January 4, 1924.

Remarks by the President to the Newspaper Men.

Here is an inquiry about the appropriation for better Coast Guard defences, involving the giving of motor boats to the Coast Guard for their use, and the inquiry asks whether General Lord has expressed any disapproval of this. No, he hasn't expressed any disapproval of it to me. I understand he is making a study of the plan to see what best can be done to expedite it. I have talked with him about conferring with other possessors of ships and merchant fleets, and the Navy Department, to see whether they have any ships or boats that can be purchased for use in this direction. If they have, we might be able to save some money, and we might be able to get them right away. So there is a twofold reason for it – one would be to expedite the work and the other to make it more economic.

Mr. President, will that hold up the estimates?

I don't know just what form the estimates are in. I think they went in with my Budget message. I am not certain about that. It is my recollection that was in the Budget. General Lord is making a study of it for the purpose of seeing, when it comes up for hearing, whether it can be hurried up and whether we can save some money.

How much is involved Mr. President?

I think it was expected that some $10,000,000 or $15,000,000 was to be expended.

$20,000,000.

Well, I think a considerable part of that was for employment of extra members of the Coast Guard.

Whether any consideration has been given to designating a Chairman of the Tariff Commission for the coming year. No particular consideration has been given to that. Naturally no other consideration, except when I came in, that the Chairman was in the position and was serving well. My natural disposition would be, if there wasn't any compelling reason to do otherwise, to leave the Chairman to serve.

An inquiry about the Tomako that was seized some time ago. I haven't heard anything about that since that date. My understanding is that it is before the courts for adjudication. Whatever decision will be made, of course, will be satisfactory to the Government.
The British Government has just made some complaint about that, hasn't it?
I can't tell about that. The case will be before the Court, I suppose.
I don't think they have made any complaint, other than the inquiry. I think there were inquiries made.

In view of the sale of arms and munitions to Mexico, will the President please state the administration's policy? I don't know that any policy is involved, other than to consider each case that might arise and trying to consider and decide it on its merits. I don't think it involves anything further than that. Any friendly Government might request opportunity to purchase a few muskets and a few rounds of ammunition. Of course the matter would be considered on its merits. It would be quite a different proposition in selling a large amount of material that our Government thought it was expected might be used for war purposes between one nation and another. This is more a matter of domestic policy than the carrying on of warfare.

Is that a matter for the consideration of Congress, Mr. President?

Of course, no action is taken on these matters without authority of law. No one would have any right to sell any property of the Government, unless the law provided for it. It has been considered by Congress, and such authority, I understand, exists.

Could you kindly tell us, Mr. President, what the total amount involved would be in money?

No I can't tell what the amount is. Not a very large sum.

Whether the proposed 35% tax rate compromise which is being discussed at the Capitol would be acceptable. Well, I don't know what I can say about that exactly. This is in relation to the tax bill that has been proposed by Mr. Mellon, and which I endorsed and said I approved in its entirety, or words to that effect. That position that I stated in my message, of course, is the one to which I still adhere, and I am principle opposed to any compromise with the bill that has been stated in that bill. I don't mean by that that it may not be necessary, as the result of hearings, to make some slight changes and alterations, but I am opposed to making any changes that involve a change of the principle of the rates of taxation that are provided for in the proposed schedule. If that once is started at all, there would be no end to it, and the result will be compromising the bill entirely out of existence. Any effort to proceed in that direction might just as well meet with opposition in the beginning as at any other time. I think very likely that will be the position that will be assumed by the
Congress. Of course there will be a great many proposals for amendments and changes. Perhaps I am putting more emphasis than need be on this inquiry. I learned a great while ago that a proposal for legislation, or even the introduction of a bill that was not in accordance with sound policy wouldn't need any active opposition from the executive, in order to prevent its adoption. The legislatures with which I have had to deal have usually been perfectly competent to take care of those questions themselves without outside interference. So that while there will be many bills introduced into the Congress that I shouldn't want to approve or to take any action about, or proposed amendments to legislation that is in and I wouldn't approve of, generally speaking I should not need to take action about that, because the Congress will look after it.

† That doesn't mean that you approve of a bill that doesn't meet your desires?
† Quite the contrary. I wouldn't approve of a bill because someone has proposed an amendment that I don't approve of. I don't need to run out and send for the Congress to come down here and become active in the opposition. I can depend upon the Congress to take fairly sound action in relation to those.

