. I therefore think I shall give Mr. Glassie a temporary appointment, because it would be rather unfair to any one that I might want to appoint to ask him to leave a permanent position and take a position on the Tariff Board that it might be necessary to vacate before the end of the next Congressional session. So that to tide this matter over, I don't see anything that I can do except to give the temporary appointment to Mr. Glassie. The law provides that there shall be six members, not more than three of which I believe the wording of the Statute is shall be of any one party. There were two vacancies that occurred during the last session of the Senate and I appointed Mr. Sherman Lowell, a former Master of the National Grange. He was the Master of the National Grange just before Mr. Tabor came in, who is now the Master. Lowell is a resident of the State of New York. And I appointed, who is that Utah man, Mr. Clark?

Mr. Clark: Broussard.

President: Broussard, yes. Those are both Republicans, I think.

I am not certain about Broussard. Yes, they are both Republicans. They were not confirmed by the Senate. The appointment was not acted on. It was neither confirmed nor rejected. So that left the Commission, on account of the Senate's not acting, with three Democrats and one Republican. So that I had to make a recess appointment of Mr. Broussard and Mr. Lowell, and they were willing to take that appointment notwithstanding the fact that they will not draw any salary unless they are confirmed. I have thought best, as I say, to put Mr. Glassie in temporarily.

Press: Would that also apply to Mr. Glassie, unless he is confirmed?

President: No, because this vacancy occurred during a recess of the Senate and he will continue to draw his salary and then when I can get to Washington and talk with the Senators and see what is likely to be done I will see what permanent decision is to be made. Perhaps it is fair to say that several Democratic Senators have indorsed Mr. Glassie in very strong terms and I think one Democratic Senator has objected to him. But on account of the situation, I do not think it would be fair to put in a new man who might find his place made vacant, leaving a permanent position to take an uncertainty. If I were in Washington and the Senate was in session where I could see them, I could make a permanent decision. I can't very well decide it until I can get hold of the Senators and see just what permanent decision should be made.

Mr. Drummond, the President of the Farm Congress is up at the Camp. I left too early this morning to confer with him.

Mr. Sargent, the Attorney General, arrived yesterday from Ludlow. There isn't anything of special importance about which I am going to confer with Mr. Sargent, several small departmental matters. I suppose he will be here a day or two. I asked him if there was anything he would care to say to the press and he said he hadn't anything he knew of that would be of any importance.

Press: Do you expect Mr. Drummond will see us?

President: Well, I think perhaps he will. I suppose he will be here today and tomorrow. I imagine he will have a chance to talk with you tomorrow, if you want to see him, or perhaps this afternoon.

Press: When is Mr. Sheffield leaving?

President: I don't know just when he is going. He will perhaps stay a day or two. He has a camp of his own on Saranac Lake where he is going the latter part of the week.

Press: Do you know when he will go back to Mexico?

President: He wants to stay up a matter of a couple of months or so. I am delighted to see him in such fine physical condition. You will recall that last year when he was here he had to undergo a severe operation, but he seems to have entirely recovered from that and is in better health than for some time prior to that.

Press: Have you already or are you going to today or the next day re-appoint Mr. Glassie?

President: I have reappointed him today.

Press: Would you care to say whether or not our lives and property have been generally respected or have suffered in Mexico?

President: Well, you can't generalize about that. There isn't any information about that that hasn't already been made public. Mexico has been in a condition of uncertainty and there have been quite a number of years of burglary and revolution, but for the past three or four years that has been getting less and less, so that I don't think there is much complaint now about a condition of disorder that has characterized Mexico in some years past. The present Government keeps a very fair condition of order. Of course we are not

able in this country to prevent considerable lawlessness. We have constant outbreaks of burglary, highway robbery, and things of that kind. I don't suppose any one would say it is because the Government is lacking in authority. We make every effort to apprehend anything of that kind and punish it. But I think generally speaking over practically the whole of Mexico there is a very good condition of order. Our citizens down there have been murdered in the past since 1913, a good many of them. But there is practically no complaint about that now. The complaint is rather about prospective, rather than present, interference, with the rights of our citizens. ~~We still have some unsolved~~ There has been a good deal of recession on the part of the Mexican Government in the claims that it has made of the privilege of interfering with the rights of our citizens. We still have some unsolved questions touching the rights of our citizens to hold property and conduct business there, but the general statement that I would make in relation to that is that the Mexican Government has receded very materially in the claims that it had put out as to its right to interfere with the business of our citizens in Mexico. On the domestic difficulty that they are having there, over the religious question, which is a religious question touching all demoninations alike as I understand it, though it is referred to more particularly as a Catholic question, because I suppose 95% of the Mexican people are Catholic, 95% of those that have any church affiliation are affiliated with the Catholic Church, there is no difference whatever and we deal with that as we would deal with any other question that might affect the rights or property of our citizens.

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When those are affected beyond the practice of the Government relating to religion or the carrying on of business or anything else, we try to protect the rights of our people.

Paul Smith's, N.Y.,
September 10, 1926.

Report of the Newspaper Conference.

I am not giving special consideration to any form of farm relief legislation. I mean by that, any particular bill. I think it is quite unusual when a day passes that some proposal of one kind or another for farm relief legislation doesn't come into the office and it is perfectly fair to say that I am giving consideration to all proposals that are made. Mr. Drummond had some suggestions the other day, some of which he reduced to writing. But I haven't any plan whatever for any particular form of legislation. It is true that I am giving the matter study and consideration, but I haven't reached a place of drafting a bill or giving any particular consideration to any particular kind of a draft of a bill.

I haven't any information about the Arms Conference that hasn't already been made public. I presume we may have some information in Washington, but it is known that I shall be down there very soon so that quite likely it would not be sent up here.

Nor have I any information as to the probable action of the nations that are conferring on the Senate vote of adherence to the Permanent Court of Justice. I mean by that the International Court, which is ordinarily designated as the World Court.

I have not conferred with the Attorney General relative to trust laws.

I don't know of any comment that I can make on the recent state

primary elections.

I am not certain yet just what time I shall go to Washington. As you know, the railroads prefer not to have it printed. Here is a question that is said to be not for the purpose of publication, but to assist the newspapermen in their personal movements. I shall go some time after Friday afternoon, I expect some time between then and Saturday evening of next week, so that if any one will be down at the station as early as Friday afternoon with his valise he will be certain to catch me.

Press: Does that mean that there will be a press conference Friday afternoon?

President: Well, I should presume so. I shouldn't expect to leave here before 4:00 o'clock Friday afternoon. I don't expect to now. I am just giving you the probabilities. I might leave here before that, but I hardly think so.

I haven't very much information about the situation as regards the Locarno Pact and the admission of Germany to the League. I am informed on what seems to be reliable information that Germany has been admitted to the League ^{there} and that ~~is~~ a provision of the Locarno Pact that that treaty has to be ratified and the ratifications deposited at Geneva and Germany admitted to the League before the Locarno Pact goes into operation. Those two things. All the seven countries must ratify and deposit at Geneva and Germany must be admitted to the League before the Locarno Pact goes into operation. I am advised, as every one knows, that Germany has been admitted and that the seven countries

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involved have ratified, but I don't think they have yet deposited their ratification. That is, they either have ratified or have secured the necessary authority for the executive department of their governments to ratify. That probably indicates that depositing of the ratifications has been delayed until Germany was made a member of the League.

The Attorney General is leaving this afternoon. Going back to Vermont.

I am receiving this afternoon three gentlemen from Vermont that came over to talk with me about the 150th/anniversary celebration.

Press: Where will it be, Mr. President?

President: It is a celebration of the battle of Bennington, as I understand it, to take place at Bennington, partly in the State of Vermont and partly in the State of New York, though the battle there always went by the name of Bennington. As a matter of fact the main battleground was just over the line in New York.

Press: What day will it be?

President: Well, it is on the exact anniversary. It is my recollection that it is the 17th of August. Perhaps someone better versed in historical dates than I am can verify that, but it is the 16th or 17th, I am quite sure.

Press: The celebration, as I understand it, is on the 16th of August, 1927.

President: I think the battle was on the 16th. I am not certain.

One of the committee is Mr. John Spargo. He is a prominent writer and social worker.

Press: Do you think you will be able to go?

Well, I don't know. It isn't until 1927. Of course I can't tell so far in advance.

Press: What are the names of the other two men with Mr. Spargo?

President: I don't know. (Mr. Clark went to get them).

Press: Does the Federal Government take any part in this celebration?

President: I don't think so. When people come in to see me I know they wither want an appropriation or a speech, or both?

Press: What do they want?

President: They have only indicated that they want a speech.

Press: Has there been any proposal for an appropriation to help the celebration?

President: Not yet.

Mr. Clark announced the names of the gentlemen with Mr. Spargo as Mr. Colgate, Mr. Bates and Dr. Cleveland.

Paul Smith's, N.Y.,
September 14, 1926.

Report of the Newspaper Conference.

It hadn't occurred to me that there was any political significance in the time that I might choose to travel between here and Washington. It might help the members of the press in interpreting the significance of the actions of the President if they would remember that he does pretty much as everybody else does and very largely because he wants to do it that way. Sometimes I have to defer to superior authority. I wanted to go from here to Plymouth by automobile. Members of the press wanted to go by train, so we went by train. I may go back to Washington partly in the daytime. I am told it is a very delightful trip down the west bank of the Hudson River by daylight. It is a trip I have never happened to take. I thought I would like to take it. Of course the country along the New York Central I have seen and the country between New York and Washington. We do not go into New York. We go into Jersey City, I think. Only a part of the country between here and Utica is familiar to me.

I haven't any information about the report of Sherwood Eddy relative to Russia. I should doubt very much if he is able to contribute greatly to the information that the State Department now has and has had for some time.

I don't know about the details of the business men's conference of twelve central states that is going to meet at St. Paul in October to discuss the farm situation. I knew in a general way that some conference of that nature was under way. I should think it might be a very helpful thing. There ought

to be a better understanding between the business men of the country and the farm interests. I should think a conference of that kind would be quite helpful. There isn't much that I can say about the proposal to reduce taxes \$560,000,000 in the coming session of Congress. The figures that have been presented to me from time to time by the Treasury and the Budget Bureau do not indicate that anything of that kind will be possible without it is expected that there be an entire re-arrangement of the amount of money that is now used for the payment of the national debt. Our interest charge is now just over \$800,000,000. I can't tell exactly what our sinking fund is. Of course I suppose it is expected that the interest would be paid, so that the only opportunity for any change in that item would be a change in the provisions of the sinking fund. It would be necessary to know what sinking fund was provided for when the original bonds were issued under the law, in order that the Government might keep faith with its creditors. To borrow money on the assurance that a certain sinking fund would be provided for its retirement and then fail to provide the sinking fund would be a gross violation of faith, and I should think would be very injurious to the credit of the country. I don't suppose any one would seriously propose anything of that kind. As I say, I don't know just what the requirement may have been or just what the prospectus may have stated when the money was borrowed. It is only in theory that we have a surplus. There is a slight margin between what is needed for current expenses and the current income. There isn't any margin at all, in fact. There is a deficit between what is received each year and what the Treasury is obliged to meet, when you come to take into consideration the maturing debt obligations. I think last June for the first time the Treasury was

able to meet out of current income the maturing debt obligations. It wasn't able to meet the maturing obligations which come the 15th of September. That is tomorrow. And so it had to borrow I think it was \$350,000,000 - either \$350,000,000 or \$250,000,000. So that the requirements of the Government at the present time to meet all its maturing obligations are larger than our current income. When you come to reduce it to its lowest terms, the question of any large tax reduction at this time, it means that we should borrow more money to meet our maturing obligations. What I have been working for to quite an extent in the matter of taxes is not only to reduce taxes, which has been done, but to secure tax reform under which I expected that we should have a larger income by reason of an increase in business at a reduced rate. It isn't possible yet to tell just how well that has worked out, or whether the expectations have been verified either more or less than the hope at the time the tax bill was passed. I suppose anybody can reduce taxes if there is an executive that will keep expenses down. I don't need to state that I am in favor of reducing taxes as fast as we consistently can with a fair margin with which to take care of any depression in business that might cause a considerable shrinkage of our revenues. The revenues of the country are dependent to a very large extent on the volume of business that is done. That is very applicable to the postoffice. There is a deficit in the Post Office now and any shrinkage in business that makes less sale of stamps for the carrying of the different classes of postal matter of course would make a reduction in the income. A good deal of our revenue is derived from the income and the dividends of corporations. That of course is dependent on the state of business in the country,

and if we hew too close to the margin we will find ourselves in this condition - that we are reducing taxes when business is good and finding ourselves in the position of being obliged to increase taxes when business is bad. If we had a season of bad business, I can't think of anything that would be more discouraging to its increase and prosperity again than for the Government to have to go and pass a law taxing business more when the business condition is bad.

Now I haven't been able to discuss this in a way that is perhaps very clear. Perhaps I might summarize it. That the condition of the Treasury wouldn't warrant a reduction of \$560,000,000, unless it is to be somehow applied to the reduction now of the interest and retirement of the public debt. I am in favor of reducing taxes as fast as we can. I am also in favor of paying off the debt as fast as we can. Part of our increase in revenue has no doubt come from tax reform, which apparently is offsetting to a considerable degree tax reduction. It will be necessary to wait and see how the present law works out before I should be willing to come to any final conclusion about what can be done in further tax reduction. If we should reduce taxes now when everyone recognizes that the country is prosperous and business is good, which makes a large income for the Government we would run into the danger of having to increase taxes in time of depression. There is a little lack of harmony of advice from the country about our financial condition. There are some people that want to cancel the foreign debts and if that were done of course we couldn't have any tax reduction. Some people want to have tax reduction, I suppose in addition to cancellation.

I don't see how those two things could harmonize very well. So I suppose that there is a difference of opinion. Some people want to cancel the debt and let the American taxpayers make up the difference. Other people, I assume, want to reduce taxes and not cancel the debt.

I think that some recommendations have been sent to me relative to an appointment to the Federal Trade Commission. I haven't taken up the matter yet in detail. I shall not until I return to Washington.

I have of course had a very pleasant summer up here. It has been very interesting and helpful. I think the change that one gets from coming up to this altitude after being in Washington all winter is very helpful too. I do not expect to be in this region next summer. One of my purposes in coming here was because I had never seen much of the Adirondacks. I thought for that reason it would be interesting to me. Next summer, quite naturally, for the same reason, I shall prefer to go somewhere else where I would get another change of scenery. My health was apparently good when I came up and I have been able to hold my own up here. I sometimes tell people that I have one distinction. I suppose I am the healthiest President that they ever had. I am sure that the outdoor life has refreshed me, invigorated me, and been very beneficial. I have about the same amount of routine work to do wherever I am. I do it under a little different surroundings and get a new reaction from it, all of which results in giving me the benefit of a change.

I haven't any plans about my place in Plymouth. It stands there very much as it has. If there has been any report of such plans it is the result of

some one desiring to write an interesting article, rather than the result of any plans that I have in mind.

