

Tuesday, January 20, 1925.

Remarks by the President to the Newspaper Correspondents.

I have just received this morning the report of Director General Davis of the Railroad Administration. The course of procedure here in the office is that reports of that kind go first to the Director of the Budget to see if there is anything in them that might conflict with my financial policy, then they are transmitted to the Congress, if there is nothing in them that appears to be a recommendation about which I should want to have a change made. Otherwise, I might send up to Congress a report from some department recommending considerable expenditures of money and that might be supposed had my approval. So that I have them first gone over by the Director of the Budget to see if there is any expenditure of money suggested, and if there is, I can consider if that is something I might want to recommend. It is an important report. There will be a mimeograph given out some time during the day in relation to it, so that you will be well supplied with a resume of the material that is contained in the report. It gives the results of the negotiations between the Government and the railroads and the settlement of all pending claims - those that the railroads had against the Government and those that the Government had against the railroads. I think the figures that struck me as having the most significance were those that indicated that the claims presented against the Government amounted to \$1,011,000,000. Those were the claims of the railroads against the Government. There were certain offsets, admitted I think in advance, though I am not certain about that, as claims of the Government against the railroads, some 400 odd millions, which would leave a balance of between \$500,000,000 and \$600,000,000. Those were finally adjusted by the expenditure on the part of the Government of between \$40,000,000 and \$50,000,000, which shows the care, I think, and judgment and discretion exercised by the Railroad Administration in making the settlements. It hasn't undertaken to impose upon the railroads, but tried to make fair settlements with them, with the results that I have indicated.

I didn't intend to do anything more in my remarks at the last conference about the retirement of Prohibition Commissioner Haynes, than to confirm the rumor that was afloat. I presume you all have in mind that perhaps since I have been in office, and perhaps before that, there have been constant rumors about

the retirement of Commissioner Haynes. There is that same condition now. I thought I indicated that it was a rumor that the officials weren't undertaking to make any decision about it, as to whether he should stay or shouldn't stay, until after it was decided what legislation might be passed at the present session of the Congress. There would be only one reason for making a change, and that would be an attempt to provide a better administration of the office. Now I don't want that to be understood as a criticism of Major Haynes. I think he has done excellently-well-in a very difficult situation. There have been suggestions from time to time that someone else might do better. If it should be thought by those who have the responsibility for his continuing in office that that was the case, why of course that would warrant a change. I have forgotten whether he is appointed by the President or by the Secretary of the Treasury. That is all there is to it. If anyone is appointed, he will be appointed, I am sure, for the purpose of securing a better execution of the law. I want to repeat again that that is not any criticism of Major Haynes. He went in there when it was necessary to build up the organization, and I think has been eminently successful in dealing with a very difficult situation.

I don't think I can elaborate in any way the statement that I made at the last conference relative to the effect of the Paris agreement. I thought that was very carefully covered by the statement put out yesterday by the Secretary of State. It seems to me that that covers every question that could be involved. It covers the issue. The different kinds of gossip that may be afloat about it are not important. The real question is that which he made perfectly clear in the statement, that we do not understand that we are involved in any way.

I am very much in hopes that the Isle of Pines treaty will be ratified. In and of itself it is not a matter of extreme importance. It is a small island. I don't know of any purpose that the United States would serve by undertaking to hold it, and of course it would be interpreted all through Latin-America as an attempt on the part of our country to seize some territory that belonged to somebody else. That is my main object in wishing that this treaty should be

ratified - to avoid any suggestion of that kind. We are now on excellent terms with Latin-American countries. I don't want to give them any cause for apprehension. The Isle of Pines country is now under the government of Cuba, and I can't imagine the Cuban Government being willing to retire from it, and certainly I have no expectation that the United States Government would ever go down there and undertake to impose its authority over the island. I thought the situation had been made perfectly clear by Judge Day, who negotiated the treaty and who I am told afterwards had some statement inserted in a decision of the Supreme Court which confirmed the report that Judge Day had never held that the United States had any jurisdiction over the island. The United States never has exercised any. There are some Americans living down there. They would gain nothing by not having the treaty ratified. They would simply go on in the same condition they are now living under the Cuban Government.

Judge Young, George M. Young, former member of the House from North Dakota, and now a member - is he a member of the Board of Appraisers?

Customs Court of Appeals, Mr. President.

I thought he was judge of some Court of Appeals. He came in to suggest that perhaps within the next year or so it might be desirable to take up a revision of the administration of our customs laws, both through legislation and perhaps through a change of some of the methods that are now in vogue - not anything of present importance.

I haven't made any decision about a Secretary of Agriculture.

I have had absolutely no intimation that Ambassador Herrick is about to retire.

Here is a question that I am glad was asked, because it gives an opportunity to clear up what I think was a misapprehension. It is true that Postmaster General New is expected to remain in the Cabinet, and I don't know of the slightest foundation for the fact or the suggestion that his remaining is contingent upon the retirement of any Assistant Postmasters General. I think they are all giving excellent service, and it is my understanding that they are all willing to remain in the service. Certainly I desire that they should remain. I think there was some report that he was going to remain on condition that all of them, or some of them, retired. I can't imagine how that report

emanated, and don't know of the slightest foundation for it.

I am expecting to attend the opera next Monday evening in the New Washington Auditorium after the business meeting of the Government. That is the Budget meeting, which we hold semi-annually. I shall go there and speak, and expect to remain while General Lord is speaking and at the conclusion of that meeting I am expecting to go to the Washington Auditorium.

I don't know as I can comment interestingly or informingly on the reception that has been accorded to General Pershing at Buenos Aires, other than to say that of course it is gratifying and an indication of the sentiment, that I just expressed, of a most friendly feeling on the part of South Americans toward our own country.

I have already spoken about the Isle of Pines treaty.

I haven't made any decision about the Federal Judicial vacancy in Northern California.

I think the report of the Navy General Board relative to the different types of naval craft, aircraft, surface craft and submarines, will be filed with me today. It is true that I have had a suggestion that Walter Dambrosch should be considered for the American Embassy at Berlin. No decision has been made on that. I am not certain where Mr. Dambrosch was born. It is rather unusual, though not impossible, to send a national of our country back to represent this country if the proposed post be the location of his own birth. That is not an insurmountable obstacle, but hasn't been considered to be promising of the best results. I am sure, though, that Mr. Dambrosch would serve our country in any capacity with entire fidelity to America.