

Friday, February 18, 1927.

Report of the Newspaper Conference.

I don't know of any inquiry that has been made by the French Government relative to the French debt. It states here that there are reports from Paris that the French Government is making inquiries. I have heard nothing of that kind. I do not think it is true.

I have talked with some members of the Cabinet about the McNary-Haugen bill. It hasn't reached me yet. When it does, I shall consider it the same as I do any other bill.

We have sent additional marines to Nicaragua because of apparent reliable reports that have reached us that shipments of arms are going into that country to be used in the desultory warfare that is going on there, which would seem to indicate a greater degree of jeopardy for our people who live there and their property.

Press: Could you say whether those arms are going by land or sea?

President: I am not certain about that. I think they went both ways. It is difficult to get any information that you can rely on absolutely, but in cases of peril of that kind the best rule is to assume that anything that looks like a fairly reliable report should be acted upon and preparations made to meet the worst effect that could accrue from it.

I haven't had a chance to make any personal study of the reply of France. Secretary Kellogg made some statement that the reply was received, which I thought was appropriate. I want to wait until all the replies are

received before making any formal statement in relation to them. When they are received I may make some formal statement.

We expect to go up to the house on Dupont Circle approximately the first of the month. It might be two or three days after that. I think the house is being put in preparation for us. Probably some telephones will have to be installed and some things of that kind, perhaps some electric bells around the house for the purpose of calling people that are at the front door and so on.

I am not informed whether Senator Phipps or any other members of the Colorado delegation are going to be present this afternoon when I press the button opening the Moffatt Tunnel. I should be very glad to have any of them come in that wish to come, any Senators or Representatives.

I have no information about any suggestion that bankers or others who are acting as interlocking directors of corporations engaged in the same industry are being advised by the Federal Government authorities to retire from all but one of their directorates. I think there is a law in relation to national banks that provides that a director of one bank shall not be a director of another without the express consent of the banking authorities here in Washington. I am not certain whether it is the Federal Reserve Board or whether it is the Comptroller of the Currency. But whatever the Federal Reserve Board might do in that respect would not be likely to come before me. I have taken occasion once or twice to commend something that they have done. Some people have misunderstood that as thinking I was

interfering with the work of the Federal Reserve Board, which wasn't the case. I do not confer with them about their actions. They have a very peculiar relation to the business in which they are engaged, sitting in relation to it almost in the same relation that the Supreme Court sit in relation to the transaction of their business. While I might think it is perfectly proper to comment on the result and effects of a decision of the Supreme Court, I should hardly expect they would consult me about a decision they might make, and it is the same with the Federal Reserve Board. Now, the only other body here that I can think of that might have or express any opinion about interlocking directorates would be the Federal Reserve Board. I never heard of their taking any action in relation to it. It might be that some case would be reported to the Department of Justice where they thought that relations were such that interlocking directors would be in a position where it would raise a strong presumption of restraint of trade contrary to the provisions of the Sherman act. In that case they might take some action. I haven't heard anything of that kind. I know of no such intimation being made by any parties.