Now, there are some members of the conference that haven't been up to the Camp since we have been here. I would like to have you all have an opportunity to come up if you wish and will be glad to have you come this afternoon. Some of you are accompanied by your wives and I would be pleased to have them come. Some of you have automobiles and some do not. If there are any of you that would like transportation I would be glad to send cars down to take any of you up. Those of course that would like such transportation can let Mr. Clark know and we will have the cars ready to meet you - why I assume the best place would be at the hotel?

Press: Yes, sir.

President: Be at the hotel at about quarter or ten minutes to two. This invitation is just to the members of the press conference and their wives. It does not include their friends.

Mr. Groves: Mr. President, I have been asked by my colleagues to express our very great appreciation for your courtesy and consideration during this summer. The newspaper work of course has its difficulties and this has been an important assignment, important to us, important to our newspapers, and important to the public. But your consideration has been constant and I think that the little matter of the trip to Plymouth is an example of the fact that you had our comfort in mind. And especially do we appreciate the manner in which you have ordered the activities of this office, the fact that you have

held your conferences regularly twice a week and that you have brought your guests, your important guests, down here so that we might see them at this office instead of chasing them all over the country. And I am sure that I express the feeling of the correspondents when I say that we are very very glad that you had a pleasant summer and that your health has been maintained, and we do appreciate everything that you have done for us.

President: I am very much gratified to know that. I know the difficulties that the members of the press usually have on summer vacations. In fact, it is a tradition of the Presidential office, with the old heads in there like Mr. Forster, that whenever the President goes away on a summer vacation that it is always very difficult for the members of the press that go with him. Usually there isn't much for them to write about and they are sent there by their paper and are supposed to furnish copy, and they have to resort to a good deal of fabrication and fable. Of course there is always some of that that goes on. I don't think it is particularly important, though it is important that the Presidential office should be correctly represented to the country and the attitude of the Presidential office should be accurately interpreted. But that isn't a personal matter that the President, I suppose, cares very much about. But I regard it as rather necessary to the carrying on of our republican institutions that the people should have a fairly accurate report of what the President is trying to do, and it is for that purpose of course that these intimate conferences are held. Now, I don't regard, as you men know, that it is

at all necessary for the President to give out a verbatim statement of everything that may be discussed here, but rather to leave it to the different reporters, because they are reporters, and a great many times can do those things on the whole better than the President could do them and leave it to them to make their interpretation. That of course is where the art of reporting comes in. I have found the interpretation of these press conferences given to the country on the whole accurate, and I think helpful to the country and fairly satisfactory to me. I think you have done rather better than I could have done, if I had undertaken to sit down twice a week and dictated a statement to be given out. As I have indicated once or twice before, if I did that I would become a reporter and I don't know what would become of the occupation that your gentlemen now have. I don't want to compete with your business. I am sure that we all had a very pleasant time up here and look forward to having another pleasant summer next year.

September 21, 1926.

Report of the Newspaper Conference.

I am glad to extend greetings to the augmented force of the conference. I hope those of you that were not with us had as pleasant a time as I did.

There isn't much comment that I can make relative to the reservations that were made by the Senate to the proposal to adhere to the protocol which established the Permanent Court of International Justice. It seems to me the reservations are plain and clear and speak for themselves. I have neither any authority or any disposition to vary them. They are made for the purpose of protecting American interests. I don't see any way that they can be changed.

I haven't any official information about what is reported to be a Geneva proposal regarding the 5th Senate reservation. I don't think there is anything in that reservation that says that the United States is to have the same rights as any member of the League. The statement of the reservation is to the effect that the United States has the right to prevent an advisory opinion on any matter that affects the United States or which is claimed to affect the United States. I don't see, as I have said, any way that they can be modified.

No decision has been made yet about an appointment to the Federal Trade Commission. I haven't made any decision about dedicating the Liberty Memorial at Kansas City this Fall. I have had several in-

vitations to go out there. I think their later invitations wish me to go out on Armistice Day. That hasn't yet been decided.

Major Grant came in this morning because I sent for him to talk with him about appointing some one to take the place of Major Brooks, to perform certain duties under the supervision of Public Buildings and Grounds.

I haven't any information about the proposed cites for the Department of Commerce Building, other than what has already been appearing in the press, nor have I any information about a proposal to construct an apartment house where Federal employees might get rents on the basis of \$12.50 per month per room. Of course I am interested in securing for those who are in the Federal employ reasonable rentals.

Newspaper Conference, Friday afternoon, September 24, 1926.

THE PRESIDENT: The Attorney General for Ontario, Mr. W. F. Nichol, and the United States District Attorney for Western New York, Mr. Templeton I think, came in this morning, Mr. Templeton coming in to present Mr. Nichol to me. I understood that they had been in conference relative to some matters relating to smuggling and to the illegal sale of intoxicating liquor, and they were both pleased at the cooperation each was giving the other for the purpose of breaking up those illegal transactions.

Secretary Work, who is head of the Department of the Interior and has charge pretty much of everything in Alaska, has been away since I have returned to Washington, and I haven't had any opportunity to confer with him, so that nothing has been done since my return relative to the appointment of some Department of Justice officials in Alaska. It is exceedingly difficult to get any information that one feels is entirely reliable. There are several factions up there - as I think I explained to the conference on a previous occasion - about 20,000 white people. One in eleven, I think, is on the Federal payroll, the other ten are very anxious to get on it. Some of them are willing to displace the persons that are now on the pay-roll for the purpose of getting on themselves. And for that purpose they present various claims and charges against those in Alaska who happen to be holding office. The persons holding office themselves deny those claims and present many counter-claims and recriminations against their accusers.

So, as I say, it is difficult to find out exactly what the state is there. Of course, every one knows that Alaska is more or less a frontier -- I haven't any doubt that it has splendid people -- but it still is a frontier, and standards there are not quite the same that they would be in Concord, Massachusetts. I should like to establish a stable, respectable government there as Concord has come to be famed for. That's right, isn't it, Mr. Joslin?

MR. JOSLIN: I think so.

THE PRESIDENT (continuing): Concord has that reputation. But it doesn't seem at the present time possible for me to do that. I am doing the best I can with the material on hand. I had thought -- and Senator Cummins advised me -- that probably it would be necessary to get some men in the States who would be willing to go up there and hold some of the offices. That's not so very easy on account of the long distance away and the comparatively small compensation, yet I think we can work towards a better government up there all the time.

There isn't anything I can say in the way of comment that would be of very much value concerning the reports that have come from Geneva as to the action taken there relative to our adherence ~~relative~~ to the International Court or the Permanent Court for International Justice. The reports that have come on their face do not look very encouraging, but before we can pass any final judgment it will be necessary to see what official action the nations which are members of the Court take in relation to our proposal that we adhere to the Court on certain reservations and conditions. When we get their replies we can make a final decision about

what to do.

The Cabinet this morning discussed for some time the question of commercial aviation, and what might be done to encourage that branch of our industrial activities. The Government has on hand from ten to twelve thousand Liberty motors that were made during the war, and perhaps some of them just after the war, and the Department of War has under consideration what it can best do with those motors in order to promote commercial aviation. They are first class motors in every way. I have forgotten the name now but the man who started to go to the Pole last year -- the one before Byrd -- I think the Secretary of the Navy said that the Navy insisted that he have his plane equipped with Liberty motors. It is not the one Commander Byrd used - he used another motor. That was because last year the motor that was used this year had not been sufficiently tested out to know its possibilities and limitations. The Liberty motor is a first class motor, but it does not develop as much speed as some of those that have been perfected since that was made. Aside from that I understand it is first class in every way. It has been suggested that those motors might be sold to the trade in such a way as would give them an opportunity to equip planes at somewhat less expense than they have to pay for all new motors. This commercial aviation, I think, requires three motors to a plane, and for each motor in the plane it is necessary to have two laid aside, so that there are nine motors to a plane, and at \$5,000 for each motor, it makes a total of \$45,000 a plane that it is necessary to invest. These Liberty motors could be sold for something less than that

because the Government would only use them hereafter for experimental and teaching purposes. We think that in that way we might be able to help the industry. That would not be done, however, if it would interfere with the manufacture of motors, because one of the main objects of the Government is to develop here plants for the manufacture of air-planes. It is understood that at present those plants are enjoying orders that are up to or exceed their capacity. The details of this proposal will be worked out later.

The Post Office Department reported that it had been able to render a good deal of assistance in Florida. It sent eight or ten inspectors down there. The postal facilities in Florida are now back in their original shape so far as the receipt and transmission of mails are concerned. Some of the post offices were injured there very likely and they have not been entirely repaired, but the receipt and transmission of mails is going on now with its regular normal rate.

Secretary Kellogg reported that an armistice had been signed between the two contending factions in Nicaragua, and that Admiral Latimer was doing what he could there to compose their differences. I think our country has offered its good offices.

QUESTION: Mr. President, may we go back to aviation? Mr. Litchfield of the Goodyear Company was in to see you about lighter-than-air machines, and you haven't mentioned anything about it.

THE PRESIDENT: There isn't much to say. The aviation bill that was passed last Spring provides for the building of two lighter-than-air craft. Now what we ought to do about that has not been determined. He told me

that it was quite important that lighter-than-air craft should be built in very large units. I think the Los Angeles and the Shenandoah are something like 2,000,000 cubic feet, and the new plan would be to build one of 5,000,000 or 6,000,000 cubic feet. It would have a carrying capacity of about 140,000 tons - no it cannot be 140,000 tons - 149 tons I think it was. That is under consideration and no final decision has been made. There was, as you will recall, an appropriation for some \$300,000 to participate in the experimental building of lighter-than-air craft to be composed of metal. That work I assume is going on. I haven't heard anything about it lately but I assume it is.

I haven't any information about the resolution adopted by the assembly of the League of Nations to convoke a general disarmament conference before the next assembly. I want to see just what they concluded before commenting on it in any detail. General conferences are very difficult. The land disarmament got under way in conference - and that includes eighteen or twenty countries in Europe that have been working on the problem at Geneva - and the number of countries included makes the arrival of any agreement very difficult. Of course, it makes it all the more difficult when it comes to naval limitation because some of those countries have no navy at all - some of them I think do not even front on the ocean - and to have them take part in discussions and conclusions as to what ought to be done about naval disarmament makes the situation difficult to deal with. Now if this is to be a conference of all the members of the League I hope it will be successful of course, and I will do anything I can to make it successful. But, knowing the difference of attitude of

the South American countries toward disarmament questions, and that which exists in Europe and in our own country, I should be afraid that any final agreement which would be helpful would be very difficult to secure.

I haven't any more very definite information about the probable surplus for this fiscal year. I was advised by General Lord this morning that some of the estimates of income had not been as large, or some of the receipts, had not been as large as had been expected and that some had been larger; some of the expenditures for the various items were not as large as were expected and some have been larger. So it is difficult to say what the final outcome will be. But the whole situation seemed to indicate that there will probably be something in excess of the \$185,000,000 surplus for the fiscal year that was estimated the first of last June. Of course, that all depends on what additional appropriations may be made at the coming Congress. The coming Congress begins in December and ends in March - all of which is in this fiscal year - and the amount of surplus that will be on hand on the first day of next July of course depends on what additional appropriations and supplemental appropriations may be made. I do not suppose that any one expects that it will be possible for the Congress and the Executive working together to cut down any of the appropriations that were made, though, of course, it is possible, and we do that right along to save something when we make our expenditures out of the appropriation that has been made.

Newspaper Conference, Tuesday noon, September 28, 1926.

THE PRESIDENT: As is quite likely to occur when the Government is running along fairly well, there does not seem to be very much news. I just called Mr. Sanders in to ask if he thought of anything that might be helpful to the conference and that I could discuss. They were not able to think of anything, nor do the questions this morning disclose much of anything.

There was nothing in the Cabinet that I know of that would be of public interest -- we had a short session. The various Departments that have reported to me since I have returned from my summer camp give encouraging reports about the state of affairs. I think we have been over those things in foreign relations that might be of present interest. I have already spoken at a previous conference about what is going on in relation to aviation. That takes in the three Departments of War, Navy and Commerce. The Post Office Department reports increased receipts from the business of that Department. What I suppose is somewhat unusual a large publisher has sent to the Post Office Department within a day or two a letter of commendation as to the way their business has been handled. The Department of Labor has reported to me that there is very little unemployment if any, and that there is general tranquility in the relationship between employer and employee, extending all over the country. The Depart-

ment of Commerce has reported that our foreign commerce is good, and that the commerce in this country is going on in a very substantial way.

Here is a question about the purchase of land lying south of Pennsylvania Avenue between the Capitol and Fourteenth Street. I do not know enough about that to have made a final conclusion. We have made an appropriation of \$50,000,000 for the purpose of erecting new buildings in Washington -- and I think the emphasis ought to be put on that purpose in the expenditure of this money. We would not be any better off than we are now if a considerable amount of this money were used for the purchase of real estate. It would not relieve any congestion. It would not relieve the Government from the payment of any rents. And it would not result in the assembling of those scattered Departments of the different members of the Cabinet into one homogeneous whole. So that, as far as I have thought the matter out, I think the emphasis in the expenditure of this appropriation ought to be put on the erection of new buildings rather than on the purchase of additional real estate.

There is no new development in relation to the Tariff Board, the Federal Trade Board, or in our relations with Russia.

Newspaper Conference, Friday afternoon, October 1, 1926.

THE PRESIDENT: I haven't any information about the proposed plan to market German railway bonds in this country. That will be very largely a question for private investors to determine. I did not understand that any one had suggested that the United States Government should purchase any German railway bonds. If there is any suggestion of that kind, I think I can say that it would not be done. If it is a matter for private investment, private investors will determine largely what they wish to do. It is customary in cases of that kind, I think, to inquire whether the United States Government has any objection. Of course, no intimation about what reply in that case could be made until the inquiry is made and we could see then what is involved.

Nor have I any information about the formation of a combination of steel companies in Europe. I assume that that is for the purpose of different organizations and different concerns and different companies in Europe cooperating with each other, supplying each other with the raw materials that may be advantageously disposed of by exchange, and so on. I do not judge that it constitutes any menace to the steel producing concerns of the United States.

I do not expect to attend the Army and Navy football game in Chicago. I should like to go but I doubt very much if I can get away. I think I have seen reports in the press containing the categorical statement that the President would attend. I know the temptation to advertise coming events by the assertion that the President is going to attend. I think that ought to be limited to the statement that the President has been

invited. It will serve for all advertising purposes just as well, and it is not quite fair to the Presidential office to put out a statement that the President is going somewhere unless it is certain that he is going. Of course, newspapermen here in Washington can usually ascertain that by calling up the White House. As I have said, I would like very much to go to that game but I do not believe I can get away; I do not see how I can.

QUESTION: On that subject, will you do any Fall travelling?

THE PRESIDENT: I haven't anything in mind now.

THE PRESIDENT (continuing): I haven't gone into the subject of the precise character of the reply that has been framed at Geneva to the proposal of this country to adhere to the World Court, and have made no decision about it. Quite naturally, we shall wait until the formal response comes from the various nations that are signatories to the protocol of the Permanent Court. They may require some consideration and study, and, quite naturally, I should confer with various Senators as to their opinion before making any final determination. The proposal is quite distinctly a Senatorial proposal, and I should want to confer with men in the Senate to see what they think of the response before I should determine what action our Government would probably wish to take. Personally, I am sorry that the response was not more in the nature of an acceptance of the American proposals.

