

September 25, 1923.

Remarks by the President to Newspaper Men.

\* Mr. President, it seems to be the opinion that 12.30 would suit us better, rather than 12.00 o'clock until, perhaps, sometime later.

\* I really didn't hear anything from them before this meeting, so it was set at 12.00 o'clock. I suppose I could, I will take up with the Cabinet at the next meeting the matter of their coming in at 10.00 o'clock on Wednesdays (should be Tuesdays) and seeing what I can arrange in that direction.

An inquiry as to whether there has been any development in the Oklahoma situation. I don't know of anything at all down there. Nothing has been brought to my attention.

And an inquiry about the sale of the Gorgas Plant to the Alabama Power Company. That Gorgas Plant hasn't really any connection whatever with the Muscle Shoals proposition. It is located, I think, some 75 miles away from there. It is an ordinary steam plant for the generation of electricity. It has running out from it some lines of transmission. The thing that Mr. Ford is interested in<sup>there</sup> is the water power. This steam plant is a mere incident of that, about as much related to the whole proposition as the stem of an apple might be to the apple that has come off the tree. His proposal is for the matter of 100 years. Of course, the steam plant, in relation to a proposal of 100 years, even if the thing was on steam, would be just a temporary arrangement. Now, what we proposed to Mr. Ford was that whatever we secured in the way of money from this sale of the steam plant would be, of course, credited on his offer of \$5,000,000. This would reduce the amount that he would be required to put up, if he continues his offer on the same terms, from \$5,000,000 down to just a little bit over \$100,500,000. We had no option as to whether we could continue the occupation of the land. We were obliged to vacate when notice was given. We got that opinion from the Attorney General. We could have vacated and scrapped whatever property we had and in that case we could not have sold it, probably, for \$1,000,000. We were able to get practically \$3,500,000 from the Alabama Power Company, so that we are that amount to the good and as affecting the general proposition that Mr. Ford is interested in, which is the water power, it really has no effect on it at all. It might have been a convenience to him to have used this plant for a



short time, while he was developing his power, but I suppose, for a very much less sum, probably less than \$1,000,000, if he wanted to, he could build something that would afford him every facility that he might wish. That matter is, as you know, in the hands of the Congress. There never was any final determination of it by the Secretary of War, or by the President, and it is up there for their action.

An inquiry about the European situation. The only thing I can say about that is that it appears to be more hopeful. I judge, by the reports that are coming in here, both through the public press and through the representations of our representatives abroad, that there is a real hope of making some kind of a settlement ~~by~~ between France and Germany. The German Government appears to have reached the conclusion that its resistance is not successful, and the French Government seems to be more nearly in a state of mind where some settlement can be made.

Another inquiry about what the Cabinet did in relation to the farm situation. Secretary Wallace has made a careful study, especially of the wheat conditions, and the Cabinet took up and discussed several suggestions for assistance in that direction. One of them was a lowering of freight rates, especially on exports of wheat and exports of flour.

Mr. President, has this report been made public?

I don't suppose it will be made public in its entirety, but I think you can get from Secretary Wallace an outline of some of the things he found. A proposal of that kind is already before the Interstate Commerce Commission to see what they can do. If rates are lowered for the transportation of wheat or flour, those roads in the United States that are not securing any more than is necessary for them to have to live on, will, of course, expect an increase of rates in some other direction. If all the roads of the U.S. were exactly alike, that, perhaps, might be easy to suggest. The main difficulty about that is that some of the roads make their living almost entirely from the transportation of agricultural products. They don't transport much of anything else and it would be very difficult to find anything that would compensate them for their loss of revenue, if there is a lowering of freight on agricultural products. But that is before the Interstate Commerce Commission and will be worked out, if possible.



Another suggestion of the possible change of the tariff on wheat. It is evident that the present tariff is working to the advantage of the American farmer on wheat. I think the spread between the price in America and the price in Canada is, or a few days ago was, something like 28¢. That varies from one time to another. I don't know whether the suggestion of increasing the tariff would be a remedy. Of course we have a surplus of wheat here that we want to export and, where wheat is to be exported, the first thought would be to increase the tariff on it which wouldn't be of very much assistance. But that has been suggested to me by men who know something about how those things work. It is something that ought to be investigated and studied, and in their opinion it might be helpful. And for that reason that will be done. I don't want to put it out as a proposal on my part, or as something that certainly could be helpful, but, at least, it is worth considering.

I have already spoken about the Alabama Power Plant. As I have said, I don't understand that that would materially interfere with Mr. Ford's proposal.

Mr. President, can you impose <sup>an</sup> ~~the~~ export duty on anything?

I think there is a Constitutional prohibition against export duties. That is my recollection, that the Constitution says that no export duties shall be imposed. I wouldn't want to be too certain about that offhand, but that is my recollection.

Another inquiry about regional conferences. Nothing has been definitely done about that. I suppose it is known that a committee from the Northwest is to visit me on Thursday, I believe, at 10.30, made up of some bankers and business men and so on. They will be accompanied by some representatives from that region. I shall expect to have present at that conference, Secretary Wallace and Secretary Hoover, and probably Mr. Myer of the War Finance Corporation. Mr. Myer is very familiar with conditions out there. I think he has travelled ~~it~~ more in the West, perhaps, with the sole purpose of alleviating conditions in the agricultural regions, than anyone else connected with the administration.

Another inquiry about the agricultural situation, which I have already answered.



An inquiry about the shipping outlook. Of course, nothing can be done there except to go on using the present plan of operations and try to formulate any other plans that may be helpful. I was very much pleased to get a report from Commissioner Farley, the Chairman of the Farm Board, that we have been able to make some arrangements that very materially reduce the expense to the national treasury, on account of some sales or relocations, or something of that kind.

An inquiry about the recommendations of the Coal Commission. I haven't examined those in great detail. So far as I have looked into them, I have found them helpful and, I think, wise. What it will be necessary to do to put them into effect, I haven't considered in detail yet. I understand that they contemplate, in some cases, legislation by the Congress, and it is my expectation that I should recommend the adoption of the policy that they have outlined.

Another inquiry about the Governors' Conference. The details of that are in process of being worked out, and I should expect that, as already said, the conference here would immediately follow the annual conference that is to be held at some place in Indiana.

Another inquiry about the attitude of our Government towards European problems. There is no change in the attitude we have had all along.

And an inquiry, too, about the recognition of the Mexican Government. I think all the particulars have been given out about that that can be given out until the proposed treaty is submitted to the Senate. I understand that it is the custom to treat a treaty of that kind as in the confidence of the Senate and not to give it out for publication, but to submit it to the Senate, and the Senate rules require, as you know, that it should be considered in executive session. But I have no doubt that an order will be at once adopted that the provision of secrecy be removed.

I think that substantially covers the inquiries, and I will take the matter up of trying to get you in at 12.00 or 12.30,