

Newspaper Conference, Tuesday, September 13, 1927.

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THE PRESIDENT: Glad to see you all back.

It has not been possible to confer with very many people since I came back to Washington on the matter of the need of a special session. So far as I have been able to get any views on it, they have been rather against calling one. It has not been thought that there was need of one. From the views that come to me directly or indirectly considerable more investigation will have to be made until I can make a final decision. Of course it goes without saying - as I have indicated so many times - until I make a decision in favor of a special session the decision stands not to have one, or rather the condition is that there will be no special session.

There aren't any appointments at this time that can be announced.

I think some suggestions came to me relative to an investigation of the cost of producing flax and corn in foreign countries to see whether there was any occasion to change our tariff on corn and flax. Those went in the usual course of business to the Tariff Commission, and what action they are going to take on it I do not know. I suppose they will follow whatever the law requires in the matter.

All I can say about going to Havana for the opening of the Pan American convention in January is that I would like very much

to go. It is impossible to tell so far ahead whether it would seem to be expedient.

I had not thought of asking for any formal investigation of trans-oceanic flights. I think the situation though is one very well worthy of consideration. Perhaps the Secretaries of War, Navy or Commerce - the Assistant Secretaries who are specially engaged in the promotion of aviation - all of them, or any of them, might very well make an investigation for the purpose of securing what information they can, and, when the information has been collected, come to a determination as to what might be recommended for the Government to do. But so far as I can see now there is nothing that the Government ought to be required to do about flights of that kind except to give such assistance as it can, and that it has been doing.

I haven't any out-of-town engagements before Congress convenes.

I do not know whether Mr. Hughes is going to call on me. I learned that he was in town but when he is here he is usually exceedingly busy about court work, and I always hesitate to ask him to call knowing that it might interfere with his professional activities while he is here. Sometimes he comes in, sometimes he doesn't.

There wasn't anything came up of any special importance in the Cabinet today.

I haven't any information about the action of the Federal Reserve Board in <sup>er</sup>lowing the re-discount rate in Chicago. I think I have indicated to the conference a great many times that that is a board that does function and ought to function entirely apart from the Executive, acting almost entirely in the nature of a judicial position.



I have sometimes made some comment on what they have done and the beneficial effect that I thought had accrued from it, but I do not recall that I have ever made any suggestion to the Board as to any action that it ought to take. I think the question involved here is one of the interpretation<sup>t</sup> of the statute under which they are acting. A good many times if members of the press want to comment on a matter of that kind it would be very helpful to them if they would get the statute and read it. I find in making my decisions it is often very much simplified if I find out what the law requires and then go ahead and do it. It answers a great many questions that might otherwise arise. A great many times a question seems to be very complicated and almost insoluble. If I take that course I find it is a very simple matter.

I did not happen to see the interview of Mr. Edward N. Hurley -- I think he was formerly the head of the Shipping Board -- relative to the ownership of shipping lines by railroads, which it is said here he is advocating. I have a good deal of respect for Mr. Hurley's judgment - always found him a very sound man. I suppose the objection to the ownership of shipping lines by railroads which brought about their divorcement lies in the fact that where railroads own shipping lines there becomes a lack of competition. I suppose that is the main objection. And perhaps a lack of opportunity for a railroad that did not own ships to get their freight transported from the seaboard across the water. I should need to make a good deal more of an investigation than I have ever made in the past to come to any