I do not know of any movement to have the United States withdraw its application other than from some of the Senators that proposed passing the resolution of adherence, but, quite naturally, the response of the governments as it is anticipated leaves the matter very much in doubt

in this country.

QUESTION: May I ask as to the constitutional status of it? If it is acted on by our Government does it have to go back to the Senate?

THE PRESIDENT: No.

QUESTION (continuation): It would be unacted on in the Senate?

THE PRESIDENT: I am not certain just what the standing would be. This was a little different proposal from the ordinary treaty in that it first asked the consent of the Senate really to make it a treaty. Ordinarily a treaty is negotiated and sent to the Senate for ratification. Because there was in existence already this treaty between the forty-five or fifty nations that had made their agreement to set up the International Court, which treaty provided that our government could adhere by taking certain action, the treaty itself was not submitted but simply a message sent to the Senate asking its consent to adhere, which was expressed in the resolution, so that I am not sure what the standing would be.

Here is a very interesting suggestion that I should discuss the administrative and political problems in the forthcoming two years. That I would hardly be able to do. There is one problem that I have to keep under constant emphasis, and that is economy and government expenditures. I think that in the past few weeks I have detected some evidences that in the coming session of Congress a good many efforts are going to be put forth to secure considerable expenditures of money. I think all problems requiring large expenditures of money ought to be very carefully considered before we embark on new enterprises. You will recall that we have

provided a public building bill, which it is estimated will take about \$25,000,000 a year. We are enlarging our river and harbor appropriation so that for the current year it carries \$50,000,000, - which is more I believe than at any time since the war. And I think, as I have said, that I detected in the air, as they say, the formation of plans to make a raid on the Treasury. Now, it is very important that this country keep down its expenditures. If it will do that, I think a great many other problems will solve themselves. But I have been over that so constantly in my addresses and in these newspaper conferences that I do not want to reiterate it now. In that connection, I learned this afternoon that one of those rather customary stories that start this time of the year and keep up until the army and navy appropriations have been made is about to be printed that the budget is going to require a large reduction in the Army. There is no foundation for that story. I have the word of the War Department that no reduction is contemplated in the size of the Army. It varies some in accordance with the number of men going out, the number of men coming in, and the activities of the recruiting offices, but it stands at about 118,000. Sometimes, for some temporary purpose, they may let the number run down some and use that money for something else, and then when that purpose has been served, the numbers are recruited up to their full size. Quite naturally, we look at the expenditures of both the Army and the Navy carefully, because they are very large, they constitute very large items in the national expenditures, and unless we keep careful supervision over them, we are liable to run into excess. But there is no reduction contemplated. We expect reports

of that kind, as I have said, from now until the appropriation is passed. Sometimes they go to the extent, in getting the naval bill through, of intimating that this country is about to be attacked by some foreign nations. Sometimes it does not go quite as far as that. I think the country at the present time is perfectly secure. The Army and Navy are both in good enough condition to take care of our defensive needs. I expect that they will be maintained as they are about now, making such savings as we can, but making such renewals as are necessary, and such expenditures as may be required. What I am trying to indicate is that we expect to go on as we are going. I should not want to be reported as saying that we are about to have a very large Army, a very large Navy, and a very large Aviation force, nor should I want to be reported as saying that we are about to reduce greatly the size of our naval and military equipment.

Newspaper Conference, Tuesday noon, October 5, 1926.

THE PRESIDENT: So far as I know nothing has developed in relation to the proposal that some one has made to purchase land south of Pennsylvania Avenue. I remarked about that the other day. The building program is in the hands of certain officials, and I assume that they are carrying it out in accordance with the law. What I meant to emphasize the other day is that what we need in Washington are buildings in order to provide for the better transaction of the Government business. While we may need some more land some time, the present need is for the erection of buildings rather than for the purchase of real estate.

I haven't any information about any investigation of the mine disaster at Ironwood by the Federal government. The supposition would be that mining is entirely a state matter, controlled by the laws of the state, and totally outside of the jurisdiction of the Federal government. I know that it has been brought to my attention that the Federal government has no authority under the Constitution to make laws relative to the conduct of mining in the different states, and, therefore, the Federal government would not be in a position to make an investigation of mine disasters. But I do not know what may be contemplated by the Bureau of Mines or any of its related bodies.

I haven't reached any decision about going to Kansas City.

Nothing has developed in the Russian situation. I do not like to keep discussing that situation. It is not understood by the people generally perhaps that I respond to questions submitted, and it would

seem to indicate that the President is constantly saying something about Russia. I have no disposition to say anything about it, and until something develops I think in the future you may expect that I will not make any comment about it. Of course, I am very glad to give at any time any information that may come, but I do not want to keep making comments unless there is information developed about which comment can helpfully be made.

I haven't seen the book of Lindsay Rogers. It may possibly have been sent to me. I judge from this question that it is a discussion of the constitutional limits of the activities of the United States Senate. I think there was a British reviewer of books - supposed to be a great authority - who said he never read a book before he reviewed it because it might prejudice him. So perhaps my not having seen the book would be a compelling reason for not making any comments about it. I do not know as I can comment about his book or say much of anything about the subject that he has undertaken to discuss, which appears to be the relationship between the Executive and the House and Senate, and the Senate's relationship to the House and the Executive. That depends more on personalities than it does on a change of the rules. Sometimes there is a very strong group in the Senate which has a very dominating influence. Sometimes there is a strong group in the House. Sometimes there is an exceptionally strong Executive, who seems to go a very long ways in dominating the Congress. My own off-hand opinion is that the rules of checks and balances that have been adopted for the relationship between the different branches of the Government are about

as good as could be adopted. Sometimes there will occasions arise where things are not done as we could wish for, but, as I have indicated, it is more the accident of personalities than anything that might be due to, or could be foreseen by, or controlled by a change in the Constitution, or a general change of the executive and legislative procedure. If you gentlemen will read the works of John Adams and want to make a further study of it you will find a great deal of information that would be very instructive, I am sure, and I have no doubt would provide a foundation for very interesting newspaper articles. No doubt Mr. Rogers in his book has had access to that and probably has been benefitted by his perusal of it.

Friday, October 8, 1926.

Report of the Newspaper Conference.

Here is an inquiry about purchasing land in the District for school sites and park purposes. I judge from the question that there is a provision in the current appropriation bills that provides that not more than 25% above the assessed valuation shall be paid for such sites. Now, if it isn't possible to buy land for the assessed value plus 25%, one of the most obvious comments to make is that the assessed value apparently is too low and that not enough taxes are being levied on land of that kind. Another one is that that is not necessarily so in every case. It may be that a person has land that is adaptable to these purposes which that person doesn't care to sell. Of course in that case the remedy is to proceed by condemnation, take the land and let the damages be assessed by a jury. I rather think that a provision of this kind is quite warranted. Where land is taken or bought they ought not to have to pay more than 25% above the assessed valuation. But it is like a great many things of that kind. It is impossible to tell whether it is going to work well until it is put into operation. It may be that experience will show that such a provision in the law is unwise. It has undoubtedly arisen because some one thought some land had been purchased for more than should have been paid for it, so they have tried to protect the public treasury by this method. The motive is good. I don't know what the result will prove to be.

I haven't given any special study to the enlargement of the Board of District Commissioners or to the proposal that a form of administration be established for the city that would be under one man, in the nature of the ordinary administration of the Mayor of a city. Wherever we have had Mayors, in all the places with which I have had acquaintance, they have been accompanied by a Board of Commissioners, sometimes drawn up on the legislative plan of a Common Council and a Board of Aldermen. Sometimes the administration is left to a Mayor and a single chamber. I should doubt if it would be wise to leave the Government of Washington entirely in the hands of one man, even under such restrictions and limitations as would be imposed by Act of Congress, and I am not yet convinced that it is necessary to have more Commissioners than we have now. So far as I have been able to observe, the work can be divided among three Commissioners in such a way that it can very fairly be attended to, and they have the advantage of exchange of counsel and ideas that comes from having a Board rather than one person. I should think three was sufficient. If on further study I found they couldn't do the work, which I very much doubt, then we would need to have some other method of administration here.

I have talked with Secretary Jardine about the cotton situation and he says that cotton is one of the products that lends itself most easily to storage and that there are plenty of storage warehouses in the country. I have talked with the Secretary of the Treasury, who is assured by the

interests connected with the Federal Reserve Board, that there is no difficulty about credit. In 1922, or some time previous, when there was a considerable reduction in the price of cotton, the difficulty arose from bank credits. That is not the difficulty now. It seems to be a difficulty of coordination of selling and buying and the fact that the Government reports show a very large crop. I think the last report indicated an expectation of a crop of 16,000,000 bales. We use about 7,000,000 to 7,500,000 and export about that number and we had a carry over I think last year of about 5,000,000 bales, so that there is a considerable amount of cotton, but there is money to finance it and efforts are being made to coordinate buying and selling and storing and the providing of credits for cotton in such a way as not to force a large amount of it on the market.

I haven't any information about the ~~purpose~~ prospects of passage of the radio bill. It is my recollection that it was left in conference, that the bill passed the House and then the bill was amended considerably in the Senate and that it either went to the conference or was left in disagreement between the two houses. I have no doubt that at the coming session a suitable radio bill will be passed, probably something in the nature of a compromise between the House bill and the Senate bill.

Tuesday, October 12, 1926.

Report of the Newspaper Conference.

Bishop McDowell and Bishop Miller were in yesterday - came in to pay their respects. Bishop Miller has been in Mexico in the past, but he hasn't been there for quite a number of months. He said his information was that his denomination, which is the Methodist, is receiving the same treatment there that was extended to other denominations.

Nothing has developed about another member of the Trade Commission. The Commissioner from Iowa, was in yesterday. What is his name?

Press: Mr. Hunt.

President: He talked with me about the work of the Commission. He is the Acting Chairman at the present time. He said the work was going on very well.

I haven't had any report from the Committee that I appointed to do what they could about the cotton situation. I think they have made some preliminary surveys and I believe were to have some meeting this morning after the Cabinet.

Governor Nestos has not been in yet. I think he is coming in after the conference.

Mr. Sanders: 12:15.

President: The schedule says he is coming in to pay his respects.

I have signed the approval of the Owyhee River irrigation project. It will cost according to the estimates \$17,715,000,000. It includes about

124,000 acres of land to be irrigated in the states of Idaho and Oregon. I am not certain whether an appropriation is required by the Congress, I think it is, out of the irrigation money to start this project and carry it on. But as I understand it, such a proposition would not be made until the project was first recommended to me by the Secretary of Interior and then approved by my order. I think this is a project that the states of Idaho and Oregon have been quite a little interested in. The Secretary of Interior said that they have been telegraphing him to find out what action had been taken.

Friday, October 15, 1926.

Report of the Newspaper Conference.

The Government has given a very considerable amount of attention in the last three or four years to the protection of valuable mail that is given to the Post Office to transmit. But in spite of such precautions as it has been able to take there have been several serious robberies. Sometimes they have resulted in the apprehension and conviction of those that were implicated in them. I think in some cases they haven't been able to apprehend the robbers. It is a difficult question to solve. The public that have currency to transmit send it oftentimes through the mail in very large amounts by parcel post, because the expense is so small. I don't know whether the express companies refuse to take shipments of that kind or not. In the case that happened yesterday there were three armed men. There was the driver, the armed guard that sat beside him, and the policeman bringing up the rear to give additional safe conduct. They were attacked by two automobiles, as you know, with a machine gun. So that what the Government can do to make the transmission of valuable packages of mail matter more safe, it is very difficult to tell you. It has some armored vans that are used. We may have to resort to using more of those, and perhaps increase the number of armed guards. There was a time when we put Marines, I think, on some trains. They shot some people, drove off some robbers, and broke up the robberies for a time of that nature. But the Post Office Department is working on this problem to see what they possibly can do to protect its crews and protect the valuables entrusted to it. I think

that is about the only thing that came up in the Cabinet meeting this morning. It was brought up by Postmaster General New.

I have one of the secret service men detailed to stay with my son at Amherst for a while. The statute provides that the secret service shall look after the protection of the President and his family. I don't know that it is a matter of great importance and I hope that the press will^{not} feel that it is a subject which they need to discuss extensively. Sometimes to call attention to a matter of that kind in a public way stirs up the thoughts of those who otherwise wouldn't give a matter of that kind any attention. I don't know how long Colonel Starling will stay up there. He may not have to stay there very long, but it seemed best to have him stay for a time.

Tuesday, October 19, 1926.

Report of the Newspaper Conference.

The only time that I visited Wakefield, Va., the birthplace of George Washington, was when I went down the Potomac on the Mayflower and then went to shore in a boat. So I am not in a position to have much of any personal knowledge about the proposed construction of a boulevard between the City of Washington and Wakefield. I think I was told at the time I was there that the best way to reach that place was to go down to Fredricksburg and then over. It would be a very fine thing to have a boulevard of that kind some time, though perhaps my natural inclination is a good deal for utilities before we go too much into ornament. There isn't anything at Wakefield. There is no house there, no village, and none near there. If a road was to be built from here in that direction that would serve a considerable population along the way I should be much more in favor of it than I would if I found that it wasn't going to be helpful to the local population. And I don't know just how far the National Government ought to go in a matter of that kind. We are helping the States build good roads. It may be that some road of that kind ought to be taken up jointly between the National Government and the State of Virginia under the appropriations which have already been made.

I have not seen the manifesto so-called that was published in Europe today signed by certain bankers and manufacturers abroad and by Mr. Morgan and other financiers in New York advocating a lower tariff for the purpose of stimulating trade with Europe and between European states. I don't know

whether a rough draft of that document was given to Secretary Mellon while he was abroad last summer. The Secretary, so far as I can recall, and I feel quite confident I should have recalled it had he done so, has not made any mention of a document of that kind to me or acquainted me with its contents. My rather offhand opinion would be that there is quite a difference between the tariff customs that are levied among the European states and those that are levied between the United States and Europe. It wouldn't be possible to make any statement about this that would be worth very much without considerable study of the facts. It is quite well understood that those who lend money back and forth between different countries naturally are in favor of practically free trade. Those that import want free trade, while those that manufacture and are engaged in manufacturing and those that are employed as wage earners in manufacturing quite naturally want some measure of protection. But, as I said at the outset, there is quite a different standard I judge among the European states from that between our country and Europe, because their standards of living aren't so materially different as among themselves, while our standard of living is quite different than it is in Europe. It is to be borne in mind that I think out of imports of close to \$5,000,000,000 there is only a billion and a half that pays any duty. The rest comes in free. It is of course necessary for us to secure some revenue from that source and I haven't the figures, I don't know whether they could be ascertained or whether they would tell much, that might show how much \$1,500,000,000 of imports is a duty that is

a duty that is levied for protection and how much of a duty is levied substantially in its entirety for revenue. I should expect the duty for revenue would be quite a large proportion, so that while, as I said, I wouldn't want to form any ultimate judgement about it I should doubt if there is very much that can be done in that direction to stimulate European trade without gravely jeopardizing our own condition, our standard of living, our rate of wages, and our amount of production.

