

Friday, March 18, 1927.

Report of the Newspaper Conference.

We are planning to participate in the Economic Conference. The Congress passed a bill authorizing an appropriation for that purpose, but the appropriation bill that was to make that appropriation didn't pass. It isn't a large matter, probably \$12,000 or \$15,000 and can be taken care of, we think, out of the contingency fund of the State Department, which is a fund that is appropriated for the purpose of meeting unforeseen contingencies that might make it necessary to incur expense, sending people abroad upon negotiations of one kind or another.

There doesn't seem to be anything of any consequence the matter with my wrist. It got lame a little. I don't know what caused it. The doctor doesn't seem to know. He thought it would get well quicker if I kept it bandaged up some of the time. I wasn't able to connect it in any way with shaking hands. I had a large reception in the White House. The Army and Navy reception was the last one I had and I don't think I injured it in any way at that time. I haven't been shaking hands very much lately, but it was since then that my wrist became lame. I can't seem to tell whether it is in one of the sinews or tendons, or what the matter is. It doesn't seem to pain me much, nor is it sore. Just a slight lameness. Possibly it is good old fashioned rheumatism, though I thought it was the wrong season of the year to have that.

It is not possible to tell what could be done at the next session in the way of tax reductions. The indications now are that we shall have a very sizeable surplus on the 30th of June. I think Mr. Winston told me just before he went away that a 10% recession in the business of the Country would wipe out all the surplus that was then in prospect in the treasury. Before we can form any estimate of what possible tax reductions would be wise, we shall have to see what the surplus is for this year and then we shall have to see how the business conditions of the Country keep up. But I should think that by next November, when it comes time to make a decision, those conditions would be pretty well revealed. And I should expect that from present indications there would be an opportunity for some tax reduction. We could very well have made a reduction for this March payment and the coming June payment for this year, as conditions have turned out to be. I think both Houses passed resolutions expressing their opinion that it would be well to apply the surplus to reduction of the debt, which is a perfectly sound thing to do. We have a large debt that it is very desirable to reduce, and when the business conditions are good people are in the enjoyment of large incomes and considerable profits, they contribute greatly to our income tax collections, as well as to our customs collections and our other charges on business, and it is well to use the surplus for reducing the debt. I have talked to some leaders of Congress some time ago about having the Ways and Means Committee make some investigations and make some preparation for tax reduction, if the state of the Treasury seems to warrant it on the

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approach of the next session. I am having a great many invitations to go to various parts of the Country. I haven't made any decision yet as to any specific places, either for the summer home or for the near future. I think it is doubtful if I can get away in the near future. Several people have spoken to me about visiting Asheville. Mrs. Coolidge and I spent some time there just before I was inaugurated as Vice President. I found it a very charming place. Mrs. Coolidge especially was pleased with it and has^{always}/been talking about finding an opportunity to make another visit there.

I haven't any figures on the possible treasury surplus.

And here is another question. I haven't formed any opinion about what method ought to be adopted for a possible tax reduction. That matter, as I say, is being studied by a committee on Ways and Means of the House, and of course they would confer with the Treasury about it.

There isn't any new development in regard to our differences with Mexico. The only thing I could say about that is that so far as I am informed that country has not in the immediate past taken any property of Americans. There may be some small pieces of land, or something of that kind, that have been taken and have not been reported to me. The only thing I could say about that is that it indicates an indisposition at the present time to confiscate our property, and that such action temporarily appears to have ceased.

There isn't any comment that I would care to make on suggestions that have been made by some members of the faculty of some of our universities.

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relative to our foreign debts. Secretary Mellon has commented on that and given some of the reasons why such suggestions do not appear to be wise to the present administration. Many more reasons might be given, but those that have been given are perhaps cogent and sufficient at the present time.