December 23, 1923.

Remarks by the President to the Newspaper men.

I have the resignation of Mr. Farley, the Chairman of the Shipping Board, which of course I shall have to accept, as it has been determined that his residence is not such as complies with the law, in accordance with the opinion of the Committee on Interstate Commerce of the Senate. So that while I regret to lose his services, he is a valuable man, I do not see any other course to take than to accept his resignation and try to find someone to take his place. I don't know yet who I shall make Chairman of the Board. There is a Vice Chairman, who naturally will act until I get someone. That is Mr. O'Connor. I think the President designates someone to be Chairman without any action of the Senate confirming it, so that I shall have to see who I can find to put in in the place of Mr. Farley. It may be someone that I want to make Chairman, or it may be that I shall have to ask some member of the Board to retire, in order that I may put someone in his place to be Chairman. I am limited in my choice of men for Mr. Farley's place to a certain location in the middle west, so that it might be difficult to find anyone there that I thought was so well qualified to be Chairman.

In that case, I might have to ask someone to retire. While that is something that may be done, I haven't any plan, or any purpose, at the present time of doing anything of that kind.

Mr. President, is Mr. Farley's resignation effective at once?

Well, it will be effective whenever I make it effective; whenever I may desire it to take effect. He will stay as long as I want him to stay, and he will stay naturally to finish up some things he has in mind.  

Leigh C.

There was no special significance to my conference with Hon. ___ Palmer. He is with the Shipping Board, and I asked him up to talk over Shipping Board matters with him and get the advantage of any information he might have.

Senator Jones today made a suggestion that it would be a good thing if the operation fleet was divorced entirely from the Shipping Board. I have a communication from the Senator that that was rather in contemplation of the law when the law was enacted, that the Shipping Board should stand somewhat in relation to the operation of the fleet that the Interstate Commerce Commission stands in the operation of the railroads - that the active and practical operation of the United States ships should be in the hands of the fleet corporation.

Mr. President, that is a one man thing, isn't it?
No, it is not a one man thing any more than any other corporation - a railroad, or a bank, or anything of that kind in the hands of directors or trustees. They choose their President, Treasurer and the Secretary, and make such by-laws as they want. It would tend, of course, to put the direction of the fleet more in the hands of one man than the operation of it by the Board, where there are seven all with equal powers. It would tend to put the direction in the hands of different men, as on railroads there are various Superintendents of Divisions, and Vice Presidents that have certain duties to perform.

Was that communication from Senator Jones in response to your request?

No. I have talked over the shipping matter with the Senator several times, and asked him to make a little memorandum especially about the Philippine situation and other things that he might have in mind. There is nothing new in it, and nothing but what we have discussed here in these newspaper conferences several times as to what might be done better to take advantage of our shipping operations.

I don't know of any proposal - this is the first intimation that I have had, I think there are two suggestions here - for a transfer of the Bureau of Mines from the Interior to the Commerce Department. I don't think I ever heard of that. It may be something that is being discussed in one or other of the Departments, or it may be something that is in the contemplation of the reorganization. If it is in that, then I have discussed it, but I haven't any thought of issuing any executive order for that purpose. Nor have I given any thought to the matter of the formation of consumers' cooperative organizations. That was spoken of by President Harding, I am informed, in a speech he made at Idaho Falls. Whether he had any matured plan of putting that into operation, I don't know, or whether it was a thing that occurred to him that might be helpful and one about which he might speak, I don't know. Of course there are a great many consumers' cooperative organizations of one kind or another, especially in the Farmers' Union, with which they provide methods of that kind very extensively in the South and West.

I don't think I need to make any comment on the letter that came to me from S. Y. Clark. That was published very extensively in the newspapers before it reached me, and when that is the case, of course, you know that the reason for sending the letter to the President was in order that it might be published in the newspapers, rather than for the purpose of securing any Presidential action. You are all familiar with that method. I came into contact with it when I was Mayor of Northampton, when I was Governor of Massachusetts, and it is still in operation.
I don't mean by that, that when a letter comes to me that seems to require action, I should disregard it because it had been published. Usually the sending of a letter to me has some other expectation than any such action on my part.

Here is an inquiry as to whether there are any resignations in process in the Cabinet. You can say that there is no foundation for any such rumor. I think generally you will be warranted in denying any such rumors. You don't have to make any guesses. Sometimes I thought you did. If you guess that there isn't any trouble in the Cabinet, you will find that usually you have been right.

There wasn't any special significance yesterday to my conversation with General Dawes and Mr. Young. They took lunch with us, General Dawes leaving immediately after lunch and Mr. Young staying a little while longer. The general drift of the conference was that they did not know yet exactly what would be required, and were prepared to study the situation and make the best recommendations they can. That is somewhat vague and indefinite, but that seems to be the condition.

I have heard about the stock market speculations of Lieutenant Osborne Wood. I knew something in relation to large financial transactions that he seemed to be making, and knew the Secretary of War some time ago had called the matter to the attention of General Wood, and I suppose Lieutenant Wood knew from the Secretary of War that any activities of that kind had to be discontinued. Nothing has ever come to my attention indicating any wrong doing, other than the generally bad policy of any one who is in the position of Lieutenant Wood engaging in market speculations.

I have just spoken about the extension of the American coastwise laws to the Philippines. The President has authority to make such extensions whenever he is satisfied that there is adequate service being rendered by American shipping. This matter has come to my attention once or twice, and I am going to have the War Department make a survey of the shipping conditions in the Philippines to see if the American ships furnish adequate service. Senator Jones says that we do commerce with the Philippines of about $100,000,000 a year, and about $50,000,000 of that is carried in American ships, and that an extension of the American coastwise laws would give us the advantage of having the business of the other $50,000,000. I don't know just what that would indicate — whether it indicates we have sufficient shipping there so that I would be justified in making a proclamation, or whether it indicates that we are only doing half of the business, and therefore we are not yet in a position to do all of the business. I don't know as it has any significance either
It might. And of course I have also consulted the Shipping Board to get their opinion about it. I should be very glad to secure all of that business for the American merchant marine, and as I understand it, the policy of the law requires me to take appropriate action for securing it whenever that is possible.

Mr. President, if such a proclamation were issued, would there be any assurance that rates would not be raised, as the Philippines fear?

I suppose that is in the hands of the Shipping Board. If we are carrying half of the merchandise there now, that would indicate that our rates are acceptable for at least half of the merchandise. Now, it may be that we couldn't meet the rates on some kinds of merchandise. That may be one reason why we are not doing all of the business. Those are things that I would like to find out by inquiry from the Secretary of War and the Shipping Board.

An inquiry also about the creation of a Department of Mines. I should like to have that Department strengthened and made completely efficient. I don't mean that there is any criticism on the present administration of it. I have no doubt it is well administered in accordance with the present requirements of the statute. I don't think I would want to favor making a separate Department of it with the information I now have at hand. It may be that it ought to be in a separate Department, but our reorganization plan, as you know, rather contemplates cutting down the different Departments, than making new ones, and in accordance that with the policy I should like to keep the Bureau of Mines and other bureaus as a part of some of the present Departments. That doesn't mean much of anything more than the name. It doesn't mean they would be under the jurisdiction of somebody else. It means they are associated together. Probably they would be occupying the same building and working in harmony.

I haven't any plans to visit various cities and deliver speeches or participate in special celebrations within the next month or two.

I can't make any announcement about shipping Board appointments now. I have discussed that already.