I don't recall that I have taken up with the Secretary of State any question of whether our Government would appoint a Minister to Canada if and when the Canadian Ministry sent one to Washington. I am quite certain that that would require an act of Congress and while it would be our disposition to take every measure that might seem required by the courtesies of the situation, it is my offhand impression that we have very little need of a Minister of that kind. Of course we have our Consular service there which takes care of our trade requirements and everything of that kind. But there is very little occasion for those offices that are performed as a ministerial service between governments.

I expect to go to Kansas City on Armistice Day. I do not expect to make any speeches either going out or coming back. I have received an invitation to go to St. Louis at that time, but I doubt if I can do that. And of course I shall be in receipt of a good many invitations from towns between here and Kansas City. I doubt very much if I can make any speeches either going

out or coming back.

I think the Secretary of State has given to the press all the information that has come to me relative to our negotiations with Mexico. The situation has changed little, if any. As I indicated in the summer, we have a good many unsolved problems with Mexico, a good many questions that have not reached final settlement, but we feel that we are making some progress. Mexico has taken a position in regard to land laws and oil laws that we feel somewhat afraid may result in injury to American interests in that country. I haven't seen the Secretary of State today. I had a telephone from him before the Cabinet came in that Ambassador Sheffield was over there, that he was talking with him and hadn't anything to lay before the Cabinet himself, so he wasn't coming over.

I had a very agreeable call from Charles L. Schwab yesterday. I could not help but think as he came in and went out how well he represented the result of America. Beginning, as he did, with no property and with meager opportunities he has developed a great manufacturing plant for the service of the people of America and is doing considerable business abroad. He told me that he started the Bethlehem Steel works with \$12,000,000 capital and now it represents \$800,000,000 capital. I have forgotten how many employees he said, they run into the scores of thousands. He reported to me that the steel business was good. I judge that he gave the same figures to the press that he gave to me, which was that last year the production of steel in this country

was ~~40~~ 50,000,000 tons, which is more than the production of any other period even during the war. He thought the outlook in the steel industry and in business in general was good. Along with that I have some interesting figures here on American industry. They were handed to me this morning by the Secretary of Labor. They are a comparison of the productivity of labor in American industries for a man between 1914 and 1925. In automobiles, for instance, the productivity is 310% greater, that is for the level of 1914 the output per man was 100 automobiles, now it is 310 automobiles. Petroleum refining 177%. Cement manufacturing 158%. Iron and steel 150%. Paper and pulp 133%. Rubber tires 314%. Coke, up to 1923, 154%. They run all the way from 314% in rubber tires down to 105% in lumber and timber products. Of course that great increase in productivity per person is the foundation for the increase in wages that has taken place since 1914. If we did not have that increase in production, the increase in wages could not be maintained. A

I am appointing Mr. Williams of the Farm Loan Board and Mr. James of the Federal Reserve Board to this Cotton Committee.

Friday, October 22, 1926.

Report of the Newspaper Conference.

There isn't very much that is new that I can say about the District Commissionership. Mr. Rudolph called on me the other day and indicated that he desired to retire in the near future. He has not set any time for retirement yet, so I do not know when he is going out and neither does he know. But I haven't any one specifically in mind to take his place. It is a good deal of a job to find a person in Washington qualified and willing to serve as District Commissioner, especially with the prospect in view that he may be subject to all kinds of investigations. Then there is another matter of the law that I do not think does any good, which constantly embarrasses me, and that is the provision that the person must be for three years a legal resident of the District. It is well known, I suppose, that there are men, persons that are virtual residents of the District and have been for a long time, their interests may be substantially all here, their business may be all here, their household is here, but if it happens that they have a voting residence in some of the states they are ineligible for service as District Commissioner. I have in mind two or three specific instances of that kind, of men that would be willing to serve, disinterested residents of the District in fact, yet in contemplation of the law they are ineligible. I quite agree that the District ought not to be subject to the control that the Commissioners have over it by persons that might be brought in from outside and I think that the Commissioners ought to be residents in fact.

I don't know that three years is any too long, but they may now be residents in fact in every sense of the term, yet I can't appoint one of them to the vacancy. To indicate something of the amount of work it is to choose a District Commissioner, I think when I chose the last one that we canvassed very carefully over 50 different proposals and names. before we found out one that would serve -- of course many that we perhaps have been willing to take wont serve. As we went into the investigation we found people that were willing to serve, but it developed that they had some connections or something of that kind or a business that constituted a disability.

The Red Cross has sent a cable to the Red Cross in Cuba inquiring what, if any, assistance might be needed down there and has been informed that the Cuban Red Cross is making a survey and would report later. Also, inquiry has been made through the State Department of our Ambassador in Cuba to find out the extent of the damage and the need, if any, for relief.

I have arranged to place Marines on guard over the transmission of valuable mail. Some have already been detailed for that purpose. We have two camps of Marines now, one in California and I don't know where the other is --

Press: Quantica? Paris Island?

President: No, I am not quite certain. We have a camp somewhere in the East that we did not have before the War. I don't know whether it is Quantico or not. It gives us an opportunity to call on the Marine force for emergencies because they are better equipped than they were before the War to take care of an

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emergency of this kind. I am also preparing to purchase and install a considerable additional number of armored automobiles, trucks or vans. Those will be so constructed that valuable mail matter can be carried in them. They are bullet-proof, I believe. It will be very difficult to get inside. And of course there will be ample guards inside to protect the shipments there.

I sometimes have inquiries about what different departments are doing. If I have information about that I am always willing to give it. Oftentimes I do not have information. I would suggest that generally it would be more satisfactory to the press that is inquiring about activities of Departments if they apply right to the Department and find out there what is going on.

Tuesday, October 26, 1926.

Report of the Newspaper Conference.

Here is an inquiry as to whether there will be a reply to the Mexican note of October 14th and what would be the general purport of the reply. I haven't taken that up in detail with the State Department, so the only answer I can make to this inquiry would be very general. Even if I had already had revealed to me by the State Department what their reply was to be, I doubt if it would be quite appropriate to make a public statement about it before such a reply was sent to the Mexican Government. That doesn't happen to be the case, however, so that all I can do is to state that such reply will be made as seems to be appropriate to the American Government.

No member of the Federal Trade Commission has had any conference or talk with me about the so-called secrecy ban relating to the issuance of publicity about unfair trade practice complaints. Such action as was taken by the Commission formerly was taken under its own motion and I think taken before any member of the Commission had ever said anything to me about the propriety or the effort of certain members of the Commission to adopt such a policy. I rather think that after the policy was adopted one or two of the Commissioners talked with me about it when they happened to be in here on some other matters, but I didn't know that there was to be any change in the policy and none of the Commissioners consulted me with ref-

erence to it. So that in answer to this inquiry I should say that I had neither approved nor disapproved. It is a matter that quite naturally I should advise the Commissioners, if they consulted me about it, to use their own judgment. They are the natural advisers of the President about a question of procedure by the Commission. They come in contact with the results of it. Their experience would indicate to them what it is best to do to secure fair trade practices. That is the fundamental proposition that the Federal Trade Commission is engaged in, an effort to secure and maintain fair trade practices, and I think they ought to take such action as is best adapted to secure that result. It may be that sometimes giving publicity to a complaint that has been made before any opportunity has been given to answer the complaint results in some injury - I don't think it would be permanent in any way - to some concern, but on the other hand it is a good thing for those who are engaged in business in the United States to realize that if they do engage in unfair practices that there is a board that has jurisdiction over it, looking after it and is going to do everything it can to prevent action of that kind, and therefore if they engage in it that it will in all probability be to their disadvantage.

I haven't completed my plans to go to Massachusetts to vote. Is any of the press planning to go up?

Press: Yes, sir.

Well, ample notice will be given to you on inquiry at the office here as to the time when I shall start. I don't expect to stay up there

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but a short time, vote and then return, so that I ought to reach Washington some time late Tuesday evening.

Here is an inquiry about the appropriation for the Shipping Board, stating that there is a request for an appropriation of \$19,000,000, or \$4,500,000 greater than for the current fiscal year. Every application that is made by any department is very carefully considered and each department is given whatever appropriation it can show is fairly required to carry on the business of the department. We do not make anything like a strict allotment in advance of the amounts that the departments can use. We ask them to put in their application and then they are called before the Bureau of the Budget and required to demonstrate to the Bureau of the Budget the necessity of each of the items, and for each item for which they can demonstrate a necessity they are granted that amount -- I say granted, it means that in the budget that I send to the Congress there is a recommendation that the amount be appropriated. I think you will recall that last year I made what might have been termed a supplemental recommendation on the Shipping Board appropriation. The first recommendation was for \$13,500,000 and then I later made a request for an additional \$5,000,000 or \$10,000,000 to be an emergency fund that could be used in case the competitors of our United States Lines began to cut rates, so that it would be known that if the competitors began to cut rates there were ample means at the disposal of the Shipping Board to meet competition of that kind. I think that as

a result of that there wasn't any effort made to cut rates. Then there was also the suggestion that competitors were contemplating cutting the rates on some of those lines in which the United States had sold its ships to private owners for the purpose of driving private owners off those lines. When that happens, of course, the United States has to take the ships back and in order to forestall anything of that kind it served notice on everybody that if the cutting in rates was engaged in the United States was prepared to take those lines and meet the cut rates, and perhaps cut rates even lower than what had already been done. It was for that purpose, I say, that this additional appropriation was provided. Of course, I want to have the Shipping Board and all of the departments conducted as economically as possible. I think in the last few years we have expended out of the public treasury something like \$100,000,000 for the cost of shipping in addition to receipts. It has been my desire to reduce that as fast as possible and get our shipping on a paying basis. We are making very good progress in that direction and generally speaking our shipping lines have shown a reduction in loss, one or two of them having eliminated the loss entirely and come into a condition where they are making a profit. But generally speaking the lines are conducted at a loss. I don't know as there is anything more I could say to make that clear. I wanted an appropriation large enough to carry on our shipping business, but I want the Shipping Board and the Fleet Corporation to apply all the principles of a business-like administration that they can, so as to put our shipping on

self-sustaining basis.

I noticed in the press that Senator Lenroot had made some discussion of the desirability of those who are in Washington attending to the Government's business going home to vote. I don't know as there is any comment I can make on it. It is quite obvious that they should do that whenever they can. Sometimes of course it is impossible. I am undertaking to set an example in that respect myself, as you already know.

The Cabinet discussed the matter of Cuban relief this morning. I have a report from the Red Cross that the total loss of life is about 600; 4,000 or 5,000 were injured. There is a vast property damage that it is difficult to estimate. It is generally supposed that the property damage is more serious than the property damage in Florida. The Red Cross made an initial appropriation of \$25,000 which was soon followed by an additional appropriation of \$75,000, making a total of \$100,000, which was sent through the State Department to General Crowder to be turned over to the Cuban Red Cross, and an additional \$10,000 was sent to General Crowder to use as he sees fit. I think private parties have sent some funds. I don't know whether that is the \$10,000 I have just referred to, but I know private parties have sent some funds. The various Red Cross chapters throughout the country have been notified, but no general drive has been made to secure money to relieve the distress there. We are advised that it will be necessary to reconstruct or build anew 10,000

houses of the kind that are used in Cuba, and that the cost of the material for those houses is in this country about \$42.00 each. That would make a cost of \$420,000, and it is hoped that this country will be able to do considerable towards meeting that expenditure. It ought to be noted that when the catastrophe took place in Florida Cuba at once sent up \$25,000 for the relief of suffering there. We have sent ships to the Isle of Pines and American interests in Cuba which are largely centered in New York are, I am told, organizing privately - when I say privately I mean an organization apart from the Red Cross - to raise funds among those interests for the relief of the suffering in Cuba. I certainly hope that there will be as generous a response as can be for the relief of the distress in that country. Our interests are very close and our friendship is known to be very great, and it ought to result in generous assistance at this time of their distress.

Friday, October 29, 1926.

Report of the Newspaper Conference.

I am going to start home to vote Monday night reaching Northampton some time Tuesday morning. You can get the hour of the departure of the train - I should say Monday night, I didn't say Sunday did I?

Press: No, Monday.

President: You will get the hour of departure of the train some time Monday. I am reminded that I went home to vote four years ago. I had been on a speaking campaign, I think I spoke in 14 states, speaking the Saturday night before election in Huntington, West Virginia, where we had a very splendid rally followed by an unfortunate election. So I went through here. I left Huntington, West Va., on the C. & O. Sunday morning about 11:00 o'clock. I went through here Sunday night and I stopped at New York. I believe I changed from the Pennsylvania Station to the Grand Central and reached home some time Monday afternoon. I don't know just what the arrangements will be at Northampton. I saw by the press that they were going to hang out some flags, which is appropriate. I believe there is a small committee coming down to meet the press and myself. The Mayor of Northampton I believe is away. I am not sure, but it is my impression that I had seen that he had been married recently, so I expect he is away on his honeymoon. I think I have seen references in the press to that effect.

Press: What is the name of the Mayor?

President: Leagh, I think, I am not sure.

But he is the man that came to Northampton just about the time I was coming to Washington. There was a very fine young man that died there, George P. O'Donnell, a member of the bar, and this man came over there to go into his office, as I recall it, and sort of take his place.

Press: Is he a Republican?

President: I think he is a Democrat. Then there is to be a reception that my wife and myself will give, or that is tendered to us I suppose, to be in the High School Hall. I don't know whether that is to start immediately after we vote - I suppose we shall leave the train and vote at the polling place, which is right next to the City Hall, that is owned by the city, called Memorial Hall, erected in memory of those who lost their lives in the Civil War. I don't know whether the reception is to start after that or whether I am to go home and take in the reception when we come back down to go to the train. I expect to leave Northampton some time during the day and reach here in the evening. I notice that the press constantly refers to my home up there as the residence of Mrs. Goodhue, my mother-in-law. I feel a little jealous about that. It is my home. And I shouldn't want the people of the country or the people of Northampton to think I had abandoned my residence there.

Press: Is there anything unusual about voting in Memorial Hall?

President: That has been changed a little. That Memorial Hall when I voted there before had always been used for a library. We had two

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very good libraries. There was the Clark Library and the Forbes Library. The Forbes Library was a well endowed library for a small place, I think \$12,000, to be used for the purchase of books, periodicals, and so on, so I think the Clark Library has sort of been consolidated with that. This building, which I say is the Memorial Hall and is owned by the city, is now used as an annex to the City Hall. They are either right together or there is only one building in between. I rather think the First Congregational Church or the Second Congregational Church, which is a Unitarian Church, stands between those two. Formerly the first four wards voted upstairs in the City Hall, but now that the women vote I presume they rather need ~~Memorial~~ ~~Hall~~ more room for four wards than could be secured up there.

Press: Will you be back here in time to get the returns?

President: Well, I shall be back some time during the late evening. I judge there wouldn't be any returns in by then.

