Remarks by the President to the Newspaper Men.

I had a conference yesterday with members of the House Committee on Agriculture. That was particularly in connection with that portion of my message to the Congress on agriculture which is as follows:

"Diversification is necessary. Those farmers who raise their living on their land are not greatly in distress. Such loans as are wisely needed to assist buying stock and other materials to start in this direction should be financed through a Government agency as a temporary and emergency expedient."

There is a bill pending before the Committee that is based on that principle, and I conferred with the Committee to see what would be necessary to assist in the passage of that bill. I am very much in favor of the principle that the bill represents, and conferred to see what possible safeguards we might throw around it in order to be certain that money that was used for this purpose would be solely for the benefit of the farmer, and not leave him in a position where he might be foreclosed by other creditors at any time, and so have the efforts of the Government to help him out be entirely dissipated.

I haven't any recent information about the South Dakota bank situation. As I think you already know, Mr. Meyer and Mr. Dawes have started for that region, stopping yesterday I think in Chicago, in order to organize the banks there for the purpose of seeing what additional credit facilities could be secured and what help they could carry from that region to those banks that are now in distress in North and South Dakota. I haven't had any report from either one of them, so I haven't any information as to what they accomplished at Chicago. Of course the Government will do everything it can do to relieve that situation, and that is substantially all the declaration I can make about it. I don't want to have it said in the press that the Government can cure an incurable situation, or that where losses have been made through depreciation of property and loans have been found to be insecure and uncollectible it is possible for the Government to take action that will remedy all that. The Government can't do that, but it will assist in any way in which it can assist to furnish adequate credit facilities, or credit that may be needed at the present time, but of course nothing in the way of undertaking to replace losses that have already accrued; though its action might help very greatly to retrieve losses perhaps by an extension of credit to put the debtor in a position where ultimately he would meet his demands in full.
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Judge Gary of the Steel Corporation came in and I conferred with him about the abolition of the twelve hour day, which the Steel Corporation has put into operation. I asked him about the financial effect of it, and he said that it increased the cost of their production about ten percent. They hope that through improvements and inventions and better operation they would gradually work that off, but that was the immediate effect of increasing the cost of their production by about that amount. Perhaps that is one of the things that might be remembered when we find we have to pay high costs for manufactured articles. We can't have good conditions for everybody without paying the price. If we are going to have an eight hour day and high wages, which of course we all want to have, we must remember that in order to have it we must be prepared to make something of a sacrifice for it. I think we ought to do it. But we ought to do it uncomplainingly, and we ought to do it without undertaking to assess the blame in some other direction where there is no fault.

An inquiry about an invitation that I have had to go to Indiana. The Purdue University, I think, is celebrating its 50th Anniversary next spring, and they have extended to me an invitation to come there some time in May. I haven't much idea whether I can go or not. I would like to go, but naturally so long in advance it is impossible for me to make any decision at the present time.

Also an inquiry about the participation of sailors in prize fights at Madison Square Gardens. That matter was called to my attention. It has been customary to have boxing in the Navy, and I suppose in the Army, and that undoubtedly will be continued; but I have taken this matter up with the Secretary of the Navy and he will issue an order prohibiting in the future anything like the contest that took place in Madison Square Garden not so very long ago, which was in the nature of commercialized rather than amateur boxing by men that happened to be in the Navy. I couldn't just indicate the line on which the order will be given, but that will be the general theory of it.

I have a question here that suggests that I ought to make a suggestion to you about the details of what the Government may do to assist the banks in the northwest. You ought to apply to the office of the Comptroller of the Currency about that.
Here is an inquiry too about the Murphy-Coulter plan for diversification. I have already indicated that that is the bill to which I referred. It is my desire to support the principle of that bill. It is in accordance with the recommendation that I made in my message to the Congress.

The Mexican situation was only discussed incidentally. Mr. Hughes said that the troops were passing through in accordance with what was already known, and that there seemed to be no particular development in Mexico, other than what has already been given to the public.

The tax bill was also discussed in the Cabinet meeting, as I am reminded by an inquiry here. Of course it isn't possible for me to forecast what action will be taken by the Congress on any measure, without a most careful and accurate survey, and I can't give any opinion as to what action is likely to be taken on the tax bill. It is still before the Committee, and my position is the same as that which I disclosed in my message to the Congress, - of being in favor of this bill as it stands and opposed to modifications of it, or the making of any fundamental change. I suppose it is notorious that no bill which is presented to the Congress ever goes through without amendments, and undoubtedly there will be amendments to this. I am not speaking now of fundamental changes in the bill, but perfecting amendments. Those are to be expected always, but I know of no reason for making fundamental changes in this bill, if the desire be to improve the measure. If any one is animated with a desire not to improve it, or has in mind some other result than a reduction of taxation, why then he might want to change this bill.

Mr. President, would a figure between fifty and twenty five be regarded as a fundamental change in the bill?

I think so - a change in the surtax rate.

I don't want to have any misunderstanding of my position. I am in favor of the bill and opposed to fundamental changes in it. Perfection amendments, of course, it goes without saying are not opposed. But I am opposed to making fundamental changes.

Mr. President, what will your attitude be if they should make fundamental changes in it?

I don't think my attitude will change. I am opposed to their making fundamental changes. I can't tell what I might do with a bill that might come before
me, of course.

A request here about the extension of the coastwise laws to the Philippines. There has been no formal report to me from the War Department about that. I am not contemplating any immediate change in the present situation.

I have here several inquiries about the Teapot Dome. As I indicated at our last conference, that whole question is under most careful and searching investigation by the Senatorial Committee. The Department of Justice at my direction went there yesterday to observe and to see what the evidence might disclose, on account of certain rumors which came to me. That is all that can be done at the present time - to observe the course of the investigation up there and to proceed in accordance therewith. I don't suppose it needs to be stated that if any irregularities are disclosed, or any misdeeds on the part of any one, they will be subject to investigation by the Department of Justice, and such action taken as the laws of the country require. I want it to be understood in making that statement that I am not making any accusations against any one, or have any opinion about the outcome of the investigation. Rumors and so on are flying around. Of course, wherever that occurs those people are summoned in before the Committee and asked to give their evidence. It may be that before the Committee finishes those hearings that discrepancies and so on that now exist will be completely cleared up. But in the meantime the Department of Justice will watch the situation and be prepared to take whatever action is warranted by the national laws. That observation applies generally. As I have already stated at previous conferences, I can't indicate that the Department of Justice is proceeding against this man, or that man, or the other. To do that would probably tend to dry up sources of information that would be necessary to have as evidence. You know evidence is very difficult to secure. It has to be done by secret investigations, and the Department of Justice I imagine, and of course I myself, if I happened to know about those things, couldn't disclose them other than to say that an investigation of any alleged wrong doing will be made; and the direction it is taking, or anything of that kind, necessarily has to be withheld. Otherwise, it would defeat the ends of justice.

I don't think I have anything especially to say regarding the reported death of Lenin, other than what would occur to anybody - that he cast a good deal of influence over the destinies of Russia for a considerable length of time.
and it would be very unbecoming of anyone in the Government of the United States to undertake to make any criticism of a man in his position having passed away. Let us hope that the work he did, though it is difficult to see just how it did, worked for the benefit of Russia and for the betterment of civilization.

I don't foresee any change, answering an inquire here, that may be brought about in the Russian policy of the United States by reason of his passing away. That would depend upon what happens. If the policy there should be changed, it would change our policy. If it doesn't change, ours will not. My attitude toward that was set out, of course, in my message to the Congress.

I think that covers all the questions that I have.