

Secretary of State Knox
 Secretary of the Treasury MacVeagh
 Secretary of Agriculture Wilson
 Senator Duncan U. Fletcher
 Representative William Sulzer
 Representative James M. Cox
 Representative Louis B. Hanna
 Hon. Myron T. Herrick
 Secretary to the President Charles D. Hilles
 Major Thomas L. Rhoads
 Dr. Johnson
 Miss Noa
 Secretary of the Governors' Conference Miles C. Riley

The Chairman (Governor McGovern): The President desires to speak to the Conference just for a moment, I believe, on the subject of Rural Credits.

PRESIDENT TAFT - Governors, Ladies and Gentlemen, and other Guests:

I have seized the opportunity of your presence at your convention at Richmond to ask you to do me the honor of lunching with me, both in order that I might enjoy your company, and also because I hoped that I might give at such meeting a bit of emphasis to the importance of the project of making easy farm loans, to which I ventured to invite your attention by my letter of October 11th.

You have had the subject discussed at your meeting in Richmond, and I do not intend to prolong that discussion, because my knowledge of the details is not greater than yours, and probably, after your discussion, not so great as yours.

No one who studies the statistics of this country and observes the trend of affairs can be blind to the importance of the development of our agriculture, and the intensifying of our farming methods in such a way that the land now used shall produce double or treble what it has been accustomed to produce in the past. The Agricultural Department has been seeking to wrest from nature her secrets, so that the farming of the country shall be done on better scientific principles, and the rate of production per acre shall be increased. It is well, and indeed it is neces-

sary, that these new methods should be studied and adopted if we are to bring about necessary improvement; but our farmers can hardly do this unless in some way the additional capital is furnished them which is indispensable to such an improvement of agricultural methods.

We have capital in this country, and we have farming property that is producing farm products of immense value. It would seem clear that with these two elements it would be possible to introduce a third, by which the farmer engaged in producing the crops should be able, in view of the value of what he produces and the value of the land on which it is produced, to obtain money on the faith of the land and the faith of the product which will enable him to expand his acreage and better his methods of cultivation and production. This is a field in which those who are clamoring for progress, and who are looking to the government to furnish ways of progress, may well devote their attention, for this is real and practical.

An easy exchange between capital and farmers, with proper security, has been established in European countries where the rate of interest has been lowered so that the farmer is on practically the same basis of advantage in the borrowing of money to aid his farming as the business man is in borrowing money to aid and carry on his business. If this can be done abroad, it can be done here; and if abroad we find that government institutions adapted to form the conduit pipe between capitalists and farmers are successfully operating, why should we not adopt them here? I am quite willing to agree that conditions here are different from those in Europe, and that such conditions may make necessary a modification of the methods adopted to produce the flow of capital to the farms and the return of proper security to the capitalist, but the general plans adopted abroad can be amended to suit the peculiarities of the present conditions, and a convention of Governors, representing all the States of the Union, is the place where such methods ought to be discussed, with a view to adopting uniform legislation in all the States to secure the desired end.

I am glad to learn that a committee of Governors is to be appointed to examine plans, and, having adopted the best ones, to recommend the uniform legislation necessary to carry them out.

If federal legislation can be of material benefit, I doubt not that it can be secured.

We are not going to adopt a system over-night. It is going to take a considerable time before the country shall receive the benefit of it, but the earlier we begin the agitation, the earlier we shall achieve the purpose we have in bringing the matter to the attention of the public.

There is no subject matter of greater importance to the people of the United States than the improvement of agricultural methods, the keeping them up to date in all agricultural communities, the securing of profit to the farmer, the attraction of the young men to the country to farming as a lucrative profession, and the lowering of the cost of producing agricultural products, and the lowering of their prices to the consumers.

As I said in the beginning, I do not intend to make a speech but only a short statement, and in performance of my promise I bring what I have to say to an end, with renewed expressions of welcome and good will to the Governors.

The Chairman—I believe I state what is in the minds of all when I state that the subject of rural credit, and our action respecting it at Richmond, were undoubtedly the most important things that came before us during the session of the Governors' Conference. Nothing can bring that action of ours to the attention of the country so well and so effectively as the interest President Taft has shown in the same matter. We are grateful to him for his courtesy in inviting us here to take lunch with him, and we are also indebted to him, I am sure, for the interest he has taken in this subject that concerns the welfare of all of our people, particularly those who are upon our farms.

I think I may say that it is in the minds of many of the members of the Conference that there should be some modification of the resolution which was passed at Richmond, increasing the committee to more than five, and, if I am right about that, a motion to that effect would now be in order.

GOVERNOR HAWLEY—I move that the committee be increased to nine, of which the chairman of the committee shall be one.

The motion was seconded by Governor Norris of Montana, and was carried.

The Chairman—Governor Plaisted, who presided at the session where the original motion was passed, is the proper person to name the committee.

GOVERNOR PLAISTED—In accordance with the authority vested in me yesterday at the Governor's Conference, to select a committee, I beg to say that I am now ready to report. Anticipating the action of the Conference at this session today, I appoint, as chairman of this committee, Governor O'Neal of Alabama, and to be associated with him, Governors Mann, of Virginia, Harmon, of Ohio, Hadley, of Missouri, McGovern of Wisconsin, Foss, of Massachusetts, Carey, of Wyoming, Johnson, of California. Do I understand that the motion conveys the intention that I should be a member of the committee?

The Chairman—I so understand it.

GOVERNOR PLAISTED—Then I name myself as another member of the committee by reason of the motion just made.

The Chairman—If President Taft will indulge us just for a moment, we will transact a little more business. I think we can dispose of it in a moment.

The President—Do you want to go into executive session?

The Chairman—Oh, no!

GOVERNOR HADLEY—Were you about to turn to something else?

The Chairman—Yes, sir.

GOVERNOR HADLEY—Well, before we do so, I wish to offer a resolution to the effect that an expression of our appreciation, as the representatives of the people of the several States, be conveyed to President Taft for having brought this subject to the attention of the American people, and to the Governors' Conference, and has thereby made it possible for us to contribute to the advancement of the agricultural welfare of the country and of the prosperity of those who are not engaged in that particular occupation.

The motion was seconded, and carried unanimously.

The Chairman—Possibly the gentlemen present do not desire to take any action in reference to the matter I shall now mention, but since the motion passed at our regular session at Richmond, fixing the place of our next meeting at Colorado Springs, and the time some time during the fall, to be designated by the