There wasn't very much that took place in the Cabinet this morning. Seven of the Cabinet are away, making campaign speeches and going home to vote. Secretary of War Davis, Postmaster General New, Secretary Work, Secretary Hoover, are all away, and then on the other side the Attorney General, the Secretary of the Navy, and the Secretary of Labor, Mr. Davis, and Secretary Mellon is going home to vote. Secretary Kellogg is voting by mail. Secretary Jardine is going home to vote. Two years ago, of course, you know I didn't come home to vote, having a radio talk to make the night before election.

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Commissioner Rudolph hasn't resigned yet. I thought I made that plain to the press. He has indicated that he is going to resign, but no time has been set for his resignation, so that I can't choose a new Commissioner until he indicates to me that he is ready to retire. I imagine from what he said that he will retire some time before Congress convenes. If I am able to secure an acceptable appointee I shall name him at once when Commissioner Rudolph retires, because there is a good deal of work to be done on the Commission and they need the three men there all the time.

Friday, November 5, 1926.

Report of the Newspaper Conference.

I have no information on any Senate plans in relation to the election of Mr. Vare. If there is any comment to be made on that it ought to come from the Senate.

I doubt if there is anything I can say about the recent elections that has not already been said as well as I could say it or better by the comment of the press. One of these questions suggests that wherever the Republican Party was not successful it was repudiated. If that is true, I assume that the converse would be true, that wherever the Democratic Party was not successful it was repudiated. The only national election we had was that of the House. There was only 1/3 of the Senate that was up for election. plus one or two vacancies. Obviously, it is not possible to gauge the sentiment of the country by the Senatorial elections, because they only covered 1/3 of the country. When I say 1/3 of the country I don't mean of course 1/3 of the states. But different elements come in, the personality of one Senator or another. The only national election we had is that of the House. My latest information is that in the House the Republican majority will be very large. I think in the present House the Republicans have 246 or 248 seats and they will have 11 less in the incoming house, still holding a very large majority.

There hasn't anything developed in relation to the appointment of a District Commissioner. I have noticed that the press of the District comments on this from time to time.

I suppose the boys that represent that are expected to write a piece once or twice a week about the District Commissionership. It is helpful to me and instructive to the readers. Sometimes I see considerable news in it myself. I am glad to have that done and glad to cooperate in any way I can, but there have been no developments. As I said, I think at the last conference, Commissioner Rudolph is going to retire, but he hasn't retired yet.

I haven't any information about a report that Senator Butler may retire as Chairman of the National Committee. I thought if he was re-elected to the Senate perhaps he would feel that he ought to retire so that some one who didn't hold the important and time-consuming office, if I may so state it, of Senator could give more attention to the National Committee than he might feel he could give. Now that he is not going to be in the Senate, so far as I can see there is the more reason why he would be able to give the National Committee such attention as it might need. I have never consulted with him about that, nor given him my opinion about it, nor has he given his. I have no information about it.

I have been investigating the revenue returns for the past few days with a view to seeing if anything could be done in the way of tax reduction. I think conditions are developing which may warrant some reduction of taxes at the incoming session of Congress. There are a number of organizations, both in relation to taxation and in relation to business that are manifesting some activity on the question of securing a reduction of taxation. I don't know how much help they can contribute to the problem. It is quite obvious that no plan for tax reduction could receive the consideration of the Congress that didn't

first have the general approbation of the Treasury Department. I don't mean by that that the Treasury Department ought to write the bill, but they of course would have to furnish the information on which a bill could be framed. So that outside activities in relation to the Government's finances would all have to be based on what the Treasury at some time might determine could be done. I doubt if we shall have sufficient information at hand as to the working out of the present tax law, so that we would be justified in making a permanent reduction. I might run us into a deficit if we should have any recession in the present period of prosperity. But I think that it might be possible to make some rebate of 10% or 12% or something of that kind.

Press: On the taxable income of this year?

President: On the taxable income of this year.

Press: You mean individual income?

President: All income taxes. I don't mean taxes that have accrued from customs receipts or special taxes like those that are placed on admissions or things of that kind, but those that come under the general head of income taxes.

Press: Individual and corporation?

President: Individual and corporation. It is my understanding that the present indications are that there will be a sufficient balance of revenue that will warrant a rebate to those who have not already paid their four full assessments and a refund to those that have already paid.

Press: You mean a rebate on this year?

President: Yes.

Press: On this calendar year?

President: I mean this fiscal year. The first payment of course comes on the 15th of March, the next one on the 15th of June, the 15th of Sept. and the 15th of Dec.

Press: In other words there would be a 10% or 12% reduction before any one paid any taxes for this coming year of 1926?

President: Yes.

Press: That is for 1925 isn't it?

President: I am talking about a refund of taxes that are being paid during the present fiscal year, that began to be paid on the returns that were made for the year of 1925. They are now being paid.

Press: Have you considered the shortness of the session in that connection?

President: Yes, of course, that is one of the things. It would be difficult to go into a sufficient study to determine just what reductions might be made on a permanent basis, but quite easy to draw a bill saying that a certain percentage on the income taxes that have to be paid during this year should be returned or rebated. Those that paid their taxes last January in full will, as I say, secure a refund. And those that are to be paid on the 15th of December and the 15th of March would secure a rebate.

(here the press asked a number of questions about the calendar year 1926)

President: There wouldn't be any consideration of tax reduction for the calendar year 1926. That hasn't anything to do with it. We can't tell anything about

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that until we get the returns in. We can't reduce any taxes on returns that haven't been made. There would be a refund to any one that has paid their full tax and a rebate to those that pay their taxes in quarterly payments.

Press: Would they be able to pass it?

President: I think so. It isn't necessary to pass that bill before the 15th of December, of course. Then, if it doesn't pass before that time they can get a refund. If it does pass before that time they get a rebate.

Press: Is there any information about the surplus, how much that would be?

President: Well, it is estimated to be somewhere over \$250,000,000.

Tuesday, November 9, 1926.

Report of the Newspaper Conference.

Three interrogations have been presented inquiring about the object of the luncheon that I am having with 6 or 8 Senators. It hasn't any Government object. It is social in its conception. I should prefer to have members of the House and Senate come to lunch rather than to Breakfast, but as you know the House and Senate are in session at 1:00 o'clock, so that if I am going to see members of the House and Senate in a somewhat informal way socially I have to have them come to breakfast. Dinners are rather more formal occasions. So it has been my practice in the past to have the members of Congress and others drop in to breakfast. Congress isn't in session now. I am leaving tonight as you know for Kansas City. I wanted to see some of the returning Senators before I went away, so I have asked them to come in to lunch. Of course whenever members of the Senate assemble in that way and I sit down with them, quite naturally we ~~refer~~ refer usually rather incidentally to Government questions. I usually inquire whether there ~~ix~~ are any ideas that any of them have they would like to express to me and the other people that are in attendance, and oftentimes I find it very helpful to me.

Here is a very interesting reference to a speech made by Stanley Bruce, the Australian Premier, as I understand it, at the Imperial Conference which is now being held in London, suggesting some closer cooperation between the United States and the British Empire for the purpose of further insuring the peace of the world. It goes on to say that it is thought perhaps that the next

Imperial Conference might be held in Ottawa and that some members of the Foreign Relations Committee of the Senate might be interested to attend it. Of course that is a question entirely for the Senators themselves to decide. I rather doubt if they would look on a proposal of that kind with favor. We are doing what we can to promote the peace of the world, increasing our trade relations, giving other people a chance to earn a living. The British Empire, I judge, is doing the same thing. While I haven't seen the speech of Mr. Bruce, the Australian Premier, I don't know of anything that could be done by anything like international covenants to bring about any better peace relations over the world than we now have, speaking of a covenant between the British Empire and the United States. So while, as I say, that is an interesting suggestion, and I suppose it is the expression not only of a desire but a commendation of a condition, the commendation of a condition will find hearty response here. I doubt if there is any practical method of taking action we are not already taking.

I noticed that Mr. Mellon yesterday issued a statement in relation to a possible tax reduction. That has necessarily been somewhat indefinite because no figures have been prepared that could be considered as final and of course no final plan has been worked out. I always keep in mind that the question of revenue and taxes is peculiarly a question for the House of Representatives. They initiate it and I shouldn't want to reach any final conclusion without a conference with members of the House, that would be especially the Committee on Ways and Means. I think they are here in Washington now working on some other questions. Very likely they will consider this question. It would be most unfortunate

if the questions of the finances of the Government, especially taxation, should become involved in any partisan dispute. It is pretty purely a business proposition. While perhaps it can't be demonstrated quite so clearly and conclusively as a proposition in geometry, yet it is very largely a question of figures, how much surplus we have, what reductions can be made or rebates. We made a rebate in the tax bill that went through in the Spring of 1924, as I recall it, of 25% that applied to the income taxes that were to be paid during that year and it was with the recollection of that precedent that it occurred to me that something might be done analagous to that at the present session. Our session is a short session. In 1924 we began when the Congress assembled, but the tax bill wasn't passed until very late the next Spring, not very long before the adjournment took place, which was just before the National Convention the first week in June. Now, it is quite apparent that if this question becomes involved in any political controversy that it would be very difficult to secure relief for the country and it seems to me therefore that that ought to be avoided at all hazards and that the same course ought to be pursued that we pursued last year so successfully, of a conference together of the members of the Ways and Means Committee of the House without respect to the party to which each belongs and in that way a bill was presented that I think was sound and very much the same process was adopted in the Senate. I don't see any reason why something of that kind shouldn't be done this year. I think I referred to the excellent plan~~f~~ of cooperation between the two parties in my message to Congress last year, commending the members of both parties that have worked together so harmoniously, and I think that it ought to be possible to secure a similar co-

operation at the coming session. I understood from Mr. Mellon's statement that it ~~wasn't~~ didn't seem possible to make any arrangements that could go into effect before the 15th of December. That would simplify the problem, because then it is simply a problem of how much reduction is to be made on the returns that come in after the first of January and on which payments begin on the 15th of March. Now, it may be that when this is all considered and the arguments for it and against it are all brought in that it will not appear to be feasible. It seems to me now that it will be feasible, because it won't take much time. It will require only a short bill. If a general agreement could be reached on it, it could be adopted very speedily. Last year the tax bill was passed just about the first of March, but it takes a long time to work out a detailed and regular tax reduction bill. That matter had been under careful consideration and study for months before Congress assembled. That hasn't been the case now. The Treasury has been doubtful about the amount of revenue it would receive and therefore doubtful about the amount of reductions that could be made. If some plan of this kind can be adopted, it could be speedily enacted and would give general relief to the whole Country. You will recall that last year's bill, or this year's bill, removed the tax on corporation capital stock, what is known as the capital stock tax, and for the purpose of insuring sufficient revenue it increased the rate on corporation income. If they had known just how the revenue would come out, I think perhaps they would not have made that increase on corporation income. It also relieved about 2,000,000 people in the United States from paying any tax whatever. Now, the corporation tax I judge is pretty well

distributed over the Country. I am told there are about 20,000,000 security holders who must pay a tax, it may be small, on the income from their securities. And it is distinctly a positive, rather than a negative tax. When you come to the other taxes, they are more or less voluntary. If we decide to buy an admission ticket, we pay an admission tax. If you don't wish to buy an admission, why we don't have to pay the tax. A good many taxes are somewhat of that nature, they are voluntary rather than compulsory, but these taxes on income are compulsory. As I say, there are a good many million people in this country that come under that designation and if you add to those the ones that are interested in life insurance and would be benefited by anything that might be of benefit to the securities that are held by life insurance companies, savings banks, and everything of that kind, you see that the income tax has a very broad base, even when it is applicable only to very fair-sized incomes. While it would be a little more satisfactory, if the reduction is to be made, to work out a plan by which it would apply to practically everything, I doubt if that can be done and this plan is about the only feasible one that has occurred to me up to the present time.

Tuesday, November 16, 1926.

Report of the Newspaper Conference.

I think any statement about the contents of Mexican notes had better come from the State Department where you will get more accurate information than I can give you. I go over the notes usually before they are sent, but I don't keep the contents of them specifically in mind so that I would want to undertake to relate it at the conference. It is barely possible that some of the notes may be published in the near future and that will give you a very explicit understanding of their nature. Ambassador Sheffield was down and had a conference with the State Department and he and Mrs. Sheffield spent the week-end with us at the White House. He is going back to Mexico very soon, of course with my full confidence and support.

I don't know that there is anything more that can be said at present about taxation. It occurs to me though that perhaps there has been a little confusion of terms. We talked about refunds and rebates and so on and credits, but what we all mean is a reduction in taxation, and that would take the form probably of a reduction in the amount that is to be paid on the first two installments of 1927. I think perhaps with that in mind it might clear up some ambiguity, not to say misunderstanding, that possibly has arisen in relation to it. It is a simple proposition, that at the end of the fiscal year which occurs on the 30th day of June the best estimate shows that we will have a surplus. What can

we do with it, why apply it to a reduction on the taxes that are to be paid between the time that the bill is passed and the 30th of June. I would like to reiterate that I haven't undertaken to make any definite plan about what ought to be done, because I have realized and stated at the conference the other day, that it is a matter primarily in the hands of the House of Representatives, they having the obligation under the Constitution to originate revenue measures, and I thought quite properly that when the Committee on Ways and Means finds out what the probable surplus would be they would then be the best judges of just what plan ought to be adopted for a tax reduction, how much it should be and just how it should be put into operation.

I haven't any detailed information about aviation races. I know in a general way that we participate in them. Whether our participation necessitates the building of special planes or not, I don't know. I suppose that in some of these races some different type of plane was used from that which might be called the regular service plane. So that it would be better to inquire of the Navy Department whether, if we participate for the Schneider Cup next year, it would be necessary to build any new fast airplanes. They would give you a much better idea of that than I can.

I don't know that there is anything I can say about my Kansas City address that hasn't already been said in comment about it. Then, I think you know it is my general policy about an address to make it and try to have it plain enough so that it speaks for itself. I was attempting to

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set out there what I understood the facts to be.

There isn't anything further that I could say about Mexico than that which I have already said.

Friday, November 19, 1926.

Report of the Newspaper Conference.

I have several inquiries about Nicaragua. The relation of the United States to Nicaragua is very simple and the President Diaz requested the good offices of the United States in maintaining peace in his country, and Secretary Kellogg has informed him, as I understand, that he would cooperate with the Nicaraguan Government as far as we could for that purpose, which we hope will be successful. I have several questions and that covers everything that has been done and everything that has been said, so far as I have been advised by Mr. Kellogg, or rather he advises me that that is all that he has said or done.

I don't know of any foundation for the report that Chairman Butler is to retire. He was here the first part of the week. The matter wasn't mentioned to me, as I am quite sure it would have been if he had it in contemplation.

