

Friday, February 19, 1926.

Report of the Newspaper Conference.

So far as I have formed any opinion, it is unfavorable to the Government going into the ownership and distribution of medicinal liquors.

The Tacna-Arica appeal will be decided just as soon as we can look over the papers and come to a definite conclusion. I don't think that will take very long.

The Commission on the preparation of plans for commemorating the 200th Anniversary of the Birth of George Washington has had only one meeting. That was held last spring, in May I think. Detailed work has been going on under the immediate direction of ex-Senator Sterling, who was made Secretary. I have within two or three days received from him quite a long report. I have no doubt that that will be available at his office, if any of you wish to get it. I have no doubt that some of you have received it. That is about all that has been done at the present time.

I have a question here about the Italian debt settlement. I don't know that there is much more I can say about that in addition to what I have already said. I have no doubt you will recall that until the formation of the present Italian Government there didn't seem to be any disposition or any power or ability to meet the payment of the debt. After that Government was formed it was taken up and they sent a Commission over here to confer with the Commission that had been appointed by this Government, which acts under the authority of a law of Congress. It is an expert Commission, made up of the best

experts that we have in this country. It is bi-partisan, so that it represented I think sufficient business ability and different political points of view to ^{very} represent/fairly the sentiment of our country. They had at their disposal a large amount of information collected from original sources as to the capacity of the Italians to pay, and the settlement was made on that basis. If the men on that Commission with the information that they had aren't judges of the capacity of Italy to pay, I wouldn't know where to turn to get judgment on that question. It is desirable in order that Italy may arrange its finances, that there should be a settlement; and that it should be a definite settlement. If it is indefinite and indeterminate, to be reopened some time in the future, why then there isn't any basis on which you get a stabilization of international finances. That is desirable not only for Italy - it is desirable for us. And we have also taken into consideration, in all these debt settlements, the desirability to reestablish Europe and fix in a definite and determinate form the public finances of those countries. Some may think that our settlement with Italy is too liberal. I presume it will be recalled that the Congress ratified a moratorium to Austria of twenty years. Austria was not on our side during the war, but our country recognized that after the war was over the cause of humanity required us to help feed the Austrians, which we did. And when the question came up of paying that it was found that the Austrian finances were in such shape that nothing could be done at the present time, so we passed a moratorium of twenty years. The case of Italy comes before us in quite

different fashion, being one of the countries that fought with us during the war, and we ought to be willing to treat them as well as we did the Austrians. It is also a question of the economic reestablishment of the world, which we think will be for our benefit. We are a great producer of raw materials and a great exporter. We export abroad tremendous amounts. I think our exports in that respect in 1924 of the two great staple raw materials which we export, cotton and foodstuffs was \$2,445,000,000 and in 1925 it was \$2,602,000,000. That is 2245 and 2602. Of course our importations were large. In 1924 they were \$1,096,000,000; for 1925 \$1,238,000,000. The foodstuffs that we exported in 1924, the 1925 figures are not yet available, were \$615,000,000 and cotton in 1924 was \$842,000,000. Now it is greatly to the advantage of our foreign trade that these debt settlements be made. It results in stabilization of currency, stabilization of exchange. And we have here a settlement that has been made ^{bi-} and ratified by the/partisan commission of experts. It has my approval. It has been adopted by the House by a vote of 257 to 133 and is now before the Senate. I think it will pass because I am certain that it ought to pass. But suppose it shouldn't pass. The vote would be very large in favor of its passage. Where would that leave this country in future negotiations? Why, Italy would say, here is the approval of the Debt Commission, the approval of the President, the approval of the House almost two to one, and a very large vote in the Senate. We have done all that we can do and there is nothing more that remains for us. It seems to me that if the Italian debt settlement fails now of ratification it will simply relieve Italy from making any further effort to pay

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us. Of course, I am looking to the interests of the United States. I think that is my first duty and I don't want to bring any party consideration into this. I think that should not come in. But I assume it is generally understood in the country that the party I represent has been rather more diffident about extending favors than the other party. Now, if that is the case, I can't see that the other party should feel that they ought not to be willing to go as far as we are willing to go in making a settlement of this kind. That is not a matter of any importance, but a mere incident. Here is a party that has been criticized for not doing enough and those that have been criticizing us surely ought to be willing to go as far as we have been willing to go. But this is based on a bipartisan decision. It has no politics in it. It is an effort to settle our debt on a basis of all that we think Italy can do that is fair to the United States and for the general welfare of all concerned.

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