

Friday, January 6, 1928.

Report of the Newspaper Conference.

I haven't any information about the situation in Nicaragua that hasn't already been given to the press.

I am not familiar enough with the exact workings and practice of the Federal Reserve System so that comments that I might make relative to the amount of brokers' loans and so on would be of very much value. I do know in a general way that the amount of securities in this country has increased very largely in recent years. The number of different securities that are dealt in on the stock exchange are very much larger than they were previously. The deposits in banks also are larger. And those two things together would necessarily be a reason for doing more business of that kind that is transacted by brokers and would naturally result in a larger sum of money being used for that purpose. Now, whether the amount at the present time is disproportionate to the resources of the country I am not in a position to judge accurately, but so far as indicated by any inquiries that I have made of the Treasury Department and so on I haven't had any indications that the amount was large enough to cause particularly unfavorable comment.

The Postmaster General reported that the excess of postal receipts in December '27 over December '26 over the country averaged 1.4%. You will get that I presume from the Post Office Department. I presume it has already been sent out. Mr. Hoover made the interesting comment that that was almost exactly the amount of increase in population.

Question: Was that 1.4%?

President: 1.4%. Some places have increased considerably and some have fallen off. That is always the case in each month. So far as the reports

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show, they don't seem to indicate that any particular area of the country was affected one way or the other. There seemed to be a difference in different cities and often in the same relative area. They indicated a fairly normal condition of trade for the month of December.

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