I haven't seen the proposed plan of Senator Simmons for the repeal of taxes. His suggestion, as I understand it from this, means that he is proposing the entire repeal of the automobile tax. I don't know whether that is correct. My view about the automobile tax is that the United States Government is making an appropriation of \$85,000,000 or \$90,000,000 a year for good roads and that for that reason it is felt that some tax should be paid to the National Government on automobiles. I don't know what the Senator is suggesting in relation to that. I merely state my own view about

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it. As I recall, there was a very generous reduction of the automobile tax in the law that we passed this year. As time moves on I think we might reduce that tax further, but it always seemed to me that as long as we were making our contribution from the National Treasury for the building of roads, especially for the benefit of automobile traffic, that automobiles and the allied industries might quite properly make a contribution for that purpose to the National Treasury and understood that that was the policy of the automobile associations and so represented to me by those who are in charge.

There still seems to be considerable confusion in the public mind about a reduction of taxes. I thought perhaps I cleared that up at the last conference. I was always at a loss to understand how there was a difference of opinion between Secretary Mellon and myself. We talked the matter over together before I made any statement about it and he showed me a statement that he was proposing to put out before he put it out, so while it is possible that we have used different terms to indicate the same thing I am sure we have been in entire agreement as to what possibly could be done.

The Progress that has been made about the selection of a District Commissioner is more or less negligible. Commissioner Rudolph has not resigned as yet, but as I say indicated that he wished to be relieved, but leaving the time of his resignation uncertain. The most of what has been done has been the process of elimination. Quite a good many names have been

suggested and it has been found out that some of those that have been suggested are not qualified because they haven't resided in the District long enough, others have written in to me to say that while they appreciate the expression in the press of their availability for District Commissioner, they would not be willing to accept the position. So that no decision has yet been reached about it. There have been a number of very excellent suggestions, but no final determination upon it.

The report of the Tariff Commission on Methanol, spelled -----
I will say for the benefit of the uninformed if there should happen to be any such before me, is still before me for consideration. I always take those reports and make inquiries from other departments about the condition of the trade, the Commerce Department, and the effect on the Treasury from the Treasury Department, and those inquiries and investigations are under way.

I can see, as I stated some time ago, that there is going to be quite a good deal of pressure during the coming session for the expenditure of public funds. Quite a number of the members of the House and Senate that are coming back into town come into my office, a good many of them bringing some plan that requires an additional expenditure of public money. I am still very much in favor of conserving the resources of our Country. I want to make all the expenditures that are reasonably required, but I think the Country will be served best by making those expenditures as

reasonable as they can be. That sometimes results in suggestions that the administration is resorting to cheese-paring. Well, we have a great many departments and a little saved in each one, each division, in the aggregate amounts to a very large sum. I don't know whether I ever indicated to the conference that the cost of lead pencils to the Government per year is about \$125,000. Now, it would be thought to be rather insignificant to refer to saving a lead pencil, but even the use of lead pencils is a very considerable item. I have merely used that as an illustration. I don't think the lead pencils of the Government are wasted in any particular way, but that is an indication of the tremendous business that the Government does and the results that can be secured by a small saving in many different directions. I think the burdens of the taxpayer are greater than they ought to be. I would like to have them reduced as fast as possible. The only way we can secure that result is to refrain so far as we can from adding to the already great amount of our expenditures. That is what brings the surplus into the Treasury at the end of the year. Unless there is a surplus, why of course there is no opportunity for a reduction of the tax burden. I think I indicated some time ago that I can see in the process of formation a great many plans for further expenditure of public money. I hope that for the country's sake we can pretty generally avoid that.

Tuesday, November 23, 1926.

Report of the Newspaper Conference.

No decision has been made about the appointment of a member of the Federal Trade Commission. I have had several recommendations of very excellent men, apparently. I want to confer somewhat further with some members of the Senate before I make any final determination.

Here is another resignation. As you gentlemen probably know better than I do, it is more or less a public diversion or private diversion, I don't know which, to resign different people that are connected with the Government and other positions from time to time. Those resignations run from the Cabinet down. Usually rumors of that kind are without any foundation.

Here is an inquiry about Commissioner Blair of the Internal Revenue Department, or the Treasury Department, Commissioner of Internal Revenue. I never heard any suggestion whatever that he was going to retire.

I haven't any information about the sale of the C.M. & St. P. R. R., other than what is reported in the press, so I wouldn't be in a position to give any opinion about it or add anything to what has already been made public. I suppose it is a sale made under the order of the United States Court. I think it is usual that sales of that kind go back to the court for confirmation. It isn't always done, I think it is the usual practice, so that it might not be exactly proper for me to make any comment about it if I had any particular opinion in relation to it as the matter, I suppose, is still pending before the

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United States Court. I should assume that the courts would exercise their power to see that every interest is protected in relation to the disposition of this property.

I haven't secured any place for a residence while the White House is being repaired. I expect those repairs to begin promptly on the adjournment of the Congress. It is possible that they might begin a little previous to that, but doubtful. The social season of the White House will necessarily be carried on at the White House and that extends almost up to the time of adjournment. After that I expect to vacate in order that this work may be promptly taken up and hastened to a conclusion. Two or three suggestions have been made of possible places. I think some of the suggestions on investigation turned out to be places that would not be large enough to accommodate my household. I would like to secure some location that is handy to the White House offices, but of course I must have a place that is large enough so that in case of emergency it could be used for entertainment.

I haven't any information about the proposal of General Andrews and Secretary Mellon as to future distribution of medicinal liquors.

At 1:30 on the day before Thanksgiving the different departments will excuse from further service those who are not absolutely needed. That is in accordance with the general practice of giving those who live in the District an opportunity to go to their homes on the afternoon preceding a holiday. Many people that are here transacting the business of the Government want to leave

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the District and make a visit to their former homes.

Is that in the form of an executive order, Mr. President?

No. I don't understand that it requires an executive order. It is simply an announcement from the different departments.

Friday, November 26, 1926.

Report of the Newspaper Conference.

Here is a suggestion that the District of Columbia ought not to be under the Budget Bureau and the Comptroller General, but ought to have a budget bureau of their own and a comptroller of their own. That is a novel proposition to me. But of course I haven't had time to consider it in all its implications. I don't know just what reason there is for wishing to have a budget bureau of their own, or whether they are the same reasons that any other department of the Government might advance. I think each of the members of the Cabinet would like to have a budget bureau of his own and I am quite sure that each member would like to have a comptroller general of his own. But I don't know how the budget bureau of the District would be established or how the comptroller would be established. Such expenditures as the rest of us make have to be submitted to the Comptroller General for his approval and there doesn't any reason occur to me offhand why the expenditures of the Commissioners of the District of Columbia, who are Federal officers appointed by the President, shouldn't have their expenditures submitted to the Comptroller General. Washington is a Federal city governed entirely by the National Government. There are various angles to this that would come to one's mind as he thought it over. Now, there may be some very excellent reason for making changes of this kind. I don't know what the reasons are that have been advanced. It is suggested here that because the Federal

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Government only contributes a lump sum to the local government it shouldn't be concerned as to how much is added by the locality and I suppose by how the money of the District is expended. I don't imagine that there is any very great good that could be brought about by making a change of this kind, but if some one will explain to me all the implications of it I perhaps might change my opinion.

I haven't any information about the bill to authorize the Government to develop the Great Falls water power nor a proposal for a local bond issue for the purpose of acquiring park tracts and enlarging the sewer system. I supposed that the park tracts in the District were all acquired by the Congress. I don't know what the practice has been. That is my understanding. The sewer system, I assume, is paid for by the District administration. I am not sufficiently informed about the need for additional drainage, so that I could give any opinion about that.

The Geneva Protocol is as you men of the press no before the Senate. It is the result of long careful study by experts. I think our chief representative was ex-Senator, now Representative, Burton. The provisions of this treaty are substantially the same as were ratified by the Senate in the treaties of Washington that came out of the Washington Conference in 1921-22. I don't understand there is really any new principle involved here, but simply a carrying out of the principle to which the United States is already committed with most of the other great powers.

As I recall it, France has not yet ratified. I have forgotten the reason that has been advanced, if any, for their failure.

I had no information that Mr. Charles B. Warren was coming to Washington. Very likely he may be. Very likely he may not be. I have no information about it. When he is here, I think I almost always see him.

Here is a pertinent inquiry about which I had thought of making comment even if the inquiry had not come in. A notice was published in the press that I was about to employ Senator Fess as my special representative or had employed him as my special representative in the Senate. I think the report must have been circulated by some one who hadn't had the experience of attending conferences that have been held between myself and the press. I have explained a great many times that I do not employ any special representative either in the House or the Senate, never had any, no one up there has ever been authorized to say he represented me. I don't expect that any one ever will be. When I have any business to transact with the House or Senate I transact the general business with the leaders that the members of the House and Senate have chosen to take the lead there. Sometimes when a matter is pending before a committee, I call in the Chairman of the Committee, inquiry about it, and confer with him in relation to it. My usual practice about the Senate has been to confer with Senator Curtis about all matters and with Colonel Tilson and Speaker Longworth of the House. I don't expect to change that practice. I think it is rather

unfair to Senator Fess to put him in the position of having to deny or having it assumed that he is my special representative when he isn't, and I think it is unfair to Senator Curtis who was chosen by the Senators to act as their leader. I don't like to have any suggestion made that I am disregarding him and using some other person for that purpose. Such policies as I have are general policies that I expect to have taken up and considered by all the members of the House and all the members of the Senate. I haven't acquired and don't expect to acquire the services of any special representative. Now, I don't want to be understood as making any criticism of Senator Fess' ability, loyalty and devotion to his duties. They are very high. But the Senate has chosen Senator Curtis. That choice of course is one that I should recognize.

I haven't completed my message to Congress. I am still engaged on it. I expect to get it out to the press about a week before it will go to the Congress so that you can have an opportunity to send it throughout the Country by mail.

I haven't given any consideration to the question of whether the report that Colonel Carmi Thompson may make on his investigations in the Philippines should be published or not. There might be some parts of it that he would consider as confidential. I should want to confer with him before I made any final determination. I should expect, though, that the general parts of it would be published and perhaps it would be published

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in its entirety. But it will altogether depend on whether he has prepared it with that in view or with a view to it being a strictly private report to be made to me. But I expect it will be published.

Tuesday, November 30, 1926.

Report of the Newspaper Conference.

The only plan that has occurred to me for radio control would be by more legislation. I don't use the radio in the White House very much. My wife uses it a great deal. I am most usually in the evening engaged in some kind of work that keeps me in the library. My wife likes to knit or something of that kind and while she is knitting she turns on the radio. She uses it a great deal. I haven't heard any complaint about interference. That may be due to the peculiarities of Washington. We are almost always getting our radio from the local radio station, which of course is sufficiently powerful so that outside interference wouldn't come in except in a slight degree.

I haven't any advices from the State Department about any proposal to send a successor to the present French Ambassador who is resigning. If any inquiries have been made over there they have not yet been reported to me. They would be reported the day they are made.

I haven't been into the matter of tax reduction or tax legislation very much with different members of the Congress. All that I could say about that is that they have indicated a disposition to take such recommendation as I may make in my message and consider it. We shall have to see in relation to that, of course, what may develop.

Colonel Tilson and Mrs. Tilson are guests at the White House. I am having conferences with different members as they return. Speaker Longworth is coming in tomorrow. I shall probably have different members in for breakfast or lunch as time goes on. I had some in this morning. Has the list of those been given out, Mr. Sanders?

Mr. Sanders: Yes, sir.

The President: It is primarily a social matter. There is incidental talk about various matters that may come before Congress. I think I have already indicated that I expect to send up my message and not take it up in person.

Mr. Russell, Vice President of the New Haven road, and Mr. Barnes, who I think is one of the counsel of the New Haven road, he was formerly in the Massachusetts Senate with me, an old acquaintance, and the General Counsel for the New Haven, Buckman, I think he was formerly President of the road as I understand it, now General Counsel, came in yesterday. They were in town on some matters affecting their road, as I understood it. They came in to call on me. I was glad to get their report of the progress that is being made by the New Haven and the Boston and Maine, in which Mr. Buckman said the New Haven has a considerable interest, in getting back into a better financial condition.

Most of the progress that has been made toward a choice of a Commissioner for the District of Columbia still continues to be negligible. Quite a large number of people that would make very good Commissioners I find on investigation, even though they have been endorsed by a good many people whose

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endorsement would bear great weight with me I find are incapacitated by reason of the clause that requires a three year residence, so that I haven't made much progress. It has been mostly as a result of elimination, eliminating those that I find are not qualified by lack of sufficient residence or who think that their private business is such that they would not be able to serve if the position were offered. I have not offered the position to anybody.

I haven't any new policy about shipping. Such policy as I have has been announced several times in my message. Of course, conditions change and as they change quite likely I would change my mind about what ought to be done. But conditions have not changed enough up to the present time to indicate any particular change in any shipping policy that I have. Now, I don't want to have my shipping policy confounded, exactly, with the policy that the Shipping Board may have. Under the law they have the duty of administering that great property, more or less independent of the Executive, more or less responsible to the Congress. I am glad to cooperate with them in any way and give them any help, but they have to make the decisions under the law and assume the responsibility for them. I know they have been holding some hearings, advertising some lines for sale, and making some progress I think in developing the opinion of the Country, and some progress towards liquidating our ship property.

Then we turn to a somewhat lighter subject, one that interests me a little. We have received a present of a tame racoon.

Press: Edible, Mr. President?

President: That depends on your taste. I haven't much of a taste for

raccoon meat. Some people like it very much. But I have established him here in the south lot in suitable housing and he seems to be enjoying himself very much. There is another development in the south lot that I do not think has

been suitably reported in the press. While we were away at camp this summer a swarm of bees moved into one of the hollow trees in the south lot and has been engaged during the summertime in making honey. That is edible. Again, I don't have very much of a taste for honey. It never seemed to agree with me very well. When I was a small boy about three years old my grandfather's hired man visited his people and brought back quite a supply of honey. I ate so much of it that it disagreed with me violently and I have never enjoyed the flavor or even the smell of it. But I am interested in its production. I am quite interested to have what is known as a swarm of wild bees take possession of one of the hollow trees in the south lot.

Press: Is this raccoon very young?

President: I think he is. I don't think he is quite grown yet. He is very playful, very interesting, and seems to be very well trained and well behaved.

Press: Have you a name for him, Mr. President?

President: Perhaps you can advertise for one.

Friday, December 3, 1926.

Report of the Newspaper Conference.

Colonel Thomas Miller has retired from the American Battle Monuments Commission and I have appointed Representative Finis J. Garrett of Tennessee to take his place.

No information has come to me about the present state of installment buying. Perhaps the conference will recall that I made some remarks about that in response to an inquiry some time ago, which was to the effect that as far as I was advised the different Departments knew of nothing in the commercial situation or the banking situation that gave any reason to be disturbed about it. It is a modern method of extending an orderly credit to those who are in the position of stated incomes and regular salaries and wages. It gives them an opportunity to secure credit that otherwise they probably wouldn't be able to secure. It usually results, I think, from a careful consideration of the ability of the person to pay, the person to whom the credit is extended. I suppose that out of the experience, which must be quite large now, there are developing rules as to the amount of credit, the percentage of what may properly be extended, which involves the amount to be paid down and the length of time over which the remaining installments should be paid.

Press: Have you any figures on installment buying. When you spoke last you mentioned \$2,000,000,000 or \$3,000,000,000. Has it grown since then?

