

Tuesday, April 28, 1925.

Remarks by the President to the Newspaper Men.

I have sent the report of the Tariff Commission on the tariff on linseed oil to the Agricultural Department to get a report from them on the relation of the production of linseed oil to the growing of flax and the general effect on agriculture. I want to find out whether a reduction of the tariff on linseed oil would be likely to be injurious to the farmers of the west that raise flax, what the value of the flax industry is to agriculture in general, in order to see whether I ought to take any action or not. The Tariff Commission didn't take into consideration whether conditions were such in any particular industry like agriculture, or manufacturing, or anything of that kind, that it would be unwise, even if there is a difference in cost that seemed to indicate that a change either up or down could be made, to make it. Those other and outside elements are left for my consideration, and the Tariff Commission doesn't consider them at all in making their report on the difference in cost of production. I suppose it is my duty to consider whether there is this difference in cost of production and the conditions of the industry, and whether it would be disastrous to any particular interest in this country to do so, or whether it would be helpful to them. Of course as linseed oil comes from flax and flax seed, I have sent that to the Department of Agriculture to get their report on what the probable effect will be on the agricultural interests if the change should be made in the tariff on linseed oil.

I don't know of any developments in relation to the appointment of Dr. Culbertson to a diplomatic post. I had been President but a very short time when he came to me and said he had an understanding with President Harding that he was to try and provide him with some post abroad, either in the commercial field or in the diplomatic field. I have had that in mind and conferred with him in relation to it several times, but until there were the changes that have been in anticipation this spring there ~~was~~ hadn't seemed to be any place that I could offer to him that was attractive. So he became a member of the Tariff Board. But it isn't any - I don't know how long the matter had been under contemplation between Dr. Culbertson and President Harding, I understood for some little time - it isn't any new thought. It is the carrying out of a plan that Dr. Culbertson had in contemplation for three or four years, and I am trying to

find a place that will be acceptable to him. There are no new developments in it.

No suggestions for financial aid to the Merchant Marine have been presented to me, and I haven't at present in mind any plan, nor am I expected to propose any plan looking in that direction.

I don't think I have any comment that I want to make on the German election.

The Secretary of Labor reported at the Cabinet meeting the settlement of two controversies in the building trades between employers and employees, one in Boston where I believe he said they had entered into a three-year contract, and one at Gary, Ind. He said that his men report to him that the call for employees in the building trades is very strong, and that more and more people are going into that employment every day. That is interesting, perhaps, as an indication of a business development, the building trades being^a/rather fundamental and key industry. When that is going it reaches out into the lumber, steel, and a good many other materials, that tend to stimulate general production and general business activity. Mr. Mellon also said that deposits in banks were very large, and that clearing house - clearings that go through the clearing house, were at about their record. Mr. Hoover reported that the loadings of freight were larger than they were last year.

I haven't made any decision about the appointment of any one on the International Joint Commission. That is the boundary commission.

Senator Ball was in yesterday, I think that most of what he discussed with me has already been reported. But I thought that he had rather reached the foundation of the building situation, which is the rent situation, here in the District. He said that to a very large extent it was due to the high cost of operations here, and that one of the fundamental difficulties is the cost of money, the banks in the District loaning about 40% of what is necessary to engage in building operations and the rest of the money being borrowed at rates that run 12, 15 or even as high as 20%. That is the conclusion that Secretary Hoover and I come to in our discussions. And that one of the things that could be done that would help the rent situation very much in the District would be to provide a means of financing; that is, if a company could be established that would provide credit at a reasonable cost - this 40% goes at 6% and the rest at these high rates -

it would be possible then to build at less expense and have a less high rental. Dr. Ball said that it was impossible to build houses here in town at present at an expense of much less than \$200 a room, which makes rents run up pretty high.

Question: Did you see just what the plan is that he is suggesting?

I told him I wished he would talk with Mr. Hoover to see if they could devise a practical plan. The only practical plan I have in mind is to try to establish a company here, part banking and part building loan association, perhaps participated in by most banks, that could furnish capital at a reasonable expense.

Question: With governmental connections, Mr. President?

Answer: No. I don't want to have governmental connection in relation to it, other than the ordinary corporate body has. I think that if a company of that kind were started, with perhaps a capital of ^{not} more than \$3,000,000, that it would aid very materially in financing the building operations of the District at a considerable less expense than is necessary now.

Question: You said \$200 a room?

Answer: I think that is what he said.

Question: Isn't it \$2,000, Mr. President.

(There followed some discussion among the correspondents as to the correct amount.) (It was thought Sen. Ball meant the rental of a room could not be less than \$20.)

I am quite certain that he said \$200, but I am glad you corrected it and brought it to my attention, because as I thought that over, it didn't seem quite reasonable.

I don't know but what he said rental. I was mistaken about that. He said the cost was such that it was necessary to charge a rental of about \$200 a room - that is on new construction work, which makes rents, as is at once apparent, very high.