Friday, April 2, 1926.

Report of the Newspaper Conference.

I think it would be very desirable to have some coal legislation at this session and my message perhaps goes into my opinions in detail. I judge that a good way to approach it would be to bring forward the Coal Commission report and have some hearings on it and bring out such a bill as the hearings and a consideration of the situation develop to be sound. There are two things that I should want to accomplish. One would be to enable the President to appoint a mediation board or something of that nature in case of a threatened strike or strike, and the other would be to set up some machinery for coal administration in case it happened that there might be a scarcity of coal. I think those two things are quite fundamental. I don't know just what other details might be necessary. But the way to find out about those things is to call in the parties that are interested and who are familiar with the situation on the side of those who are employed and on the side of the coal operators, and take their opinions; see what their arguments are. Congress itself very well represents the public, though I have no doubt that additional information in relation to public needs and requirements could be obtained from the Secretary of the Interior, the Secretary of Commerce, its military aspects from the Secretary of War and the Secretary of the Navy, and its labor aspects of course from the Secretary of Labor.

I don't know whether the regulations governing the enforcement of Mexican Land laws have been received at the State Department or not. I doubt
very much if they have. I think they were promulgated only three or four days ago, and it takes some three or four days, as I recall it, to get here.

I think it has already been announced that Colonel Carmi Thompson will undertake to go to the Philippines for me. It is possible he may stop at Hawaii, and perhaps at Guam, though that hasn't been finally determined on. It seems to me that there was a somewhat sentimental propriety in sending him. He is, as you know, the National Commander of the Spanish War Veterans. It was through their activities that we came in possession of the Philippine Islands. He also is a very warm friend of General Wood. He has known him and been associated with him, and of course it goes without saying that it is entirely a friendly mission. General Wood has been stationed there for nearly five years. He has had little opportunity to come to the States and I thought it would be a somewhat graceful thing on our part if we could send someone down there to confer with him and give him such reassurance as he may need and indicate to him personally the desire of the Government up here to support him in every way.

Then I would like to have a survey — it couldn't be quite called an investigation — of what we are doing, what progress we are making in the Islands, what progress the Filipino people are making — because that is synonomous. I want to know how education is progressing, what is being done in the way of sanitation, policing; also the financial condition of the Islands as relates to their Government and the economic condition as it relates to private enterprise there, and in general to make a survey and inspection to see what we can do to better conditions there.
3.

Press: Do you care to tell us anything about the visit to the Philippines of the Secretary of War this year?

President: Well, that has been mentioned in the press. I think it said the Secretary of War was contemplating a trip around the world in which, incidentally, he might stop at the Philippines. I don't think I care to comment on that. I leave that for you to get first hand information from the Secretary of War. I took it to be one of those articles that some times appear, that has no real foundation. I would like to have the Secretary of War go down there some time, but of course it is difficult for the Secretary of War to get away for that length of time to go to the Philippines, and on account of the very great uncertainty of his being able to go I want to have Colonel Thompson go. His mission isn't political in any way - merely the objects that I have mentioned.

I have been willing to consider the needs of the Spanish War veterans. Perhaps it is appropriate in this case to speak of that I think in comparison with what is being done for those who took part in other wars. I think they are entitled to some consideration. The bill carrying $18,000,000 a year, nearly $19,000,000 is a more ambitious bill than I like to see Congress taking up. The bill presented some years ago carried some $8,000,000 or $10,000,000. I should look on that with much more favor than taking on an expenditure at this time of $18,000,000 a year. I think it provides for a service pension at the age of 60 or 62. I feel that that is quite young for a person to become a service pensioner of the United States. Merely because a person went to the
Spanish War and reached the age of 60 or 62 years doesn't seem to me quite enough
to put him on a pension roll. So I think that some change ought to be made in
this bill to make it more acceptable. That leads me to the reports that have
been coming out from the Treasury in relation to the amount of income that we
are deriving under the present law. It was anticipated I suppose by the Treasury
-it certainly was by me - that this first payment would be quite large. Every-
one knew that a new tax law was going into effect and that it would be a material
reduction over the old tax law, and there had been an accumulation of profits
in the hands of a great many people which, had they been cashed in under the law
that was in force before I became President, would have been almost confiscated
by the Government. Some 50% of them would have been taken in some instances
under the law as it was last year. Under the law of this year 28% I think would
be the maximum, and I don't know but what it would be a little less than that.
Quite naturally, those people that have been waiting to take their profits took
them. That was one thing that accounted for a considerable sale of securities.
Now, of course, the sale of securities during the present year don't go into
last year's taxes, but because it was perfectly apparent before the first of
January that there was to be a reduction, a great many people took their profits.
That won't occur next year because those profits have been taken. Then there was
the reduction of certain things that were fairly certain, like admission taxes
and the tax on capital stock, which was fairly certain, almost amounting to
repeal in some instances, and the shifting from capital stocks to earnings.
Earnings are always uncertain. Than another item is the fact that because their
5.

