

Friday, March 25, 1927.

Report of the Newspaper Conference.

There isn't anything I can add to what I have already said relative to the appointment of some judges that have been provided for by recent legislation. I expect some appointments will be made very soon, but no final determination has yet been made in any of them. .

Of course, it is difficult to say, but so far as we can foresee it would appear that we now have sufficient forces in China to take care of such Americans there as need to be cared for. Just at the present time the situation at Shanghai appears to be less tense, but considerable trouble, as has been reported in the press, has broken out at Nanking. The Navy Department has reported to me that their information is that one American there has been killed and the American Consulate attacked and the Consul and his staff driven out. There are some 125 or 150 Americans still within the city supposed to be at the University and their safety is naturally giving us a good deal of concern. I think we have sufficient forces there for rescue purposes and to do everything that could be done in that direction. The only advantage that could be secured by a larger force would be from sending a very large force.

Question: And that isn't being considered at all, Mr. President?

President: Well, I hardly think so at this time. That would not now help the situation that has developed with reference to the people in Nanking and we think we have a sufficient force to protect our people at Shankhai.

Question: Is there any evidence that the attack on foreigners at Nanking was instigated by the Cantonese forces, or was it the affair of the mob - people that got out of hand. Have we information on that score?

President: The information I have is that it was almost entirely by soldiers who are in the Cantonese uniform.

No final decision has yet been made about the delegates to the economic conference. One or two of those are still not yet decided on.

I have given considerable attention to the matter of the payment of pensions in May and June and I think that the Bureau of the Budget and the Comptroller General have worked out a plan of a perfectly legal method of making the payments at the ordinary times.

I haven't any new information about the probably size of the surplus. Perhaps after reports of the payments on the 15th of March are all in it will be possible to make a new estimate. Receipts have been considerably larger than were anticipated and it is expected that the surplus will be something over the \$383,000,000, practically \$400,000,000, that was estimated some time ago. Now, how much more than that it will be I have had no figures submitted to me, and I am not in a position to make any estimate about it, but it will be a substantial sum in excess of that.

Nor is there anything new to add in relation to possible tax reductions. That will necessarily wait on the coming in of the next Congress and at that time we shall be in possession of very definite information as to

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the state of business, which is to a very large extent the measure of the revenue of the Government and as to the surplus, and therefore as to the possibility of tax reduction. I should think it was evident that some tax reduction could be made. How much can not now be said, not have I had any plan worked out as to what items should be reduced.

I have already spoken about the matter of the pensions and of the judges.