

Tuesday, October 4, 1927.

Report of the Newspaper Conference.

There are no appointments to be announced, either in the District Judgeship of Northern California, or Court of Domestic Relations in Hawaii, or in the District Attorneyship at Detroit.

I haven't made any study of the suggestion of Mr. Hurley, formerly of the Shipping Board, that railroads should be permitted to own trans-Atlantic shipping, or trans-oceanic shipping, since I discussed that casually at a conference some time ago. The only additional information I have is that there is a difference of opinion as to whether railroads now have legal authority to own such shipping. People not charged with responsibility for the management of railroads think the railroads have such a right. The managers of the railroads that have to be responsible for investments that are made and for observance of the law feel that there is so much doubt about it that they hesitate to undertake any such operations. I think the suggestion is worthy of very careful consideration and might prove a method of trans-oceanic operation of our shipping that would be highly desirable.

I don't know of any way that I can amplify the suggestion I made last night that the country will undertake to solve the Mississippi flood problem. Any amplification of it would, of course, have to go into some detailed plans, and those of course are not ready. My suggestion about the development of inland waterways was more or less casual and would be the result that would naturally follow. Our work on the Mississippi in and of itself will tend to put that river into better condition for navigation. Of course, I didn't mean that the solving of the flood problem was going to be coincident with and associated with any plan for general development of all the waterways

in the country, included in the same bill. Our waterway development is going on. I made reference to that in the messages that I have sent to the Congress. Last year we had an additional appropriation of \$10,000,000 to speed up that work in the Mississippi Valley. The Ohio River is nearing completion, and I think will be ready for operation in about a year. It was those incidental things that are going on that I had in mind when I made the allusion that I did to the probable beneficial effect on navigation of our inland waterways that would result from our flood control.

There are no appointments ready for announcement as to Cuba or the Governor General of the Philippines.

Mr. Butler's visit to the White House was very largely incidental. He arrived here Sunday morning, and as he wasn't taking up his work with the members of the Committee until Monday morning he stayed with me during Sunday and Sunday night, then went to a hotel. I didn't go into details of it with him, but I understood that he was having some of the Committee members in to confer with them at this time relative to matters of routine business of the organization. Last spring he made a trip out to the Coast, where he met a good many members of the Committee in the Mountain region and the Coast region somewhat west of there. I suppose that this gathering he is having here in Washington at this time is for the purpose of keeping in contact with members of the committee that he did not reach at that time. I don't see how it would be possible for me to attend the sesqui-centennial celebration at Saratoga. I am not certain just when that is. Do you know when that is, Mr. Sanders?

Mr. Sanders: I don't recall just when it is.

President: Do you know, Mr. Mallon?

Mr. Mallon: No, I don't know, Mr. President. Some time this month.

President: Well, I am pretty completely engaged for this month.

I have celebrated quite a number of Revolutionary sesqui-centennials. I went down to the College of William and Mary in Virginia, made a speech at Cambridge, Mass. on the 150th anniversary of Washington taking command of the Army there, spoke in Trenton on the 150th anniversary of the Battles of Trenton and Princeton, spoke in Philadelphia at the celebration of the 150th anniversary of the signing of the Declaration of Independence. I have forgotten whether there have been any others or not. I don't recall any. Of course, my address before the Congress on Washington's birthday partook very largely of the same thing.

I am asking the members of the National Committee that are here and the officers and I think one or two of the ex-members that are in town to have breakfast with me tomorrow morning. I didn't see any other opportunity that I was likely to have to show those members any courtesy or to extend to them any hospitality while they are here. So I am very glad to have them come in at that time.

I am having the usual experience with a good many members of the House and the Senate that are returning to Washington. They are all interested in some plan that calls for a very considerable expenditure of public money. Most of them are projects that have a great deal of merit, but a great many of them are projects that can't be taken up at the present time. I am exceedingly interested in reducing as fast as we can, and at the same time maintaining a reasonable rate of taxation, the national debt. That would constitute, if it could be retired, the very largest internal improvement that it would be possible to conceive. The benefits that would accrue from it to the nation would exceed those of any other project. In fact, it would be so large that the Government could afford to pay each year the entire damages that accrued from the

flood and at the same time save money. I am not suggesting that that should be done. I am just giving you an illustration, as I understand that the outside estimate of the damages that accrued from the Mississippi flood this year are not so much as the annual charge at the present time of interest necessary to pay what is required on the national debt. I have spoken of it many times in its military aspect. While I am in favor of very generous provisions for national defense, the weakest place in the line of national defense is at present the large debt of the country. So that I am trying to indicate that in my view the necessity of retiring that debt is the predominant necessity of the country, in an orderly way of course, and with a reasonable rate of taxation. But the burden that it entails and the menace that it constitutes are both large and grave. We made a wonderful beginning on it. Perhaps one of the greatest satisfactions of my administration lies in the very marked reduction of the national debt since I have been President.

(The correspondents commenced to leave the room, the President having indicated that the interview was at an end. The President called to them, saying he had forgotten something).

President: Nobody has put in any question about the question that we have up with France and I very nearly forgot it, but I think I might make this suggestion to the conference -- that we have only one material difference with France and that is solely a question of discrimination. Everything else is subordinate to that. We are not making any complaint about the rates or tariff customs that they wish to impose. We are not making now any complaint about the articles that they exclude entirely from importation into their country. If you wish to explore that, you can probably get considerable information from the Department of Agriculture. And we are not making any complaint about any favors that they want to extend to any other country. Those

things are up for discussion and are talked about. But the complaint we are making is a complaint about discrimination. We are on the most friendly terms with France, have recently been associated with them in arms, and it rather hurts the feelings of our Government to find that now they are inclined to discriminate against our commerce. The amount isn't very large. I think it is estimated as something like \$10,000,000 of our exports. It doesn't bulk very large when you consider that our exports are about \$4,000 million. \$10,000,000 is not very large when our total exports are 4,000 million. But it is the principle of the thing that we find very hard to justify. We want to be treated by them the same as they treat other nations, not asking for preference, but we are making our objection to the principle of discrimination. If you will keep that in mind in your discussion of the subject, I think you will be able to inform the public of the main question as it appears to the American Government - the question of discrimination.