

Tuesday, October 27, 1925.

Report of the Newspaper Conference.

I haven't had brought to my attention any proposal for legislation to governmental agencies to purchase all supplies in the domestic market whenever the commodity is available. There is what I should think would be a well recognized rule of procedure in relation to that which might be put into legislation, though I scarcely see any necessity for it. The difficulty with legislation of that kind always arises when some unforeseen contingency comes up that makes it desirable to have an exception to it. This ought to be pretty much in the discretion of the purchasing agencies and the purchasing agencies ought to favor our local markets. But there are times when we might want to make an exception. Supposing there was a great scarcity so that the price of a commodity of which the Army or the Navy use a very large amount, is very high, then the purchasing agents in those departments I should think would need to give a little consideration as to whether they want to go into the domestic market here and take out a considerable supply which might raise the price of a necessary of life very considerably to those that are not very well able to meet it, or whether it wouldn't be better on an occasion of that kind to secure a supply abroad. The law as it is now, as I understand it, requires the Government to secure competitive bids. There are exceptions to that, but that is the general rule and sometimes it is a question rather hard to decide of a competitive bid, whether they shall purchase abroad because the price is a little lower or whether they shall purchase in this market, notwithstanding the price is a little higher. I rather think it ought to be possible for the heads

of our great departments to use their judgment about those things, but always on the policy of giving our own merchants the advantage, first chance. And oftentimes it has seemed desirable to purchase in the home markets even when the prices were a little higher. But I wouldn't want to put the home markets in the position where they could absolutely insist that the Government should necessarily purchase of them. I don't know as I have made that very plain. I think perhaps you can get the drift of my remarks.

I haven't any of the details of what is said to be here the resignation of the French Cabinet, so that I don't know enough about the grounds for the resignation so that I would be able to express any opinion as to whether it would have any influence on the ratification of the five year debt settlement. I should think it would be very strange if the Cabinet had gone out on that issue. If it hasn't gone out on that issue, I shouldn't suppose it would probably make very much difference.

I haven't changed my opinion about the value of the Locarno pacts. I am not expressing an opinion about the details of them. Perhaps that would be not entirely appropriate, because it is a matter affecting the governments abroad. I was only expressing my opinion as to the desirability of the broad policy and principle involved and my great satisfaction that the direct representatives of the governments that are interested have been able to make agreements of this kind. I would supplement that of course by the statement of my ~~belief~~ belief that a security pact will be of great advantage to Europe and that this Government is very

sympathetic with every effort to secure the adoption of pacts of that kind. Now, it is well known that in negotiations there have to be compromises and concessions. It is a matter of give and take. I think it is very seldom, and almost never, that any one government, especially where as many are interested as are interested in this proposition, ever secures exactly what it would like to secure, and of course that would be the case with the Locarno negotiations, but I think it is very important that the proposals that have been made there should be ratified. From such information as has come to me, I think the prospect of ratification is most encouraging.

I hesitate to say much of anything about the Italian debt, the same as I have hesitated to discuss debts when negotiations were approaching or pending, because the law has put the negotiation in the hands of the Debt Commission and they are responsible for it and there would be danger if I began any discussion of it that it might prove an embarrassment. I don't see any harm though, in saying that I have been informed by all quarters that the personnel of the Italian Debt Commission is exceedingly high. Our Ambassador to Italy, Mr. Fletcher, was in here this morning and spoke in the highest terms of the members of the Italian Commission that have come here. As to what terms ought to be made, I couldn't express any opinion about that. The only terms that this country has any - our Commission have any right to settle on are the terms laid down by the law which established the Commission and the British settlement made.

I think progress is being made toward the holding of the Tacna-Arica plebiscite. There have been some questions of course that naturally arose as to

the best method of procedure and differences of opinion, which apparently have been gradually eliminated. I don't understand that all the details have yet been agreed to, but because of the great importance of having this settlement made I have felt that I was warranted in being encouraged to the expectation that they would reach an agreement. I speak now of the members of the Commission who are representing the United States, one representing Chile and one representing Peru. I think they will reach an agreement. Because of the great importance of this question, I can't conceive, when there is a chance to adjust a difference that has existed for between 40 and 50 years, that the governments involved would fail to make the necessary concessions and adjustments so that they might get a final decision.