Taxes were not so large this year, many people that heretofore have taken the option of making their payments quarterly, I understand are paying the entire amount in this first installment. So, before we can tell what money would actually accrue under the present law, we shall have to wait and see what the year's experience may be. It is altogether probable that the next three quarters will not be anywhere near as large as this quarter has been. I have known all the time that there was every prospect that we would come out at the end of this year, June 30, 1926, with a small surplus. The chance of coming out with a surplus June 30, 1927 is not anywhere near so favorable, and it is for that reason that I have cautioned the Congress, through newspaper conferences, to beware of putting on permanent expenditures. We can pass some kinds of legislation and if the money wasn't available to meet the expenditure we could delay it for a year or reduce it somewhat. We could do that with aviation legislation. We can do it with any kind of a building program. When we pass laws providing for pensions, of course that becomes fixed and has to be paid whether the income is large or small. That is why I think in my message I cautioned the Congress against additional gratuities on the part of the Government.

I think it will be necessary to have some legislation relative to the World War veterans act. If this question here refers to the amendment of the bonus bill, I have a good deal of hesitation about speaking of that, because I haven't any accurate idea of just what it does -- my general idea about it is that it calls for quite a large expenditure of money which I should think would be doubtful - of doubtful necessity.
The suggestion of the delegation from Minneapolis and St. Paul about enlarging the upper Mississippi River is under consideration at the War Dept. I haven't any information about the details of it.

I have a person under consideration to be Captain of the Mayflower when Captain Andrews' term expires. I can't speak his name at the present time. It is some one that has been stationed in the Pacific, either on the Pacific Coast or out with the Pacific Fleet. I am not quite certain which.

I think that the invitation has been received from the League about a conference with nations to consider the reservations that we have proposed to our proposal to adhere to the statute of the Court. Of course it was a most courteous thing for the League to do, to extend that invitation to us, as it was a discussion of some matter in which we have some interest, and quite properly they would inquire whether it was a matter that we wanted to discuss. As far as I have been able to determine, I don't see any necessity for any discussion on our part. The reservations speak for themselves. So that I don't expect or anticipate - unless some reason appears that I don't expect to appear on further study - that we should consider it necessary to send any representative. We are dealing, as I have indicated before, directly with the nations concerned. We are adhering to the Protocol, which is the technical name of the Statute that created the Court and which is the action of forty-eight different nations. The League has nothing to do with it and can't do anything with it if it wanted to. The only persons that can make any change in it are the forty-eight nations, so that it
would be our attitude that we would deal with them, rather than to undertake
to deal through any other channel.

I haven't made any careful study of the report of the actuaries on
the cost of the various retirement proposals, except to note that it is evident
that the cost to the Treasury would be very high. It has seemed to me that the
proposals for retirement might be modified. I indicated a moment ago that I
doubted if retirement at 60 or 62, or a pension at that age, was altogether
justified, and I doubt very much if it ought to be asserted that a person who
has reached the age of 60 years, because he has been in the employ of the United
States Government, should thereafter draw a retirement pay. And I think the
amount of $1200 proposed is rather high. Now, if they would increase the age
to 70, of course that would cut down by 10 years the average length of time on
which annuities would be paid, and if they would decrease the amount that would
be paid, that would also make a reduction. I should think that something might
be worked out in that direction that would be within the reasonable means of
the Government to meet.

I am glad that someone is reading the Price of Freedom. There is a
reference there to the landing of the Pilgrims which says that "As they landed
a sentinel of Providence, humbler, nearer to nature than themselves, welcomed
them in their own tongue." I wouldn't want to be held to the necessity of
proving that a sentinel stood on the shore and extended a welcome as they
landed from the boat at Plymouth Rock, but it was a very curious and interesting
circumstance that an Indian had been taken from this country over to England and there had learned the English language, and he became associated with the Pilgrims when they landed at Plymouth and was of very great assistance to them in interpreting between them and the Indians. Now, I am not certain what that Indian's name was. So I won't undertake to give it. But those are the circumstances and that was the situation to which I referred. I can't quote any particular authority for it. I think any book that deals with the landing of the Pilgrims and that general situation would mention that interesting fact.