

Brains Worth Bonus, Schwab Tells Publishers

Steel Master Skips Most of Prepared Dinner Speech to Joke With Will Rogers

"Read It in the Papers"

Humorist Offers Alibi on Clara Bow and Her Check

Charles M. Schwab and Will Rogers matched story telling abilities last night at a dinner given to the American Newspaper Publishers' Association by its Bureau of Advertising in the Pennsylvania, sweeping a gathering of about 1,000 persons through successive gales of laughter for about two hours.

A speech prepared by Mr. Schwab and given to the press before the dinner as the one the steel master would deliver, entitled "The New Leadership in Business," was touched on but slightly. "You can read it in tomorrow's papers," the financier assured his newspaper listeners. The speech was a serious defense of the practice of giving high bonuses to persons in the principal positions of great industrial concerns and was in the nature of an answer to public criticisms which greeted the announcement of the bonus of more than \$1,000,000 paid by the Bethlehem Steel Corporation to Eugene C. Grace, its president.

Says Brains Must Be Paid For

Between jests in his actual address Mr. Schwab declared:

"In the great mergers that are taking place all around us the best brains that possibly can be obtained must be employed, and the men who do the job of management must have the interest of the business at heart, and to some extent the same interest in it that the proprietors used to have in businesses that were smaller."

He said there always would be periods of prosperity and periods of depression and the country would emerge from the current period of business slackness because it always had emerged before. "Let's have less plans and fewer schemes for legislation," he pleaded. "Let's each tend to his own business, meeting our own business problems of saving money and making profits according to the laws of common sense."

He referred to newspaper criticism which has been made of him by saying the press of the country always had treated him generously, and that now, needing the good opinion of the press less than ever, he wanted it more than ever.

Rogers "Nominated" Again

Amon G. Carter, publisher of "The Fort Worth Star-Telegram" was toastmaster, and W. E. McFarlane, of "The Chicago Tribune," presided. Introducing Will Rogers, Mr. Carter, said: "The Democrats would like to have him for President. Indeed, the Democrats would like to have anybody for President. In all seriousness I'd like to nominate him now."

Rogers, in his period of wisecracks, burlesqued President Hoover, President Coolidge, Arthur Brisbane, and the tendency to merge newspapers.

United States Man Power Praised

In Mr. Schwab's address for release which he did not deliver, he said:

"If industry is led by men of administrative power, vision and intelligence, our country will retain its leadership. Don't let any one tell you that America's enormous natural resources are the sole cause of her strength. There are several countries on the face of the globe which at least rival us in their supplies, of coal, metals, oil and other basic products. But the man power, the energy and the administrative enterprise have been lacking.

"In our vast modern corporations, millions of dollars, gain or loss, depend upon the decision of the top executive. The average expenditure for property improvements, additions and acquisitions at Bethlehem, if I may cite the corporation with which I am most familiar, has been a million dollars a week for twenty-six years. Clearly the responsibilities of the office held by Mr. Grace, president of the corporation, and the potential effect of his decisions upon investment of the owners, are of vast consequence.

"In building the personnel of a corporation, you must not only meet the competition of other corporations who would like to get your men away from you, but you must likewise provide the incentive of substantial rewards.

Calls Big Business Roll

"Consider the enormous progress made by the General Electric under the leadership of Young and Swope. The automobile world has added a half dozen to the industrial geniuses of America. The names of Teagle, Gifford, Farrell, Grace, Rosenwald, stand for industrial accomplishments more extensive than any witnessed by preceding generations.

"If we are going to curtail the opportunity of industrial geniuses to earn rewards in line with their abilities, perhaps we shall become a nation of job holders, interested solely in doing as little work as possible for the day's pay. But I do not think that that is part of the American temperament. America loves a winner. America is glad to know its movie stars, its prize fighters, and its baseball players are well rewarded.

"The employees in our modern corporations want to see the men at the top well rewarded—it holds out hope for even the most obscure employee down the line. He knows if he can make the grade the rewards are there."

Many at Speakers' Table

Seated at the speakers' table besides Mr. Carter, Mr. Schwab, Mr. Rogers and Mr. Macfarlane, were Kent Cooper, general manager The Associated Press; Karl Bickel, president United Press; Frank B. Noyes, president The Associated Press; P. L. Thompson, president Audit Bureau of Circulation; Lee H. Bristol, president Association of National Advertisers; Ogden Reid, editor of the New York Herald Tribune; Howard Davis, vice-president of the American Newspaper Publishers Association and business manager of the Herald Tribune; Cyrus H. K. Curtis; William T. Dewart, of "The Sun," New York; Roy W. Howard, chairman of the Scripps-Howard Newspapers; William F. Rogers, "The Boston Transcript," and S. E. Thomason, "The Tampa Tribune."

Also John Benson, president, American Association of Advertising Agencies; Fleming Newbold, "The Washington Star"; Don U. Bridge, "The Indianapolis News"; F. I. Ker, "The Hamilton Spectator"; Gilbert T. Hodges, president, Advertising Federation of America; D. E. Town, The Hearst Newspapers; William G. Chandler, Scripps-Howard Newspapers; Wallace R. Farrington, "The Honolulu Star Bulletin"; Bernarr Macfadden, "The New York Graphic"; A. L. Suman, "The Fort Worth Star-Telegram"; Louis Wiley, of "The New York Times"; James N. Shryock, "The Chicago Daily News"; O. C. Harn, manager, Audit Bureau of Circulation; David B. Plum, "The Troy Record"; Edwin S. Friendly, "The New York Sun"; Frank E. Tripp, The Gannett Newspapers; Armand Tokatyan, Metropolitan Opera Company; William A. Thompson, director, Bureau of Advertising, and Thomas H. Moore, associate director, Bureau of Advertising.