I am expecting to attend the New York State Chamber of Commerce banquet on the 19th of November.

There isn't anything new that has developed in relation to the reorganization of the Federal Departments. I am committed to the bill that has been proposed, known as the Smoot Bill. I would very much like to see that taken up and passed and my desires about a Public Buildings bill are the same as they have been. I think we ought to have public buildings in Washington and that we ought to have a provision here for the beginning of a public buildings program. In the end we will save enough money in rents to very well meet the requirements and secure very much better housing of our different departments. I will be willing to approve of a general public buildings bill similar to that which was intro-

duced at the last session and which went through the House and I think failed in the Senate. I am not in favor of the kind of a bill that is usually referred to as a pork barrel bill. I use that phrase because it is well known and established and I hesitate a little to try to produce a phrase which means the same thing.

Press: Do you favor lump sum appropriation for the public buildings or would you say an item by item bill?

President: I think a lump sum bill would be better. That is the one that went through the house.

Press: Who would have charge of expending the money, the Chief Architect or the Postmaster General?

President: Well, I don't know where the handling of the money ought to be placed. I would want to think that over a little, but I rather think it was the Secretary of the Treasury.

Press: Secretary of the Treasury, yes the Chief Architect is in the Treasury Department.

President: Well any of the responsible heads of departments like that I should think would be capable of making an expenditure of \$150,000,000 which would be acceptable.

I was very much interested in seeing a number of Governors and representatives of state governments that have been coming up before the Committee on Finance -

Press: Ways and Means, Mr. President.

President: Yes, Ways and Means, to give their views about a proposed tax reduction. They seem to favor a very material reduction or perhaps an abolition of taxes on states, which we sometimes call an inheritance tax. Of course if taxes of that nature, which is a very good argument to leave to the states to employ, are left there, why then there would be the same reason for asking them to take up more fully perhaps the state responsibilities. The United States Government has taken over and off their shoulders quite a number of items and in order to meet their expenditures of course they have had to resort to sources of revenue that I rather think ought to be left to the states. I think it would be better if the states get their own sources of revenue and make their own decision about expenditures, rather than for Congress to undertake to say that the states ought to spend so much money and if they do why then the National Government ought to make quite a large contribution towards it. Of course there perhaps isn't any hard and fast rule that can be adopted in that respect and we have to do what is practical. We want to get the country employed and the business of society done, whether it happens to be done by the states or the National Government, but I want to leave as much of it as possible to the states because they are on the ground, they know the situation, their people know what they want, and in the end we are likely to get more satisfactory results by doing it that way than by undertaking to centralize too much of it in Washington.

Press: Have you in mind the matter of road construction?

President: That would be one example of it. I am not proposing that the

United States Government should attempt to withdraw entirely from helping to construct roads. I don't want to see it enlarged, and I would like to see it kept to the main paths, main arteries, of commerce, rather than take up things that are purely local. Of course those main highways that minister to interstate commerce, the interstate carting, there is quite a strong argument that can be made in favor of the United States Government helping about that, but I don't want to try to go too fast about it. I think that the example of Massachusetts which has a very good road system is a good one. They began their work in hardening the surface of the roads about 1890. They set up a state highway commission and have been 35 years putting in a system of roads up there, which is an indication that roads can be built without unduly burdening the taxpayers. Of course I am not undertaking to compare Massachusetts with sparsely settled states and there are states where we have a great deal of Federal domain, government land. Now in those states it is no more than fair that the United States Government should help to bear part of the burdens. Those states of enormous territory and enormous road mileage, the United States Government ought to assist in cases of that kind. But I don't want to see that proposition get away from us, or see the United States Government loaded up with a lot of other propositions of that kind, because it won't be so good for the people in the end as it will to try and work out their own problems as they arise in their ~~l~~ own localities.