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President: Not so far as I know. I haven't any recent figures. The annual income of this Country is now estimated at about \$70,000,000,000. I speak of that as something that one might consider in viewing the extension of a \$2,000,000,000 credit. I mean by that the comparison that might be made. We are accustomed to speak in billions now when we used to think a million was a large sum. \$2,000,000,000 is still a large sum, but when we consider the very much larger sum that is represented by the total income of our Country you see that comparatively that wouldn't be a great amount of credit to extend.

I haven't made any final decision about a Commissioner. I have several names under consideration. Not any of them have been finally approved or disapproved, not any of those that I have under consideration.

Senator Nye of North Dakota came in to pay his respects on his return to Washington. He has been in the habit of coming in to see me.

I couldn't make any comment on the exclusion or admission of evidence in the trial that is going on here in the case of the Government against Mr. Fall and Mr. Doheny.

There isn't any basis, so far as I know, that General Wood, the Governor General of the Philippines, is to resign. That is one of those as we called them hardy annuals/in relation to legislation that used to crop up each year in the General Court of Massachusetts. These reports of resignation come so much more frequently than once a year that it would hardly be a sufficient

description to call them hardy annuals. We will have to devise some other description.

Press: Is General Wood coming home?

President: It has been expected that he would come home for a visit some time this season. He hasn't been back for five years. I thought perhaps he would be back last winter, but he didn't seem to be able to get away. The Vice Governor, I think he is called Vice Governor, was over here last winter. Now we have been expecting that General Wood would come back this winter. He has recently been ill. I understand he is making a good recovery. Whether that would interfere with his coming over, I don't know. I hardly think so. He ought not to stay in the Philippines as long as that. The climate is difficult. The duties are difficult. A person accustomed to our temperate climate ought to have an opportunity to get out of a climate as warm and trying as that of the Philippines for a considerable length of time, much oftener than five years. I speak of that as an indication of the devotion that General Wood has shown towards his duties and his intense loyalty in their discharge.

Tuesday, December 7, 1926.

Report of the Newspaper Conference.

My general message is going down to the Congress today. My budget message will be presented the first thing tomorrow. A great many nominations are going in, most of them to fill permanent appointments where a vacancy has been filled during the recess.

Colonel Thompson has returned from the Philippines and has made me a report which I think will be available to the press within a short time. I am looking it over and quite naturally want to submit it to some members of the Cabinet to see what suggestions they might have to make in relation to it. I don't think of anything else that I want to discuss this morning. I would like to see the members of the Gridiron Club Committee, if any of them happen to be here, that came to invite me to attend the Gridiron Club dinner.

Friday, December 10, 1926.

Report of the Newspaper Conference.

There isn't any foundation for any report that there is to be a change in our representation at Roumania. Dr. Culbertson represents us there very acceptably and I suppose he expects to stay there for the present. The only possibility that I know of for a change would be that he might be promoted to go somewhere else. I don't know of any vacancy that is likely to bring that about.

I haven't decided on the appointment of members of the newly created Public Utilities Commission for the District of Columbia. I haven't decided to approve that bill. It is another one of those bills that undertakes to tie the hands of the President as I understand it in making appointments, providing for a long residence in the District of Columbia. And it has the other, what to me I was going to say is an absurd provision, that virtually says the President shall appoint no one that knows anything about the business and that any one who has had any experience in the line that is to be taken up by these Commissioners is outlawed from being put on the Commission. Now, I very likely shall approve the bill, but I think it has those unfortunate provisions that tend to divest it of a good deal of its usefulness. I am having the bill examined to see what action I ought to take on it. I haven't examined the bill in its entirety myself, but those are two things that did come to my attention in relation to it. Of course I agree that persons placed in

responsible positions of this kind ought to be disinterested. I don't suppose any one would think of putting any one on the bench that hadn't had some experience in the study and practice of the law. But when it comes to the supervision of the Public Utilities, then it seems to be supposed that some one who has never had any experience in relation to them is the person that can adequately protect the public interests. So that I want to study the bill carefully before seeing what can be done in relation to it.

I haven't taken an apartment at any of the local hotels. Several of them have very kindly offered to make arrangements for the accommodations of myself and my people while the White House is undergoing repairs. They have been exceedingly kind in making the offers and several of them have quarters that could be used, but I know from the short time that I lived in a hotel after I became President that it is very difficult to arrange hotel quarters. Then I have all the White House staff that has to be kept together and taken care of, so that I feel that a private residence would be much more adaptable to my needs. There is also the question of possible entertainment which could usually be supplied better in a private residence.

I am taking up with the War and State Departments the report of Colonel Thompson on the Philippines and expect to go over it again with Colonel Thompson. I think it may be ready to be made public the first half of next week. I have been so engrossed this week that I haven't had an opportunity to give it the attention that I should like. I don't think any

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invitation has been received yet to attend an economic conference at Geneva.

I have seen some reports in the press relative to it, but I am quite sure that no report has come to me from the State Department.

Tuesday, December 14, 1926.

Report of the Newspaper Conference.

Silas H. Strawn is not now in the employ of the Government, so far as I know. He went to China for us at a very large personal sacrifice and remained there much longer than he expected to remain. On account of the unsettled conditions in China he and his associates were not able to come to any final conclusion, as I understand it. They stayed until all of the representatives of the Chinese Government had been withdrawn or left the conference. That was no fault of theirs. It was due to the unsettled state of affairs there. As nothing could be done without them, Mr. Strawn and the other representatives of the foreign powers of course were forced to discontinue their efforts. I do not know what Mr. Strawn is saying in his speeches. He is a very well informed man and would be very discreet, I am certain, in his utterances, so I do not wish to say that they are approved or disapproved. And of course they are not an expression of any official position of the United States Government. I am merely stating a fact about that. I shouldn't want any unwarranted inference drawn from it that the President had disavowed Mr. Strawn's statements. I am not doing anything of the kind. So perhaps I had better repeat again that I am neither undertaking to approve them or to disapprove them, merely stating what I understand to be the fact, that they are not the expression of the American Government. And, as I do not know what they are, I couldn't tell whether they represent the official position of the

Government or not. I want to repeat again that he is informed and discreet.

I do not know that any approach has been made to this Government by the British relative to the recognition of any new government in China. If you want to get more accurate information about that, of course apply to the State Department. They might have made inquiry there which wouldn't be reported to me unless the situation had developed far enough so it was proposed to take some action.

I don't know that any particular disposition will be made of the report and audit of the Alien Property Custodian's office by the Comptroller General. That was done in order to satisfy the Government that the books there had been properly kept, that there had been a proper accounting for the property that came into the hands of the Alien Property Custodian. So far as I have in mind, that was revealed to be the fact by the auditor. There might be some small question about payment for services or something of that kind.

Press: Do I understand that you have the report?

President: Yes, I have the report. I haven't examined it in detail. I have sent it to the Secretary of the Treasury for his examination. I have given Senator Borah a copy of it for his information, he having interested himself in a possible investigation of the actions of that office. I thought this report might be of advantage to him in any action that he might wish to take in that direction.

Both the treaty relative to prohibition of poisonous gas and my message relative to taxation are before the Congress. They are working on

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both those problems. I don't know that there is any comment I could make in relation to either one at this time.

The construction of new cruisers by this Government, as I understand it, is entirely outside the Washington Conference treaty on the limitation of armaments, it having been the understanding that if there was to be ~~any~~ no limitation on submarines that there would not be any limitation on submarine destroyers or cruisers. So that whether we build more cruisers or do not build more, or whether some other country builds or does not build, doesn't affect the 5-5-3 ratio which applies to other forms of construction of war vessels. If you will look at the treaty, I think you will find some statement there in relation to cruisers, but it is not a limitation on the number that can be constructed. I should say that there was some limitation perhaps on the size of the guns that they are to carry or something of that kind. Perhaps on their size also. I should want to consult the treaty in order to be exactly sure what those limitations are in relation to cruisers. But I am very certain there is no limitation as to their number. The 5-5-3 ratio is in relation to what is ordinarily known as the war vessels, the warships, the larger ships.

I doubt very much if this Country at this time would be able to secure favorable response to any suggestion for an international conference at the Hague in the immediate future. The governments naturally interested to the largest extent are so much engaged in other matters which I should have to admit are probably more pressing, more urgent, that I doubt if they would want

to attend an international conference at the Hague at this time for the codification of international law.

I have not reached any final decision about the reappointment of Commissioner Cox of the Interstate Commerce Commission.

Some of the departments have the Public Utilities bill for the District of Columbia. I am waiting for their report on it. I of course could not make any appointments under it until the bill is signed. Perhaps that is so obvious as not to require a statement of that kind to the press, but as that is the condition of course I haven't made any effort at the selection of any names. I think some recommendations have come to the office in relation to it, but I have not been able to give it much of any consideration. I should not do so until I had reached a final conclusion relative to the bill.

I do not know of any new developments relative to our relations with Nicaragua. I think all those that have occurred have been already reported in the press.

I am expecting to have a half holiday of the limited kind that is oftentimes resorted to before Christmas. That doesn't mean that everybody can leave the departments, but all those whose presence there is not of such urgent necessity that they are able to get away without detriment to the department. I do not think that rule will be applied to the day before New Year. But it will be applied to the day before Christmas. It is similar to that which was applied to the day before Thanksgiving.

Friday, December 17, 1926.

Report of the Newspaper Conference.

I haven't made any final plans to go to Trenton, other than to say that I am expecting to go. I suppose some of the press would expect to go along. Well, you will get notice from Mr. Sanders on in in due time. It comes on Wednesday the 29th and it is a dinner up there held in the evening. Leave here some time during the day.

Press: Will there be a speech?

President: Yes.

Press: Will you return during the night?

President: I expect to return the same day.

I haven't any information about any plans in relation to the (~~Republican~~) organization of the National Committee in the South or in any other part of the nation. Nothing has been said to me about that. If there is anything to be developed about it, you can probably get your information from Chairman Butler who will be in town frequently I think.

On next Monday December 20th the 3 Army airplanes are going to start from Kelley Field, San Antonio, Texas, on their Pan-American flight. They have been given very favorable publicity in Latin-America and there is a full realization here and there, I mean in South America and this country, that the flight hasn't anything to do with any military purpose. It is a trip of good will for the purpose of proving the commercial feasibility of airplane communication. We expect that that development may be of especial value to the

South American countries, as they are not so well provided with means of transportation, either by highway or by railroad, as we are in this country. Oftentimes there are very great engineering difficulties and it is a situation that would lend itself especially to airplane transportation facilities. So that we are hoping that this trip may prove very advantageous in that direction.

I haven't received any intimation of any resignation of W. Sherman Wall, the U. S. District Attorney at Louisville, Ky. So far as I know, his services have been satisfactory and from any information I have he is expecting to retain the office, though I assume from this inquiry that is made by the Courier Journal that there may be some - -

Press: A telegram, Mr. President, said he had announced that he had resigned and sent his resignation to you.

President: It hasn't reached here. It might possibly be sent to the Attorney General, though I assume it would be sent direct to me.

Tuesday, December 21, 1926.

Report of the Newspaper Conference.

I haven't been able to read the statement of the Columbia University professors with any great care. Of course this Country is trying to work out the situation in a way that will be helpful all around both to our own nation and to those nations abroad that are interested in it. I doubt if a statement such as has been given out will be helpful to the situation at the present time.

I am expecting to send the report of Colonel Thompson which he is making to me on the Philippines to the Congress within a few days.

I don't know of anything that I can say about the bill for authorizing the construction of 10 more cruisers that hasn't already been said. It seemed to me from the report that was made by the Secretary of the Navy, and after consultation with the Cabinet, that as time went on we should need to build 10 more. We have 5 now under construction. I think we have 10 or more, 5 that we are constructing, would make 15. This 10 would make 25 that would be required to balance our fleet. I believe we have more destroyers than any other nation, but for destroyers to be effective they need the support of cruisers and it was considered that to give our fleet this necessary support and round it out as an effective unit ultimately we would need about 25 cruisers. So that I called some of the members of the Naval Committee of the House down and gave them the information. We

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are building 5 now, so that I don't think it is necessary to take on the additional expense of putting any more under immediate construction. We have been under a heavy construction expense on account of the building of the airplane carriers. We are building some submarines. The airplane carriers will soon be completed and that will then give us leeway for the further construction of cruisers without any material increase of our yearly appropriations.

I haven't chosen any one yet to be a member of the Federal Trade Commission. That is a Democratic vacancy, so that I expect to appoint a Democrat.

I think the report of Mr. McCarl on the audit of the Alien Property Custodian's office will go to the Senate very soon. The Government has some suits pending in relation to alien property and it is necessary to have the report considered by the Attorney General's office to see if there is anything in it that would prejudice those cases. But the investigation hasn't been completed. It may possibly be completed today. If it is I will send it up this afternoon or tomorrow, in case the decision is favorable to that action. There is a concluding paragraph under the title "Accomplishments of the Investigation" on Page 124, which I will read that might give the press some general idea of the audit, which is as follows:

"The audit has established the character of the administration given to the property seized, has demonstrated

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that all cash and property of which possession was taken has been accounted for, and that generally speaking the property has been administered in a reasonably careful manner and has localized to what may be considered a comparatively few cases those transactions which may be the subject of further investigation."

I thought perhaps the conference might like that general idea of what has been revealed by the audit.

I expect to have the press conference Friday afternoon, not being able to provide by Executive Order for the members of the press to have a half holiday. I have exercised my authority in behalf of the press once or twice. I think you will recall that at one Gridiron dinner I suggested that the press here was so efficient that I thought their salaries ought to be raised. How many have found a favorable response? Those of you ~~have~~ that have, I would like to have you raise your hands.

(No hands were raised)

Mr. Wile: Wouldn't it be a good idea to investigate their income taxes?

President: I am afraid my influence with the press is not very great.

I haven't any Christmas pardons under consideration.

I would prefer not to say anything about the bill which has been introduced by Representative Bacon to remove the Moro provinces of the Philippines from the jurisdiction of insular legislation until the report of Colonel Thompson goes in.

I think that any information about Nicaragua had better be secured at the State Dept. where you will get it more in detail and be certain of its detailed correctness.

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Friday, December 24, 1926.

Report of the Newspaper Conference.

The questions and reporters are not very numerous this afternoon.

I wanted those of you who could to come in, in order that I might extend to you personally my best wishes for the holidays.

I have here an inquiry about Christmas gifts that are arriving at the White House. I do not know which member of the staff here is reporting on Christmas gifts. Perhaps you can get a better story from him than you could from me. But we have been very generously remembered by our many friends all over the country in a great many different ways. We are very grateful for the spirit that every one shows to us.

