

Tuesday, May 14, 1925.

Remarks by the President at the Press Conference.

I don't know that I can add anything to what I have already indicated about the policy of leasing power at Muscle Shoals. I suggested that the opinion be taken of the Commission that is working on that. I suppose the question will be, - How can we so manage that property as to secure the largest public service from it in the end and the largest return commensurate with that policy in the end to the public treasury. Now it may be that if we should go ahead and make a lease of that power at the present time it would so hamper any disposition that we might want to make of the property in the future that we would lose more than we had gained in the present rental of the power. That would be the question that I should want to have investigated, and on the answer to it would depend whether it would be well to make any lease of that power at the present time. I hesitated very much to make any present disposition of the power that might possibly hamper the final and complete solution of the problem there. This would be a temporary disposal of the power and would not be a permanent disposal of the property.

I haven't made any determination yet about the tariff on linseed oil.

I have received the recommendation of the American Steamship Owners Association, and I am having it studied by some departments that are interested in it to see what suggestions they want to make to me in relation to it. From such investigation as I had already made about the extension of the coastwise laws to the Philippines I had come to the conclusion that at the present time it wasn't expedient to do that, on account of the great interference that would accrue to the present method of conducting business in the Philippines by some foreign shipping, having in mind the convenience of the transaction of business for the people that live in the Philippines. I don't know whether it is expedient to reduce the Shipping Board personnel to three members. I told the Shipping Board that if they would turn over to Admiral Palmer the operation of the Emergency Fleet Corporation I should not press at the last session of the Congress any suggestion for any reorganization of the Shipping Board.

The recommendations of the British Royal Food Commission come to my attention through the press, but that is included in a document of about 200 pages which, so far as I know, has not yet been received in this country. It will be interesting to study it when it is received here, for the purpose of seeing whether it might have any influence on our exports. The interesting thing about it is that the suggestions that they make, as I understand them, are for the purpose of keeping down the price of food in the United Kingdom, while the suggestions that are being made over here relative to agriculture and the efforts that are being made ~~anywhere~~ on the part of the Government have been rather for the purpose of increasing the prices of agricultural products, in order to put farming on a business and paying basis.

No decision has been made about the appointment of a Solicitor General.

I haven't found that it was possible to make a trip to Charlotte, N.C. to attend the Mecklenberg celebration. I think we shall be ably represented there by the people that I have appointed under the Congressional resolution.

I don't think there is any discussion that I can make about the election of General Von Hindenburg to the Presidency of Germany.

Nor do I know of any comment that I could make regarding the death of General Mangin, of France, who commanded during the World War French and American forces. I imagine that you might get some interesting comment from people in the War Department that came into touch with the General, as to their personal recollections of him and their associations with him.

There hasn't been any appointment made on the International Joint Commission.

Dr. Culbertson hasn't retired yet from the Tariff Commission, so that no appointment can be made there. Mr. Burgess has wanted to retire for six months or more, but doesn't intend to retire just yet. He has something there that the Commission is working on that he wants to finish up before he retires.

I don't know that I have formally accepted an invitation to speak at Cambridge, July 3rd, but I expect to do that if I am in Massachusetts. I doubt very much if I should be able to attend the Governors' Conference, in Maine, which comes about that time.

I have had recently some communications come in relative to the purchase of foreign supplies by the War and Navy Departments, the inference being that we ought always to purchase American supplies, and I am rather sympathetic to that view. The reason that American supplies are not always purchased is on account of the statute that provides that these supplies should be purchased from the lowest responsible bidder, and it sometimes happens that foreign merchandise is offered at a lower price than American merchandise or supplies, and in those cases it is embarrassing for the War and Navy Dept. to refuse the lowest responsible bid and give the preference to American produced merchandise and supplies. I think that is a question that ought to be taken up by the Congress and the law amended so that the Departments would have a chance to exercise their discretion. I can imagine a condition where it would be for the public benefit to purchase some foreign supplies. There might be a shortage of the necessaries of life in this country, so that the going into the market of the Government and purchasing a large amount would tend to deplete the market, raise the prices, and it would then be for the general welfare if the Government should purchase some supplies from abroad. So I think they ought to have that privilege, but there are other times when there is a surplus of produce and supplies here, and then for the Departments to be obliged to purchase abroad of course simply increases a condition here that is unsatisfactory. If there was a cargo of merchandise at the New York docks that was going to be entered here, and a trainload on the same docks that was going to be distributed, it would make very little difference to the general result here whether the United States took the cargo that was on the docks or whether it took the trainload. One would offset the other. But I am very much in favor of purchasing supplies, wherever we can do so, that are produced in this country; and that is always done, when it can be, sometimes by refusing bids from abroad when it is almost necessary to disregard the law in doing that.

