

Tuesday, October 26, 1926.

Report of the Newspaper Conference.

Here is an inquiry as to whether there will be a reply to the Mexican note of October 14th and what would be the general purport of the reply. I haven't taken that up in detail with the State Department, so the only answer I can make to this inquiry would be very general. Even if I had already had revealed to me by the State Department what their reply was to be, I doubt if it would be quite appropriate to make a public statement about it before such a reply was sent to the Mexican Government. That doesn't happen to be the case, however, so that all I can do is to state that such reply will be made as seems to be appropriate to the American Government.

No member of the Federal Trade Commission has had any conference or talk with me about the so-called secrecy ban relating to the issuance of publicity about unfair trade practice complaints. Such action as was taken by the Commission formerly was taken under its own motion and I think taken before any member of the Commission had ever said anything to me about the propriety or the effort of certain members of the Commission to adopt such a policy. I rather think that after the policy was adopted one or two of the Commissioners talked with me about it when they happened to be in here on some other matters, but I didn't know that there was to be any change in the policy and none of the Commissioners consulted me with ref-

erence to it. So that in answer to this inquiry I should say that I had neither approved nor disapproved. It is a matter that quite naturally I should advise the Commissioners, if they consulted me about it, to use their own judgment. They are the natural advisers of the President about a question of procedure by the Commission. They come in contact with the results of it. Their experience would indicate to them what it is best to do to secure fair trade practices. That is the fundamental proposition that the Federal Trade Commission is engaged in, an effort to secure and maintain fair trade practices, and I think they ought to take such action as is best adapted to secure that result. It may be that sometimes giving publicity to a complaint that has been made before any opportunity has been given to answer the complaint results in some injury - I don't think it would be permanent in any way - to some concern, but on the other hand it is a good thing for those who are engaged in business in the United States to realize that if they do engage in unfair practices that there is a board that has jurisdiction over it, looking after it and is going to do everything it can to prevent action of that kind, and therefore if they engage in it that it will in all probability be to their disadvantage.

I haven't completed my plans to go to Massachusetts to vote. Is any of the press planning to go up?

Press: Yes, sir.

Well, ample notice will be given to you on inquiry at the office here as to the time when I shall start. I don't expect to stay up there

but a short time, vote and then return, so that I ought to reach Washington some time late Tuesday evening.

Here is an inquiry about the appropriation for the Shipping Board, stating that there is a request for an appropriation of \$19,000,000, or \$4,500,000 greater than for the current fiscal year. Every application that is made by any department is very carefully considered and each department is given whatever appropriation it can show is fairly required to carry on the business of the department. We do not make anything like a strict allotment in advance of the amounts that the departments can use. We ask them to put in their application and then they are called before the Bureau of the Budget and required to demonstrate to the Bureau of the Budget the necessity of each of the items, and for each item for which they can demonstrate a necessity they are granted that amount -- I say granted, it means that in the budget that I send to the Congress there is a recommendation that the amount be appropriated. I think you will recall that last year I made what might have been termed a supplemental recommendation on the Shipping Board appropriation. The first recommendation was for \$13,500,000 and then I later made a request for an additional \$5,000,000 or \$10,000,000 to be an emergency fund that could be used in case the competitors of our United States Lines began to cut rates, so that it would be known that if the competitors began to cut rates there were ample means at the disposal of the Shipping Board to meet competition of that kind. I think that as

a result of that there wasn't any effort made to cut rates. Then there was also the suggestion that competitors were contemplating cutting the rates on some of those lines in which the United States had sold its ships to private owners for the purpose of driving private owners off those lines. When that happens, of course, the United States has to take the ships back and in order to forestall anything of that kind it served notice on everybody that if the cutting in rates was engaged in the United States was prepared to take those lines and meet the cut rates, and perhaps cut rates even lower than what had already been done. It was for that purpose, I say, that this additional appropriation was provided. Of course, I want to have the Shipping Board and all of the departments conducted as economically as possible. I think in the last few years we have expended out of the public treasury something like \$100,000,000 for the cost of shipping in addition to receipts. It has been my desire to reduce that as fast as possible and get our shipping on a paying basis. We are making very good progress in that direction and generally speaking our shipping lines have shown a reduction in loss, one or two of them having eliminated the loss entirely and come into a condition where they are making a profit. But generally speaking the lines are conducted at a loss. I don't know as there is anything more I could say to make that clear. I wanted an appropriation large enough to carry on our shipping business, but I want the Shipping Board and the Fleet Corporation to apply all the principles of a business-like administration that they can, so as to put our shipping on

self-sustaining basis.

I noticed in the press that Senator Lenroot had made some discussion of the desirability of those who are in Washington attending to the Government's business going home to vote. I don't know as there is any comment I can make on it. It is quite obvious that they should do that whenever they can. Sometimes of course it is impossible. I am undertaking to set an example in that respect myself, as you already know.

The Cabinet discussed the matter of Cuban relief this morning. I have a report from the Red Cross that the total loss of life is about 600; 4,000 or 5,000 were injured. There is a vast property damage that it is difficult to estimate. It is generally supposed that the property damage is more serious than the property damage in Florida. The Red Cross made an initial appropriation of \$25,000 which was soon followed by an additional appropriation of \$75,000, making a total of \$100,000, which was sent through the State Department to General Crowder to be turned over to the Cuban Red Cross, and an additional \$10,000 was sent to General Crowder to use as he sees fit. I think private parties have sent some funds. I don't know whether that is the \$10,000 I have just referred to, but I know private parties have sent some funds. The various Red Cross chapters throughout the country have been notified, but no general drive has been made to secure money to relieve the distress there. We are advised that it will be necessary to reconstruct or build anew 10,000

houses of the kind that are used in Cuba, and that the cost of the material for those houses is in this country about \$42.00 each. That would make a cost of \$420,000, and it is hoped that this country will be able to do considerable towards meeting that expenditure. It ought to be noted that when the catastrophe took place in Florida Cuba at once sent up \$25,000 for the relief of suffering there. We have sent ships to the Isle of Pines and American interests in Cuba which are largely centered in New York are, I am told, organizing privately - when I say privately I mean an organization apart from the Red Cross - to raise funds among those interests for the relief of the suffering in Cuba. I certainly hope that there will be as generous a response as can be for the relief of the distress in that country. Our interests are very close and our friendship is known to be very great, and it ought to result in generous assistance at this time of their distress.