definite conclusion on which side of this question the public benefit lies. One of the difficulties that we have in building up our merchant marine - I do not want to make any criticism that is not justified - is what I understand to be rather an indifferent attitude on the part of our railroads toward helping the American merchant marine. I had a conference on that a couple of years ago or so to see if I could not interest the railroads in making their shipments and in routing their freight that was to go over the water on American ships. Of course, the other difficulty lies with our shippers and our manufacturing and producing concerns. The American business people ought to have a merchant marine. They understand, I think, that it is to their advantage, but they, too, the Shipping Board tells me, are quite indifferent when they ship products abroad about undertaking to have them shipped on our own merchant ships. I think that is the main difficulty in building up our merchant marine - the indisposition on the part of American shippers and American producers - that is, those who send goods abroad and those who purchase goods abroad to be brought here - to an insistence that they be brought on American bottoms. I can see that if a railroad was permitted to own ships that then, of course, when they send freight abroad they would send it in American ships. I presume that is what Mr. Hurley had in mind, and that is in my estimation a very strong point in favor of permitting the railroads to own ships. But you have, on the other hand, as I have indicated, a desire and a policy or principle, which is I think entirely sound, of keeping competition open and making shipments abroad available to all

shippers on a competitive basis and with open opportunity. Now I think it would be a very interesting study for any of you that might wish to go into <sup>it</sup> to look up the results that have accrued under each of these systems. I think we formerly permitted railroads to own ships and under the present law they are not permitted.

One of the newspaper men called attention to a prohibition against ships operating to Europe and Asia and also those engaged in coastwise operations, to which the President replied: Well, the same principle applies.

Another newspaper man referred to the Panama Canal Act and to the fact that a railroad that ran along the Great Lakes could not own ships, to which the President replied:

Well, you see I do not know enough of the details of the laws, as I already indicated, to go into any detailed discussion of it. I have only spoken of the general principle of competition and the general principle of encouraging our own people to send American freight that is coming in and going out on American ships.

Of course, our coastwise trade, I think, is confined entirely to American ships, is it not?

ANSWER: Yes.

So if that is the case any shipping that goes coastwise from one point of our coast to another point of our coast must go in American ships. What I have said must be said bearing that in mind.

The changes that have been made in the White House are very slight in that part that is occupied by my family and myself -- practically no



changes until the third floor is reached. A new roof was put on, as you know, and the third floor was made over. Of course, it is in very much better shape. It is more convenient and modern than it was before those changes were made. It leaves the White House now in first-class condition - practically fire-proof from top to bottom, and leaves it of course entirely safe.

There was one matter that came up in the Cabinet this morning that this question here reminds me of, and that is the matter of the bituminous coal strike. It was reported by the Secretary of Labor that recent developments in Illinois seem to indicate that there is a very strong probability - I do not know but that I might put it - a practical certainty that the strike is going to be settled in that State. Some other State - I think it was Indiana - it was reported was operating on the Jacksonville scale about 55 per cent of the mines, so I take it that that means that the strike is 55 per cent settled in that State. There is a very large tonnage of coal still on top of the ground so that there does not seem to be any immediate danger of any coal shortage. There is nothing in the price of coal, I was told, that indicated that there was any danger of a present shortage.

I do not recall that any report has come to me from the Tariff Commission relative to the import duties on cherries. Do you know of any report, Mr. Sanders?

MR. SANDERS: I do not think any has come, Mr. President.

THE PRESIDENT: I think the resignation of Charles M. Dean as Internal Revenue Collector at Cincinnati has been received and accept-

ed. I am not certain whether that went over my desk at Rapid City. I think it did, didn't it, Mr. Sanders?

MR. SANDERS: Yes, sir, it did.

THE PRESIDENT: I want to congratulate the members of the conference that were able to be with me in the Black Hills and commiserate the rest of you that were not able to be with us. We had a most enjoyable season out there - very pleasant to me - and there was such a diversity of happenings that I think the newspapermen found sufficient material nearly every day on which to make a story. I heard very little complaint about that. I haven't seen the official figures of the amount of space that was sent out from the Black Hills. I think a computation was made of the space that went out from White Pine Camp. Of course, I stayed in the Black Hills considerably longer, but I judge the amount of material was certainly as much as that of a year ago.

NEWSPAPERMAN: I understand it was 2,150,000 this year and about 600,000 more than last year.

THE PRESIDENT: Well, I stayed away a much longer time. Last year I went away on July sixth and came back about the same time as this year. This year I went away three weeks earlier.