I thought perhaps I ought to say another word about the bill that is pending for the construction of 10 new cruisers. I want you to give full credit to the House Committee on Naval affairs in relation to that bill. I spoke about this at the last conference, thinking that the press had in mind how the matter had developed, so I began somewhat in the middle of it there. You will recall that Chairman Butler came down to see me with a letter from the Committee inquiring what action I thought ought to be recommended by the Committee on that part of my message where I said that we need to strengthen our air service, our submarines and our cruisers, so that unless you called my message the inception the real movement for doing something about it came from the Committee. I told them I would confer with the Navy Department and see what they thought. I did so and he suggested when I came to some conclusion about it to call down some other

members of the Committee. Mr. Sanders communicated with him and five of them came down. As a result of that conference we concluded that it would be a wise action at this time to put in a bill to authorize the construction of 10 more cruisers. I understood that those gentlemen that were there with me without undertaking to pledge their Committee or pledge their own action perhaps, thought as I did that those 10 cruisers were to take the place of the 3 that were already authorized. In 1924 we passed a bill authorizing construction of 8 cruisers; 5 of those are now under construction. So that I didn't in my budget message this year make any recommendation for further appropriations for cruisers to be begun during the present year. Then the question came up about the 3 and the solution of that I thought was that instead of extending the time in which construction on them was to start - it was limited to between now and the 30th of next June, ~~if~~ we could disregard that and put in a new bill for the construction of 10 without any time limit on them. I think that is the background of the story. As I say, I want the Committee to have the credit for starting the measure. It was their idea and we worked it out together. I have pursued a policy, as you know, of avoiding anything that looked like competitive naval construction, competitive armaments. I think that is a wise policy on our part and one that we can well continue to pursue. After conferring with the Navy Department I felt that these 10 additional cruisers would be needed to round out our fleet and it was for that reason that I said that if Congress sought to pass a bill of that kind I didn't see any reason why I shouldn't approve it. I didn't have in mind at all undertaking any

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competition with any other country. I don't see any occasion for action of that nature. We ought to provide a fleet that is adequate for our own needs, rather irrespective of what some other country may be doing. That is what I wished to do.

Press: Is there any date set upon when these 10 cruisers are to be completed?

President: No. I didn't so understand. It authorizes the construction of 10 cruisers and we could build them as we wished to. As I say, we have 5 now under construction. We shall soon have the 2 airplane carriers, which have been a very heavy expense, running I think about \$45,000,000, and that will give us a chance to have funds for the building of cruisers without greatly increasing the naval appropriations.

Press: In the coming fiscal year? That is, we would have funds in the coming fiscal year beginning July next?

President: No. After that we would have. I think it is generally known that there isn't any limitation in the Washington Treaty on the number of cruisers that any country can construct. It is a limitation on their size, 10,000 tons, and the calibre of the guns that they carry, which is limited I think to 8 inches. So that any country is at liberty to build all the cruisers they wish and in so doing they are not in any way infringing on the letter or spirit of the Washington Treaty.

Press: Do you care to comment on Chairman Butler's statement that the United States was fooled by its partners in the Washington Treaty who had gone ahead and built tonnage in violation of the spirit of the Treaty?

President: No.

Tuesday, December 28, 1926.

Report of the Newspaper Conference.

I hope the members of the conference all had a Merry Xmas.

Secretary Davis of the War Department is working on the plan to secure an appropriation for paying up some of the remaining stock of the Inland Waterways Corporation that now operates a fleet of boats on the lower Mississippi and the addition is to be made for operating additional boats on the upper Mississippi. Arrangements have already been made for the operation of some boats on the upper Mississippi and it is proposed to add to that number. I don't know just what amount will finally be decided upon, but I am in favor of a liberal appropriation that will build, equip and put into operation a substantial number of boats for operation on that part of our inland waterways.

The Department of State has conferred with me briefly in regard to the British note that has recently been sent concerning the foreign policy of China. We are preparing a note that will deal with that subject, which will probably be ready within a day or two.

The economic conference that is to be held at Geneva deals with the question of double taxation, in which this Country is interested. It is interested in it in two ways. First, to secure such taxes for this country as we feel we are entitled to, and, secondly, to prevent double taxation of our own people and our own concerns. We are trying to work out a plan of participation in this conference for the purpose of safeguarding and advancing American interests in respect to taxation. I should ask Hugh Gibson to attend, but he is on his way

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to this Country and as the conference, I think, opens on the 5th of January I expect that one of his subordinates that is in that immediate region will attend. Then, later, it may be necessary to send an expert on taxation, if one can be secured.

I do not think the details of my trip to Trenton have been finally worked out. I plan to go up some time tomorrow. As the conference knows, the railroads don't care to have the exact time of the leaving of the train published. I don't know yet just what time it will be, but those present that wish to attend if they will apply to Mr. Sanders he will be able tomorrow to give the time when the train is to leave.

I don't know as there is much of anything that I can say about Nicaragua. It has been apparent to me that the press has been considerably misled in respect to American activities in that country. There is a revolution going on there and whenever a condition of that kind exists in Central American countries it means trouble for our citizens that are there and it is almost always necessary for this Country to take action for their protection, protecting their safety and protecting their property. That is what is being done at the present time. This Government is not taking any sides, one way or the other, in relation to the revolution. It never takes sides in those matters. Admiral Latimer is there with a landing force of marines and they have not molested Sacasa, the head of the revolutionary movement, or any members of his Cabinet. Sacasa and his Cabinet are still at Puerto Cabezas where they are treated the same as other Nicaraguans. I understand that the American Lumber Co. has

furnished Sacasa with a house without any cost to him and tells him he can continue to occupy the house as long as he desires. The landing force has not molested him in any way. Of course, as I have stated, the marines are there simply for the protection of American and foreign lives and property wherever it may be necessary. I think that is the extent of the action that this Government has taken.

I don't know of any replies that have been received from nations that are signatory to the World Court protocol since September 1st. Some nations have sent in their acceptance, but I think they were all sent before the 1st of Sept.

I shouldn't care to speak about the general outlook for 1927 in any other way than that ⁱⁿ which I always speak at these conferences, and that is not for direct quotation. My views about the outlook are not any more entitled to credence than those of any other person that has like opportunity for information. The Secretary of Labor reported at the conference this morning that opportunities for employment seem to be increasing in certain sections, notably in the East around New York and New England. It is well known that the Country is well provided with capital for the purpose of carrying on enterprise. It is well provided with skilled labor. It is well provided with natural resources and raw materials. The American people generally speaking are in the receipt of good incomes. When that is the case it is rather characteristic of our people to make expenditures. When expenditures are made, that calls for production. I am speaking of conditions as they exist at the present time. Nobody can tell when those conditions may change. It was quite the general impression just prior to

and the beginning of the present year that there was likely to be depression. That fear wasn't realized. The Country went through the year of 1926 in a very generally prosperous condition. Some of the prices of our farm commodities, notably cotton, are not as high as they were a year ago. That will cause some disarrangement, but on account of three previous years of very attractive cotton prices that part of the Country is probably in very good condition to absorb something of the loss that arises from a lower price of cotton during the present year. Manufacturing seems to be going on at rather more than the ordinary rate. Transportation is moving rapidly. Railroads have been in receipt of large incomes and fundamentally the Country appears to be in a sound condition.

Friday, December 31, 1926.

Report of the Newspaper Conference.

I don't know of any developments in the Mexican situation that haven't already been made public.

I am not advised concerning what plans the Treasury Department may have for denaturing alcohol other than the reports that have been given out by Secretary Mellon.

Nothing more has developed in Nicaragua, so far as I know, that the press has not already had.

I never knew of any preliminary movement on the part of this Government to reestablish diplomatic relations with Russia. I saw a report of that kind in the press. I judged it was without foundation. Of course, our diplomatic relations suffer somewhat, I suppose all countries do, from volunteer activities of people without any authority. We have a great deal of that in Europe. There are a great many Americans that go over there that undertake to say and do things that do not represent the position of the American Government and I think oftentimes result in misleading foreign people and foreign governments. I don't have Russia particularly in mind, but all the governments of Europe. That is something over which we have very little control, but something that happens right along. The organization of the American Government is quite different from that of Europe, which probably results in European governments and certainly European people oftentimes being misled. Our diplomatic relations are entirely in the hands of the

Executive Department. In European countries where they have a parliamentary form of government those relations are carried on by some member of the parliament. And there is often a misunderstanding too about the power and authority of the President to make any final and binding obligation on the part of this Government, though it is a Presidential and Executive function entirely to recognize a foreign government. Of course, an ambassador or minister is not appointed without the approval of the Senate, but a country can be recognized by the President. That doesn't require any Senatorial action. There isn't anything that our Congress can do, for instance, as I understand it, about the recognition of a foreign country. They only come in when the question comes as to the choice of a representative that is to be sent abroad and the fixing of his salary, etc. This leads me to the thought which I have expressed once or twice before - expressed it somewhat in the short address I made at the laying of the cornerstone of the new Press Club Building - of the helpfulness that the American press could be to our foreign relations and especially the advantage that our Government can secure from correct representation of its position in the press and an American attitude on the part of the press. We are charged with the conduct of our foreign relations, speaking now of the Executive Department, doing what we can to protect the lives and property of our people in a foreign country and to take such action as we think is best suited to that and always having in mind that we want to maintain our friendly relations, but at the same time that we wish to protect the lives and property of

American citizens. Now, I think foreign countries in that regard are quite often misled by things they read in the press of our own country. They get an idea that the country is not united on a policy of that kind and of course that isn't the case. The country is united on the pursuit of that policy and wants to see it carried out, but because there may be some criticism of the method that is assumed after being adopted it leads foreign governments to suppose that the people of our own country are not giving their approval to the efforts of the Government to do what I think every one in this country wants done in the way of protecting our own interests. Our press, of course, is thoroughly American, interested in the extension of American commerce, in the building up of a system of international law and the observance of the customs of international relationship that make that possible, not only for the protection of our own interests but for the maintenance of peace and good will among all the peoples of the earth, which can best be done of course by careful and strict observance of international law and custom. The rule in that case is the same as it is in our domestic relations. We know what the laws are and if we undertake to live in accordance with them the rights of all others are adequately safeguarded and protected. If we do not observe the laws and requirements, why then you run into a chaotic condition where nobody knows whether his rights are going to be respected and to be protected by society or not. So I feel it is quite important that the attitude of the press should make plain that

it supports the American Government to do what it can along the lines I have suggested and supports all governments in their attitude to live in accordance with international law, to observe international customs and maintain the highest standards of international relationships.

The main thing I have seen in relation to the volume of Christmas trade is the statement that has been given out by Postmaster General New. I think that has gone to all the press for release to the morning papers. I assume that all of you have it. It says that in the first 25 days of December there were 1000 carloads of mail in excess of all previous records and when you take into consideration that the record was broken in 1925, to have it go a thousand carloads in excess this year is a good deal of an indication of what has been going on. I don't need to review this, I am sure, because it will come to all of you. That is the main item that has come to me that I could respond with in relation to this question of the volume of Christmas trade this year.

The Congress will reassemble Monday to take up matters of appropriation. I think I indicated some time ago that there were apparently a great many plans under way requiring large expenditures of money. Plans of that kind keep coming in to me. So far as I have been able to discover, they do not seem to get very favorable response from the Congress. The work of making the Army and Navy appropriations is going on. I was never able to understand why that was always attended with so much comment and apparently a considerable amount of discussion and debate in the Congress.

We make our appropriations for the other departments with very little public comment and very little debate and very little disagreement, but the Army and Navy appropriations seem to fall into that condition each year. I have made very liberal recommendations for both the Army and Navy because I want to see the Army and the Navy maintained in a creditable condition. Last year I was especially anxious to get our aviation program under way. That is a comparatively new field, so I felt warranted in calling together a body of experts of one kind or another ^{for} ~~xxx~~ the House and Senate to lay out a program. It was done. That program is being carried out. This year in my message, in my general message, I made recommendation that the Congress should study the matter of aviation, submarines and cruisers, which they are doing. There seems to be some confusion that has arisen because there hasn't been a careful differentiation made between my budget message and my general message. Of course, my budget message was to tell the Congress what I recommended should be done in the way of appropriations which had already been authorized by law. My general message is my recommendation to Congress as to what new policies and new laws ought to be enacted. So in my budget message I recommended what expenditures I thought ought to be made. I spoke to the Congress heretofore about cruisers. We are appropriating money this year for the going on with the building of 5 new cruisers and in my general message, why, then, we take up in that what should be done for authorizing the building of additional cruisers.

I never knew of any preliminary movement on the part of this Government to reestablish diplomatic relations with Russia. I saw a report of that kind in the press. I judged it was without foundation. Of course, our diplomatic relations suffer somewhat, I suppose all countries do, from volunteer activities of people without any authority. We have a great deal of that in Europe. There are a great many Americans that go over there that undertake to say and do things that do not represent the position of the American Government and I think oftentimes result in misleading foreign people and foreign governments. I don't have Russia particularly in mind, but all the governments of Europe. That is something over which we have very little control, but something that happens right along. The organization of the American Government is quite different from that of Europe, which probably results in European governments and certainly European people oftentimes being misled. Our diplomatic relations are entirely in the hands of the Executive Department. In European countries where they have a parliamentary form of government those relations are carried on by some member of the parliament. And there is often a misunderstanding too about the power and authority of the President to make any final and binding obligation on the part of this Government, though it is a Presidential and Executive function entirely to recognize a foreign government. Of course, an ambassador or minister is not appointed without the approval of the Senate, but a country can be recognized by the President. That doesn't require any Senatorial action. There isn't anything that our Congress can do, for instance, as

I understand it, about the recognition of a foreign country. They only come in when the question comes as to the choice of a representative that is to be sent abroad and the fixing of his salary, etc. This leads me to the thought which I have expressed once or twice before - expressed it somewhat in the short address I made at the laying of the cornerstone of the new Press Club Building - of the helpfulness that the American press could be to our foreign relations and especially the advantage that our Government can secure from correct representation of its position in the press and an American attitude on the part of the press. We are charged with the conduct of our foreign relations, speaking now of the Executive Department, doing what we can to protect the lives and property of our people in a foreign country and to take such action as we think is best suited to that and always having in mind that we want to maintain our friendly relations, but at the same time that we wish to protect the lives and property of American citizens. Now, I think foreign countries in that regard are quite often misled by things they read in the press of our own country. They get an idea that the country is not united on a policy of that kind and of course that isn't the case. The country is united on the pursuit of that policy and wants to see it carried out, but because there may be some criticism of the method that is assumed after being adopted it leads foreign governments to suppose that the people of our own country are not giving their approval to the efforts of the Government to do what I think every one in this country wants done in the way of protecting our own interests. Our press,

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of course, is thoroughly American, interested in the extension of American commerce, in the building up of a system of international law and the observance of the customs of international relationship that make that possible, not only for the protection of our own interests but for the maintenance of peace and good will among all the peoples of the earth, which can best be done of course by careful and strict observance of international law and custom. The rule in that case is the same as it is in our domestic relations. We know what the laws are and if we undertake to live in accordance with them the rights of all others are adequately safeguarded and protected. If we do not observe the laws and requirements, why then you run into a chaotic condition where nobody knows whether his rights are going to be respected and to be protected by society or not. So I feel it is quite important that the attitude of the press should make plain that it supports the American Government to do what it can along the lines I have suggested and supports all governments in their attitude to live in accordance with international law, to observe international customs and maintain the highest standards of international relationships.

Comer Stone Laying
Apr 8.