I have already stated that I didn't know the amount that was involved in the arms that Mexico is proposing to purchase, and I have nothing in mind regarding any other action that our Government might take. I think the morning papers had a very good account of the proposals for the operation of the fleet. Now that really doesn't mean a change in policy, except in one respect. It means operating in accordance with the resolution that was adopted, I can't tell how long ago, but a considerable length of time ago, by the Shipping Board. The present operation is very largely under the Emergency Fleet Corporation, but when Mr. Farley came in he was made President of the Emergency Fleet Corporation and that has tide it up, of course, more intimately with the Shipping Board, and it is for the purpose of divorcing that more entirely, in accordance with what Senator Jones thought was the policy of the law, that it is now proposed that the President of the Fleet Corporation should be a man who is not on the Shipping Board. So the plan goes on in a way the same as it did before, the only change being that the President of the Emergency Fleet Corporation, which is a corporation organised under the laws of the District of Columbia, will not in the future be a member of the Board, and the relationship, as I have explained it to you before and to a number of people, will perhaps be a little more intimate, as between the Interstate Commerce Commission and the railroads. We have the Fleet Corporation running the
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United States ships, and the private corporations are operating their own ships, and the Shipping Board with more or less authority have direction of policy in the fixing of rates, the laying out of routes, and so on, and jurisdiction over both the Government owned ships and the private owned ships.

Do you still think, Mr. President, that it might be necessary for you to ask somebody on the Board to retire?

Not under this plan. That leaves the Board to function just as it is now constituted.

You can't appoint any Chairman from the Interior?

Well, I don't know that it will be necessary to appoint a Chairman from the Interior. If I was of necessity going to try to find a man that was going to take charge of the running of the ships, I wasn't certain but I thought I couldn't find such a man in the Interior. If I couldn't, I wanted the chance to find one on the Coast.

This thing has changed the entire aspect, then?

No, this leaves it just as it is. It doesn't change really, but it puts the whole proposition in a condition where to my mind I am not required to make any change.

The Chairmanship?

No I haven't. Mr. O'Connor is the present Vice Chairman, and I judge he will act until after a definite decision about that. The only thing that will be left for me to do - the Fleet Corporation chooses its President. It functions somewhat through the Board, and that will take care of that. So that all that is left for me to do is to find a suitable man in the Interior to make a member of the Board.

Does that mean that you are going to refer to the Senate the nominations of Mr. Haney and Mr. Thompson after renominating them?

That is what has been done.

And then promote a member of the Board as Chairman, Mr. President?

Some member of the Board will be designated by me as Chairman. That isn't a matter of much consequence. The Chairman of the Board only has one vote. If I was obliged to find somebody that was going to be Chairman and run the fleet, well of course I should have to look for a different kind of a man. I should say it was a matter of very little consequence who happens to be Chairman.
Mr. President, there is still a vacancy on the Board?

Yes. Mr. Parley's retirement will leave a vacancy that I shall have to fill. The new appointee might not necessarily be the Chairman. I don't think he will be the Chairman. He will be new.

This new plan will then curtail the activities of the Present Shipping Board considerably?

Yes, in certain directions.

In operation, etc?

Well in operation, yes. The activities will be curtailed some. But in accordance with the resolution passed by themselves some time ago it is really putting into effect their plan.

Is that the NO-4 plan modified?

I don't think it has anything to do with that. Those details you will have to get from them. It has nothing to do with that. NO-4 is the name that is given to a certain contract that is entered into between the Government acting through the Shipping Board, and those that lease the ships for operation.

I haven't had any report from the War Department about the adequacy of shipping for the Philippine trade. Whenever that matter is mentioned, I think it always develops that there is a great deal of opposition to it in the Philippines, from the people that live there, and whenever it has been investigated I think it has developed that there wasn't adequate shipping there to fill their needs, or at least they thought there wasn't. It has been rather difficult to tell them you can't have shipping except from the United States, when they are insisting they want to use ships from other countries. So it has never been possible to do much in that direction.

An inquiry as to the nature of a conference with Mr. Breed (Mr. R. E. Breed), and Mr. R. W. Stewart. They came in separately. They came in to tell me that they had been pleased with my message to Congress. I don't think I had ever seen any one of them before. I imagine they wanted to see what I looked like. It may be that you have stimulated their curiosity.