

January 8, 1924.

Remarks by the President to the Newspaper Men.

Here is a desire for an expression of opinion from me as to whether I agree with the attitude of Representative Longworth who favors consideration of the tax bill ahead of the bonus. Very naturally I should agree with whatever course he thought he ought to pursue as a matter of legislative policy. He is our expert in that direction and I am not, but aside from that, I do agree that it is highly desirable to take up the tax bill and secure its enactment at the earliest possible time for the good effect it will have on the country. Very naturally if they start to consider other legislation before that is taken up, it will postpone the time when the tax bill will be enacted. I don't mean by that that if it goes into effect it will reduce taxes the next day, but I do mean that the effect will be very desirable and very helpful.

An inquiry about the Cabinet meeting. We took up the question that has been under consideration and been talked about in Government circles; that is the inability of the Government to keep good men and high class individuals in their employment. That is rather the natural thing, as you would know from your own experience. People go through the various grades and so on, both in private employment and public employment. Some of the young men that are here today will be the editors and proprietors of newspapers in the future. So that probably some of the newspapers are complaining that they can't keep high class newspaper men in their employ, that are hired out to other occupations. Of course, that is the experience of every institution that has in its employ people of high class ability and character. They are sought for by others, and they graduate out. As I said to the Secretary of War, his Lieutenants become Captains, his Captains Majors, and so on up, and that is what happens in Government. But there is, I think, a real need to consider a better scale of remuneration for experts, because you can't carry on experiments and scientific investigation if your labor turnover in that department, or the employment turnover runs up to a very high percentage. I think there is a very great need of paying experts in the Government, on account of the higher scale that is prevalent outside of Government employment perhaps, larger remuneration.

An inquiry about the Bok Peace Award. I haven't anything to add to what I said in my message to Congress about that.

An inquiry about the resolution or memorandum before the Shipping Board which is understood to have been approved by the Executive before its submission to the Board. I don't know that I can add anything to what I gave you at the last conference. But I want to make this plain. I think I have referred to it once or twice before, and that is especially my loyalty to the members of the Government Boards and Commissions and serving under me in the Government. I want those people to know that I am giving them my support. I want the Shipping Board to know that I am giving it my support. I speak of that because I thought there was a little wrong impression that I tried to remedy last Friday, - that this plan wasn't the plan of the Shipping Board. It is exactly their plan. It isn't my plan except that I am trying to adjust it for them. That had a resolution that was in effect putting the control of the Shipping Board very largely in the hands of the Emergency Fleet Corporation. That is where Senator Jones said it ought to go, and that is where the bill contemplated it should go. Under the present arrangement of the Shipping Board, the President of the Emergency Fleet Corporation is also Chairman of the Board. Mr. Farley was Chairman of the Board. He is going off. We have some very excellent men in Mr. Thompson and another man from Oregon, Mr. Haney. Both are very excellent men that have had experience on the Board. I want to retain them. I told you last Friday it was my purpose to appoint them. But I withdraw their nominations in order that I might see whether it was necessary for me to go to the Gulf or to the West Coast, possibly, to find a man that I wanted to put in that was going to be Chairman. Now there may be some good man on the Board that could take up the position of Chairman, so that I don't want to resort to that anyway. Now, the only change that is contemplated is to put in Mr. Palmer as President of the Fleet Corporation. The President of the Fleet Corporation is not to be a member of the Board. Now the details of course I don't know about. I don't have an opportunity to study into them or look at them. There was a resolution somewhat supplementary prepared that the Board was operating under, and I gave it to Senator Jones to look at and take down to the Board. He is an expert on those things, and I am not. He took it down. Now the Board is considering how to act upon the proposals in that resolution. I asked each one of the Board when they were at the conference if they wanted to adopt this plan, and each one said they did, with the exception of one. The thing I especially want to correct is the impression that this divests the Board of their powers. It isn't that at all. It is the action of the Board themselves in employing the manager to get out the

work. They can't divest themselves of their powers. They are imposed upon them by law, and they must be responsible for them. They of course have authority to say to the manager, "you go ahead and do this and we will ratify what you do." The inference is that if we don't like the things you do we shall either remove you, or we shall say we will not permit you to function any longer." Now what I have been trying to do, as you can see, is to the present Board in its integrity, and give them an opportunity to function in this way. That is what Senator Jones thought out to be done, Senator Fletcher thought ought to be done, Representative Graham, House Chairman, and Representative Edmonds. Mr. Edmonds is especially well advised in shipping matters. But I do want to say again that this isn't any attempt to divest the Board of their power or authority, or to take anything from them, but it is the action and plan of the Board itself.

Mr. President, may I ask if the new Chairman of the Shipping Board will take orders from the President of the Emergency Fleet Corporation, or will Admiral Palmer take orders from the Shipping Board.

The orders would come from the Shipping Board. They are giving their orders in passing the resolution, in telling the President of the Fleet Corporation "you do these things for us. These are our orders." The same as when a private concern employes someone to be its manager. The concern gives the orders to the manager. If he doesn't function right they discharge him, or carry out their own orders. Usually they discharge him.

I haven't heard anything more from General Lord about the purchase of ships from the Shipping Board or the Navy for the use of the Coast Guard. I haven't any expert opinion about the Garner tax program.† The general policy that was attempted by the tax program that I have endorsed was that of undertaking to encourage people as much as we could to make their investments in business enterprise, and not put their surplus money into tax exempt securities. If I understand the Garner plan, it doesn't meet that requirement at all, or ~~even~~ to a slight degree. People that apparently have a surplus income wouldn't under the plan have an opportunity to invest it in private enterprise, so that I don't think it would encourage private enterprise. It is very much more profitable for people to pay their own taxes, than it is to ~~higher~~ hire someone to collect their taxes and pay them into the Treasury for them.

I have already spoken about the Shipping Board.

I haven't heard anything more about a loan to Germany that has not already

been published. Negotiations, or it seems to me there had been a proposal made by some German Bank, or perhaps it was a Netherlands Bank, that seemed to be entirely feasible. So much so, that the matter had somewhat gone out of my mind.

There are no further steps that I now contemplate in relation to the situation in Mexico, and no orders have been issued for any purpose in that respect other than those already published. I don't think that our Government has received the Austrian agreement to adjudicate claims of American citizens. It may have been received in the State Department, but I have had no notice of it.

I don't know about any details of any other offer to purchase Muscle Shoals. I think there were other offers. I am not acquainted with the details of them.

Whether any representations are to be made to foreign Ambassadors and Ministers with respect to the restriction of the use of liquor supplies. I haven't in contemplation anything of that kind. I don't know of any occasion for it. It sometimes happens that some particular individual connected with some Embassy doesn't carefully observe the requirements, and in that case there is action taken in relation to the particular individual. It doesn't require any general activity, or any general representation, and I don't know of anything of that kind that is pending now in relation to any individuals. I have seen it in newspapers but I never knew what foundation they had. They were very guarded. I don't know what might be behind them.

I don't know of any answer that has been received from the British Government with respect to the twelve mile limit proposal. I don't know just what request has been made in that respect.