

Friday, July 30, 1926.

Report of the Newspaper Conference.

I haven't made any decision yet about a new District Commissioner. One of my difficulties is that so many people that I should like to consult about it are not in Washington. They are away on vacations and it makes the choice of a new man very much more difficult.

Press: Were there many people mentioned for this position?

President: I don't think such a great many. I have had quite a number of letters suggesting different individuals. I don't know that I could just estimate how many. My offhand opinion would be ten or a dozen, but it may run up to fifteen or twenty, though I hardly think so.

Press: Any women suggested, Mr. President?

President: I don't recall any now. I am quite certain that I haven't noticed any women suggested.

Press: Any civic organizations mentioned or suggested?

President: ~~any~~ Several civic organizations made suggestions, not as a unit.

I am not sure when I shall leave for Plymouth. I may get away next week. And I don't know how long I shall stay over there. Two days any way and probably not more than a week any way.

I haven't had any report from the State Department relative to Geneva.

Mr. Mellon has not gone to Europe for the purpose of transacting any Government business whatever. He has gone with his son to take a motor trip

and also to visit his daughter who after her marriage went to Rome, Mr. Bruce being attached to the Roman Embassy. Mr. Mellon doesn't possess, as Secretary of the Treasury, any authority to make negotiations with foreign Governments. The only authority he has in that respect is as Chairman of the Foreign Debt Commission. The authority that he has in that connection has been exhausted with the exception of three or four small items, so that it can be authoritatively stated that he is not in Europe on any Government mission whatever.

Press: If there is any change to be made it would have to be by Congress wouldn't it?

President: After the debt Commission has functioned and settled the debt with England the Debt Commission hasn't any authority over the debt. They were appointed to negotiate a settlement. After they have negotiated and Congress has accepted it, their authority ceases. There are two or three small countries. Greece hasn't settled its debt. Austria hasn't. But Austria has a moratorium granted by the Congress for, I think, 20 years. But he has not gone abroad to make any negotiations whatever. Rather, he has gone abroad to get away from Government business.

I think Mr. Ford gave you all the information that he gave me relative to the possibility of commercial aviation. Their experience seems to demonstrate that there is going to be a development in commercial aviation in this country. When that is reduced to its lowest terms it means that it is possible to transport certain classes of merchandise and passengers on a commercial basis. That

also means that it is not so expensive that other methods of transportation must necessarily be adopted. Now, that doesn't mean that it would be profitable to carry coal by aviation in its present development, or that it is probable that there is going to be a very large passenger service. I think in our postal service that we are now taking in close to half of what the operating costs are.

Press: Is that beyond the expectations of the Department, Mr. President?

President: Well, I think it is as much or more than the Department expected. Of course it varies on different routes. I think the New York to Chicago route is the one that shows the largest percentage of income compared with expenditures. I am not saying that we take in half of what it costs, but the cost of operation per month. Of course that doesn't include the planes that have been bought and the investment that has been made, but it does include the general operating costs. It isn't possible to make any estimate of things of that kind in advance. So much depends on development. It didn't seem that the telegraph and telephone were going to play an important part in our commerce and be commercially practical when they were first started, but they have turned out not only to be that but to be a great public advantage and have become a great business employing a large number of employees and calling for a great investment of capital. The experience in the air is only recent. It is a new field of exploration, and with the probable improvements and inventions that will be applied to it I feel that there is every reason to expect that it will be commercially possible to carry passengers and transport merchandise by air.

But that is at present rather more of expectation than it is of accomplishment. The expense is still so high that for almost all classes of merchandise the advantages of going through the air would not be sufficient to warrant the additional expenditure necessary, so that they would be taken off the regular methods of transportation. The matter of the embargo on Arms shipments to Mexico, or lifting that embargo, is something that the Secretary of State and I had discussed from time to time for a long period. Never have made any definite conclusion about it. It is not expected that there will be any action whatever about it in the immediate future.