

Friday, June 4, 1926.

Report of the Newspaper Conference.

This Government has information that a British corporation has had granted some concessions in the Panama Canal Zone. So far as we know it is nothing unusual and probably nothing objectionable. As I understand it, it is a gold-mining corporation, with considerable surface rights and considerable sub-soil rights. I think some of the departments are making some further investigation of it to satisfy themselves that there isn't anything objectionable about it. They don't know of anything objectionable from such information as they have on hand.

I don't know what the plan is about taking up in the Senate the matter of the approval of the French debt settlement, other than that I saw a statement by Senator Smoot that it was not his intention to bring it before the Senate until he found out what action the French were going to take.

No final disposition has been made about the appointments of a judge, a marshall and a district attorney for the new district in Georgia.

I withdrew the nominations of two judges and a district attorney in Alaska on the recommendation of Senator Cummins, and I don't suppose there is anything private in his opinion through which he states that he has grave doubts whether it will be possible to make selections from residents of these two districts in Alaska that would not meet most serious opposition. There are two or three factions in Alaska. If you propose to appoint any one from any one of the factions, the other or others immediately begin the most

violent kind of personal attack which makes it exceedingly difficult to secure the consent of people up there to be nominated for office, and if they are nominated very difficult to secure their confirmation. On account of the distance away and the difficulty of communication, I doubt very much if I shall be able to make any nominations before the adjournment of Congress.

I am acquainted only in a general way with the bill that has been introduced providing for some funds to be at the disposal of the Governor General of the Philippines. Under present tariff law whatever customs are collected, as I understand it, on the importations of Philippine produce into this country are kept intact in our Treasury and then sent back to the Philippines and become part of their treasury funds subject to the disposition of the insular government. The legislature appropriates those the same as they do the money that is raised by taxation in the Philippines. It has been thought, as I understand it, that it would be rather more appropriate if the United States Government kept a more complete jurisdiction over the funds that it supplies itself for expenditure in the Philippines, rather than to turn them over entirely to the disposition of the Philippine legislature. Now that is the reason for the proposal that is embodied in the bill. I don't know just what the amount of those funds are for a year, but I think they are \$1,000,000 or \$1,500,000. The Governor General has some difficulty in securing adequate assistance, not being permitted to appoint any one from civilian life to advise him and assist him in the conduct of Philippine affairs. So he has to rely

very largely on members on detail from the Army - I don't think he has any from the Navy, he might have, but I think not, I think they are entirely from the Army - good professional men so far as their military abilities go but not very often trained and qualified to advise him on matters of civil administration. We send some persons out from here. The Department of Agriculture usually has some one there, the Department of Labor, and Commerce keeps some one there, but that doesn't exactly fill the bill. The Governor General wants some one to advise him on educational affairs. It is necessary for him to get civilians. It would be just like my being put in a position where it was necessary for me to man all the different Departments and fill up my Cabinet with men from the Army. Perhaps if he had some money at his disposal he would be able to employ some people that would be of great assistance to him in the administration there and a very great help to the Philippine Government and a great help to the Filipino people. We want to get away, so far as we can, from anything that looks like a purely military administration out there and put the administration on an ordinary civil basis as we conduct our Government here.

I received a letter from Governor Byrd of Virginia, which he said he published before he sent it to me. I have asked the opinion of the Secretary of Commerce in relation to it. Governor Byrd suggested that we have an investigation by the Federal Trade Commission to see what could be done about the advancing price of gasoline. That is not a new proposition to me. I don't

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Know whether it was to Governor Byrd or not. Since I have been President we have had one investigation by the Federal Trade Commission about the price of gasoline. I don't know whether the investigation that was made then would be of any assistance in a determination of what ought to be done at the present time. It is rather an interesting economic development. Within the last two or three years there has come in a good deal of oil production, new wells and new sources, so that the supply of oil has been large, which means a large supply of gasoline. Therefore, the price went down. I don't think it was reduced, so far as I know, at all on account of the investigation by the Federal Trade Commission. It went down on account of the ordinary play of supply and demand. A larger production of oil, the coming in of new fields, meant a reduction in price, increase in supply. Oil has been low. Now for the last two years there has been very little in the way of any new opening up of new fields for the production of oil in this country. There has been some development in Venezuela, but not anything that was new down there. That very large development took place on the Pacific Coast which so greatly increased the tolls through the Panama Canal a few years ago. It doesn't seem to be so productive now. And the production of oil has not increased any. I think it has decreased some. Now the use of gasoline has greatly increased in the last few years. 3,000,000 more automobiles are running this year than last year, and a great many automobile trucks. I think it is estimated now that the people that are transferred by automobile, bus, truck and private automobiles greatly exceeds the number that travel on the railroads.

Then the use of oil has been taken up in the industries in the production of power for manufacturing purposes, for use in ocean transportation; and all of those things have gone to use up the supply, increase the demand, and apparently the result has been some increase in price. Now, if the price of gas goes up the result is going to be stimulation of production, which, if it works out as it did a couple of years ago, undoubtedly will result in a stabilization of the price about where it is now or a reduction of it. I think the House or the Senate has passed a resolution asking the Federal Trade Commission to make an investigation.

Press: The Senate.

President: Yes. It was and is my intention to supplement that by asking also that the investigation be made. But I don't expect to accomplish very much in relation to the price of gasoline by the investigation of the Federal Trade Commission. It is possible that there is some abuse somewhere, some action in restraint of trade. I think the last investigation reported that they hadn't discovered anything of that kind. I don't know of anything of that kind that is charged now. But it will do no harm to have an investigation.

Press: Are you going to ask the Trade Commission or the Commerce Department to make the investigation?

President: The Trade Commission. They already have the request of the Senate, which I think is proper. I have asked the Commerce Department to advise me about the situation.