

Tuesday, December 28, 1926.

Report of the Newspaper Conference.

I hope the members of the conference all had a Merry Xmas.

Secretary Davis of the War Department is working on the plan to secure an appropriation for paying up some of the remaining stock of the Inland Waterways Corporation that now operates a fleet of boats on the lower Mississippi and the addition is to be made for operating additional boats on the upper Mississippi. Arrangements have already been made for the operation of some boats on the upper Mississippi and it is proposed to add to that number. I don't know just what amount will finally be decided upon, but I am in favor of a liberal appropriation that will build, equip and put into operation a substantial number of boats for operation on that part of our inland waterways.

The Department of State has conferred with me briefly in regard to the British note that has recently been sent concerning the foreign policy of China. We are preparing a note that will deal with that subject, which will probably be ready within a day or two.

The economic conference that is to be held at Geneva deals with the question of double taxation, in which this Country is interested. It is interested in it in two ways. First, to secure such taxes for this country as we feel we are entitled to, and, secondly, to prevent double taxation of our own people and our own concerns. We are trying to work out a plan of participation in this conference for the purpose of safeguarding and advancing American interests in respect to taxation. I should ask Hugh Gibson to attend, but he is on his way

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to this Country and as the conference, I think, opens on the 5th of January I expect that one of his subordinates that is in that immediate region will attend. Then, later, it may be necessary to send an expert on taxation, if one can be secured.

I do not think the details of my trip to Trenton have been finally worked out. I plan to go up some time tomorrow. As the conference knows, the railroads don't care to have the exact time of the leaving of the train published. I don't know yet just what time it will be, but those present that wish to attend if they will apply to Mr. Sanders he will be able tomorrow to give the time when the train is to leave.

I don't know as there is much of anything that I can say about Nicaragua. It has been apparent to me that the press has been considerably misled in respect to American activities in that country. There is a revolution going on there and whenever a condition of that kind exists in Central American countries it means trouble for our citizens that are there and it is almost always necessary for this Country to take action for their protection, protecting their safety and protecting their property. That is what is being done at the present time. This Government is not taking any sides, one way or the other, in relation to the revolution. It never takes sides in those matters. Admiral Latimer is there with a landing force of marines and they have not molested Sacasa, the head of the revolutionary movement, or any members of his Cabinet. Sacasa and his Cabinet are still at Puerto Cabezas where they are treated the same as other Nicaraguans. I understand that the American Lumber Co. has

furnished Sacasa with a house without any cost to him and tells him he can continue to occupy the house as long as he desires. The landing force has not molested him in any way. Of course, as I have stated, the marines are there simply for the protection of American and foreign lives and property wherever it may be necessary. I think that is the extent of the action that this Government has taken.

I don't know of any replies that have been received from nations that are signatory to the World Court protocol since September 1st. Some nations have sent in their acceptance, but I think they were all sent before the 1st of Sept.

I shouldn't care to speak about the general outlook for 1927 in any other way than that <sup>in</sup> which I always speak at these conferences, and that is not for direct quotation. My views about the outlook are not any more entitled to credence than those of any other person that has like opportunity for information. The Secretary of Labor reported at the conference this morning that opportunities for employment seem to be increasing in certain sections, notably in the East around New York and New England. It is well known that the Country is well provided with capital for the purpose of carrying on enterprise. It is well provided with skilled labor. It is well provided with natural resources and raw materials. The American people generally speaking are in the receipt of good incomes. When that is the case it is rather characteristic of our people to make expenditures. When expenditures are made, that calls for production. I am speaking of conditions as they exist at the present time. Nobody can tell when those conditions may change. It was quite the general impression just prior to

and the beginning of the present year that there was likely to be depression. That fear wasn't realized. The Country went through the year of 1926 in a very generally prosperous condition. Some of the prices of our farm commodities, notably cotton, are not as high as they were a year ago. That will cause some disarrangement, but on account of three previous years of very attractive cotton prices that part of the Country is probably in very good condition to absorb something of the loss that arises from a lower price of cotton during the present year. Manufacturing seems to be going on at rather more than the ordinary rate. Transportation is moving rapidly. Railroads have been in receipt of large incomes and fundamentally the Country appears to be in a sound condition.