

Friday, October 16, 1925.

Report of the Newspaper Conference.

I haven't indicated to Secretary Jardine or any one else that I should oppose appropriations on the part of the Federal Government for aid in building roads in the states. This year the National Government has expended \$170,000,000 for that purpose and it is a very large amount to spend in one year. I don't like the policy very well of 50-50 expenditures. It has a tendency to encourage the states into expenditures that they wouldn't otherwise make and which perhaps they do not wish to make at that time on the theory that if they don't make the expenditure it will be made by some other state. I want to keep expenditures of that kind within balance, but we have adopted the policy of aiding in road building and expect it will continue. I think we ought to put our main expenditures onto the main lines of travel, rather than onto side lines, or local lines. These expenditures are made under the post road theory and the post road provision of the constitution. I think that is the only justification for them. It is somewhat a stretching of that provision to make a good many of these roads that I do not suppose were post roads at all, but nobody is raising any question. The Government is committed to this policy and I am agreeable to having the Government expend a reasonable sum, but it must be kept within bounds and used for few roads.

Press: Did you say the expenditure this year was \$170,000,000?

President: Yes. That is an accumulation of past contracts that matured this year, \$170,000,000.

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Press: Wasn't that for a definite period of years?

President: Well, I say it is an accumulation.

Press: It seems to me that the law provides for a five year construction program?

President: Well, about that I don't know. I think the provision of the law is that when the state builds certain roads and pays out certain moneys that the United States Government will reimburse them, and it happened that these reimbursements all came due during the present year. They were^{not}/all for contracts made during the present year of course, but the accumulation of contracts that had been maturing and which finally did mature this year.

Here is a question about the merger of the Ward, Continental and other large baking companies. It says that a complaint of the Federal Trade Commission against this merger has been lodged with the Department of Justice. I haven't any specific information about that. I didn't know that the Federal Trade Commission had made such a finding. I somewhat doubt whether they have from all that I have heard, but it is possible they have. If they have made such a finding, I suppose it goes without saying that the Department of Justice will take the complaint in due course of its business and press it to a conclusion.

I have quite a number of inquiries here about the security pact. All that I know about the situation in Tacna Arica would be characterized by the statement that while they are having some difficulties in working out the holding of the plebiscite, yet I think those difficulties are being dissipated. There was some trouble that arose over the Boundary Commission, but that was adjusted

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and the Boundary Commission is proceeding in the discharge of its duties, and while I know that some questions have arisen in relation to the holding of the plebescite, in which General Pershing is the American Commissioner, I think also those difficulties are being straightened out and the plebescite will go on all right. It is exceedingly important that it should, and so important to both Chile and Peru and important to the whole South American situation, because a failure would be very serious, that I can't conceive of its breaking down and failing to reach a final adjustment. I think both Chile and Peru will realize the necessity of making necessary adjustments in order that the plebescite might proceed and this question that has been pending for 40 years and which was finally left to the President of the United States as arbitrator may have a final conclusion.

I haven't any information about the situation in Indiana. Of course I know that Senator Ralston has died and that that will make necessary the appointment of a successor, which I had assumed from what I had seen in the press could be done by the Governor under the laws they have.

I haven't any new information about Russia. I have a question here from which apparently a word has been left out. "Reports from Russia say that the Soviet Government has announced that its debt to the United States" - I suppose that this has been left out "and will be adjusted" or something of that kind -

Press: "Recognized".

President: Yes, recognized. I haven't any information about that.

That was one of the conditions that we had laid down as you will recall that didn't require any action on our part, that they should revoke the order that they issued by which they had refused to recognize the debt to the United States. If they have done that, that is very interesting information. I don't know about it.

As I have said, I have several inquiries hereabout the pact that has been signed at Locarno. Quite naturally we haven't yet the official report and I don't know whether we have a very accurate report of just what the document contains. If it is what I understand it to be, the security pact between between the great nations, I regard it as one of the most important events that have occurred since the adoption of the Dawes Plan. I think the adoption of that plan was the first instance of the interested nations being able to make any agreement for a very long time previous to that. I think running back practically to the signing of the peace treaties. Now this has indicated that they can agree on other very important and material things. This ought to be what it purports to be - a real covenant of security that will relieve France and Italy, Great Britain and Belgium, and also definitely commits Germany to a peace program. I suppose it goes without saying that we understood that that had already been done before, but to have an agreement of this kind in which all those nations were able to join is an accomplishment of value that it is almost unable to estimate. I think it will have a very beneficial result on the financial situation. It ought to relieve those countries of the necessity of maintaining great armaments and I should expect it would have a very helpful effect on the proposal

to have a Disarmament Conference in this country. As I say, I can't be certain about that until I have seen the official text, but it all works in that direction. We have had the Dawes Plan. We have had the conference at Paris of the representatives of those governments over there. They were able to agree. We have had the settlement of a good many European debts to this country. We have had the putting into operation of the Reparations Plan. And all of these things are I think a most helpful and promising accomplishment. It indicates step by step a very remarkable progress that is being made, and I can't think of anything that would be of a more hopeful nature and hold out more promise of benefit to the world in general than action of this kind.