

Tuesday, June 1, 1926.

Report of the Newspaper Conference.

It is expected, as I have said in the conference a number of times, that we can come through this year with a surplus. Nobody can tell what it will be because we don't know in the first place how much will be collected and in the second place because we don't know how much will be expended, so that nobody knows whether there will be a saving of between \$22,000,000 and \$30,000,000. There is not a great deal of difficulty in seeing what is coming into the Treasury, but there isn't any source from which you men of the press or any one else can very accurately gauge what is going to be required to be paid out. So that all forecasts are more or less estimates. Our trouble is not with the present year, as I have said. Our difficulty, if it arises, is going to be with the coming year, and it is for that reason that we can make appropriations during this year that will be taken care of now and not continued along, but an appropriation that calls for continuing payments in the years to come, why those might be very troublesome. The condition of the Treasury, which now is being supplied so largely from income taxes, is very greatly dependent upon the general condition of business throughout the country. If the volume of business goes on increasing, why the condition of the Treasury will be easy to manage, but if we should get a recession in business, if profits were small and therefore income taxes greatly cut down, or our foreign trade diminishes so that our income from the tariff and customs diminish, it will be very easy to run into a deficit.

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I don't know when Congress will adjourn. My judgment about that wouldn't be much better than the judgment of the press, perhaps not so good, because I imagine that you see more of the members of Congress than I do. Of course I understand that they want to get through just as quickly as they can, as soon as they have finished the pressing work. I don't think they have tentatively set any time yet for adjournment and I should judge they were quite a distance from being able to bring in a joint resolution that would set a time for adjournment.

I expect to be able to go to Plymouth, Vt., my birthplace, some time during the summer. It isn't so very far over there from where I shall be in the Adirondacks. It is 54 miles from Plattsburg, then across the Lake and from Burlington to Plymouth is something like 120 miles. I probably shall not be able to spend much of any time there, but I certainly intend to make every effort to make a visit. I hope you gentlemen that may accompany the President will find a comfortable location up in the Adirondack region. It is right near Paul Smith's, where I shall be. I think that has very comfortable quarters. The population around there is not so dense as it was around Swampscott. You won't find so many hindering diversions.

I expect to make the judicial appointment in Georgia right away. That is the new Judge, as I understand it, that is to be appointed for the middle district of Georgia under a statute that has recently been passed setting up a new district for that State.

Press: Mr. President, in your opinion is there any possibility of having another tax reduction in 1927?

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President: I don't see any opportunity for a tax reduction now for several years. I can't tell about that. We have a very excellent place to put any surplus revenue that we have and that is to pay off the national debt, though as the national debt is paid off of course that releases interest and in the course of a few years it may be possible if the country goes on developing and growing and increasing in population and business. Or it may develop that under this present tax law there are adjustments that ought to be made of some taxes that are found to bear too heavily, so that there would be some readjustments. But we have already had so much experience in the raising of taxation that I think that is quite improbable. It is quite improbable that any new experience would develop anything that wasn't pretty well in the contemplation of the Committee when it drafted the bill and the Congress when it passed it. I don't see much prospect at present of further tax reduction for several years.