I am rather uncertain whether I can say anything that would be helpful regarding the debt of France. I don't like to be constantly discussing that, because of the irritation that it might arouse, and such an irritation might defeat our purpose to try to secure a settlement. But it is a fact, as I think has already been published, that we are having negotiations for the purpose

of seeing if some plan of settlement cannot be arranged.

I haven't made up my mind yet about the plan of the War Department to have some military display on Armistice Day. My first thought about that is not very favorable. Armistice Day is a day that we rather dedicate here to the consideration of peace, and thoughts of that kind, rather than to military defense. Of course they have a relationship, it is very obvious, but I think I have received this morning a telegram of disapproval of having anything like military preparation interfere with the usual observance of Armistice Day. Then there is another thing to be considered, and that is the fact that this is a somewhat voluntary action on the part of the people and on the part of the Government. There isn't any direct provision in law for it, and if it is a matter that the War Department wish to have done annually, I rather think that there ought to be some legislation. Congress ought to indicate that it is an observance that they approve of and wish the public money to be expended in order to carry it on. This was done in the War Department without any previous consultation with me and the report came over to me last night in relation to it, which I haven't had an opportunity to study. It came over just as I was leaving the office. I should want to find out somewhat about what expenditure of public money is required. Last year it was carried on in conjunction with the voluntary action of the Governors of the different states. Now I don't know whether they would want to call on their people this year. I don't feel that I want to crowd this on to the state governments in any way. If they should voluntarily indicate to me that it is an observance in which they would like to participate, why I should feel that the United States Government, through the War Department, would be justified in going a long way in meeting their desires. Upon the other hand, if the Governors feel that this is a good deal of an expense to the State indirectly, and also by reason of its interfering with the usual transaction of business by closing down factories and the shutting up of places of commercial activity (but indirectly it is a very large expense), why it might seem it wasn't expedient to have it done.

I don't know just what proposal has been made to exempt American business men abroad from domestic income taxes. That was proposed, I think, at a time when I was presiding over the Senate, and it is my recollection that it didn't carry. It was proposed in relation with setting up some corporations for trading in China. It may be that there ought to be some relief for those who earn incomes abroad and who happen to be American citizens having to pay taxes I suppose abroad, because of their residence there, and also being taxed on account of their being American citizens here. That results in double taxation and makes it difficult, if not impossible, for our American business men to compete with the business men of other nations. There may be something of that kind that would be a determining factor. I am not familiar enough with the whole details to give a settled opinion as to just what ought to be done. I would say that I would like very much to put the American business men on a parity with the business men of other nations in the transaction of their business abroad. I can see that if the American business man goes to South America to carry on his business there and finds that the business men of other nations already there don't have to pay taxes, while he does, that puts a handicap on him that interferes with the extension of our foreign commerce. It may be that we would secure a larger revenue from developing our foreign commerce by giving American business men some relief in this direction. I shouldn't want to approve a law that would merely provide that American business men living abroad would therefore be exempt from paying taxes in America. What I mean by that is that I wouldn't want this to be used as a method of avoiding taxes, but if it is to be approved at all it must be approved for the purpose of extending our commerce, giving our business men the same advantages that those of other nations have, and being for the general welfare, and not merely for the relief of some individual taxpayer.

I haven't, as I have already said, decided on a successor to General Beck.