

Tuesday, November 15, 1927.

Report of the Newspaper Conference.

I have not had an opportunity to examine the report of the National Industrial Conference on Agriculture, of which ex-Secretary of Commerce Nagel was the Chairman, except to read portions of it which were released to the press. The printed copy of the entire report came to my desk yesterday. I haven't had a chance to go over it. It isn't bound. It is printed on loose leaves, so that it wasn't in shape to go through it except somewhat hurriedly. It has many very interesting suggestions in it. I am interested especially to find what they set out in the way of facts. The newspaper release was mostly devoted, I thought, to the conclusions they had reached, and did not undertake to go into much of a discussion of the facts on which they had based their conclusions. From such studies as I have made, I have never thought that there was much of a chance to help agriculture by a reduction of the tariff. Some 47% of our exports, I think, are agricultural products. The main market for agriculture, of course, is in this country. I have worked rather on the theory that it would be more beneficial to agriculture and the country as a whole to do what I could to stimulate the market for agricultural products in this country, which means the general policy that I have pursued of encouraging legitimate business, reducing the tax burdens on it, and to produce a condition of confidence under which business would go forward. Of course, we have a very large amount of imports, running up to some four billion dollars a year, and those necessarily must continue if we are to have exports. I don't know how it would be expected to benefit agriculture by a reduction of the tariff, except on the theory that if we could get the manufacturing of this country done abroad then the people that do it abroad would buy more of our agricultural products. If our manufacturing is done abroad,

of course it can not be done here, and it would seem to me that we would lose a correspondingly large home market. That is why I say I shall be interested in seeing what facts are set out to support their conclusions. On the railroad side, of course, I recommended to Congress and the Congress passed a resolution known as the Hoke-Smith resolution. That is Rep. Hoke of Kansas and Senator Smith of the Senate. I mention that because Hoke Smith being the name of a former member of the Cabinet, I got a little confusion in my own mind as to whether the Hoke-Smith resolution referred to him or how it came to be bearing that name, because I knew he wasn't in the Senate at the time it was passed. But I have given the explanation, it was Rep. Hoke of Kansas and Senator Smith, I suppose of South Carolina. Under that there is to be a general survey of the rate structure, which is somewhat different from the freight rates themselves, to see what can be done in a reorganization of the rate structure which might be made a basis for relief for freight rates on certain products like agriculture, with a corresponding relief for the railroads by getting some revenue in some other direction.

I haven't any knowledge of any movement on the part of the Government to apply what might be called a colonial policy to the Philippines. I doubt very much if General McIntyre is committed to anything of that kind. I have set out several times my policy in relation to the Philippines, one in a letter that I sent to Mr. Roxas two or three years ago, and then again when I vetoed the Philippine legislature's bill to have a referendum taken on the question of immediate Philippine independence. In general my policy, of course, is to work out their situation under the present organic law usually referred to as the Jones law. I have often expressed the thought that the ability of the Filipino people and their local government to comply with the terms of that law was to quite an extent a measure of their capacity for government. Now, I am open minded, of course, about things in the Philippine Islands, and

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if some better plan could be proposed I should examine it with a great deal of care. But I think the Jones law on the whole is a very good law. It would work out much better than it is working out, if it was received sympathetically by all the Filipino people and all the members of their government, and if they would adopt toward it an attitude of cordial cooperation. It is doing very well as it is. You will never get any law that is absolutely perfect or any administration that is absolutely perfect, and we need to look upon the Filipino people and their aspirations with the very broadest kind of sympathy. I have conferred several times with ex-Secretary Stimson, had him come down from New York once on purpose to go over the Philippine situation as he found it. Of course, I have kept rather in close touch with it myself, had reports and letters and a conference that I had last summer in the Black Hills with General Wood. This matter can't be considered from a personal angle. It has to be discussed in relation to principles, rather than in relation to personalities. Perhaps the less attention we give to personalities, while giving every possible approval and support and expressing the approbation of those who have done well in the Philippines, the sooner we shall arrive at a wise solution of the problems out there.

I haven't had a chance to talk with Chairman Madden. As soon as he returns, I think from Panama, I shall be glad to confer with him.

The Army, by the way, has laid out, as I suppose you will recall, a plan for strengthening the defenses at Panama, and that plan is being -- appropriations have been made to carry on the work there as fast as they could carry it on. Whether anything additional should be done about air service there, I am not specifically informed, though I understand that the plan contemplated strengthening the air forces in that area.

Nothing special developed at my conference with Senator Smoot and Chairman Green. It was merely a coincidence that they both happened to come in the same

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morning. I thought of it, and I commented on it I think when Senator Smoot was here, that it was a coincidence that both the Senate Chairman and the House Chairman should be in the same morning. Mr. Green says they are going to work with the matter of a new tax bill and hopes to have it ready for early action on the part of the House and the Senate. I talked with Senator Smoot a little about the finances of the country. Nothing new about that. Nothing other than what has already been revealed in the various reports that have been made that have been in the press and the statement that Mr. Mellon made.

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