Tuesday, January 16, 1927.

Report of the Newspaper Conference.

The only information I have about the rejection by Peru of the proposal that was made for the settlement of the Tacna-Arica difficulty is that which I saw in the morning press. Before deciding what action we could take, it would be necessary to get the formal statement of the Peruvian authorities. It is my recollection that we were requested by both the interested parties to extend our good offices in the matter. My thought would be, without consulting with the Secretary of State, that he would continue that effort just so long as he thought there was any chance that it might lead to success. Should there be something in the report that indicated there was no use further to make an effort, why he would conclude that he had exhausted the possibilities. There may be something in the answer that comes from Peru that would open up some other avenue.

There are no new developments that I know of in Nicaragua or in Mexico. Of course the questions that we are interested in in Nicaragua I have already stated as carefully as I could in my Message that I sent to Congress. We are there to protect the lives and property of American citizens, protect the interests of this Government in the canal concession and the right to establish a naval base, and in addition to that we have received requests from two foreign governments to take such steps as were necessary to protect the rights of their citizens, that coming in as a corollary to the Monroe Doctrine, it being understood abroad that other
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governments hesitate to send any forces into Latin-America because of our position on the Monroe Doctrine and therefore they always give us notice in the first place that they think there is some jeopardy of their interests and bring it to our attention to see what we wish to do about it. That is incidental. If our forces are there trying to keep order, or such order as is necessary to protect our interests, why the interests of other people are naturally protected by the same method. We are doing what we can to compose the situation and prevent any injury to our interests before it accrues. I think that our presence there resulted in the saving of a very substantial amount of bloodshed. We have been able to extend medical aid to the wounded of both sides, I believe, which otherwise apparently they would not have been able to secure.

Now, our whole difficulty in Mexico is exceedingly simple, and stripped of all its outside discussions there is only one question, and that is the question of whether the property of our citizens there is going to be confiscated, going to be taken without being paid for. It is that which we object to and that which we are trying to prevent.

I hope that we shall be able to get through at this session some legislation on the Bowlder dam. I don't wish to have you make the mistake that sometimes occurs -- as the session is going along some one asks me in one of their questions that come in if I am in favor of certain legislation. I say I am. Some one else that is in favor of other legislation which
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I might also be in favor of just as much as they are concludes that I have discarded their legislation and taken up some other. This is only one piece of legislation. If you want, as I have said before, to find out what things I am in favor of, always consult my Message. I stated in my Message that this is a short session, and while I gave a general survey of the state of the Union I realized that it would not be possible to secure very much in the way of affirmative legislation. I am not familiar enough with the proposed amendments to the bill for the Bowlder Dam to give any opinion on that. My desire here is for the general purposes of erecting the dam, stopping the floods, providing southern California with water and the surrounding territory with irrigation, and using such power as they may develop for the benefit of that general locality.

I should take the opinion of General Hines about having the Veterans Bureau advance loans on the insurance certificates of the World War veterans. He told me that he had been up to New York and secured the cooperation of, I think, 14 banks in one day. When this matter first came up hundreds went into the banks and, of course, oftentimes they were not known to the banks and it would be a question of identification. The amount that can be secured now ranges I think from $80 to $130 or $140. It would be very good business for banks that have the time to devote to it. But of course each of the items is small. He told me he has secured facilities, and it is my understanding that the banks over the nation are rather priding themselves in their desire to accommodate veterans of the
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World War in relation to loans on certificates whenever it is necessary. Of course, it is my hope that the veterans will not find it very necessary to make loans of this kind, or especially to take any action that would result in their abandonment of their insurance certificates. I understood from General Hines that he rather favored some arrangements by which these certificates could be turned into the Veterans Bureau and loans issued through that medium. My only desire here is to secure the best possible methods for the accommodation of the veterans and shield them against the imposition and the loss of the rights that accrue to them under the legislation of the Congress.

Whatever settlement President Diaz of Mexico wants to suggest or the other parties in interest, I would say (Nicaragua I mean) is very largely a domestic question down there. What we are interested in is in having a settlement that will restore the tranquillity of that country. I don't know enough about any proposals that have been made to discuss their details or pass any judgment on their adequacy.

There isn't anything that I could say about the action of the Senate appropriation committee in proposing to proceed at once with the building of three cruisers that I have not already said. Our country has been undertaking, in so far as I have had direction of its relations in this respect, to get away from the policy of competitive building of armaments. That seems to me the main question of the situation here, especially...
as about the only suggestion that is made to me for our starting this year to build three cruisers was that some other countries were building cruisers. I was glad to support a policy, in so far as I could, of letting our country lead of its own volition in abandoning the policy of competition in the building of naval armaments. I sometimes see statements that some of the other countries have not observed their treaties in this respect. Those statements of course come from misconception. The treaties refer, so far as the 5-5-3 is concerned, to capital ships. I supposed that any one would know that the State Department and the President would not sit by without taking some action if any country was violating the terms of their treaty, and of course, so far as we know, no nation desires to or has thought of it. There isn't any limitation on the number of cruisers that can be built. The limitation is on the size, which is limited to 10,000 tons, and on the caliber of the guns, which I think is 8 inches. Now, of course, there is on the other side the financial consideration. We have been building two airplane carriers that cost us about $90,000,000, about $45,000,000 a piece. This budget that is now going through will probably provide enough money for their completion. When that is out of the way there will be an opportunity to build some more cruisers without any expansion of the entire amount of the naval appropriations. We are already building 5 cruisers - 2 of them are already being built and 3 of them are just starting. If we could wait about these other 3 cruisers until next year we could finance the proposal very much better.
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I have sent to the Congress the report of the Committee, if I may so call it, consisting of the Secretaries of State, Commerce and Labor, on that part of the immigration law known as the national origins clause. That report constitutes all the information I have of an authoritative nature. My duty is of course to try to find out what the law is and do the best I can to carry it out. That would be the course that I should pursue in relation to this or to any other function that rested on the Presidential office, either by reason of the Constitution or by reason of a statute of the Congress. I think there is pending some proposed legislation which very likely would clear up any question and solve any difficulty.