

Tuesday, October 30, 1928.

Report of the Newspaper Conference.

I have received the report of the Emergency Board on the western railroad wage disputes, which I have here, and which has been given to the press this morning for distribution. It seems to me that it is a very complete and painstaking investigation and I very much hope and expect that its conclusions are such that when they reach the parties at interest it will bring about the desired settlement. Their conclusions are not very much at variance with the proposed adjustment that was arrived at at the conference held here in Washington, so far as the amounts go. There are some other things that are quite different.

I am going to Northampton to vote. I haven't determined yet just when I should leave or just when I should return. Mrs. Coolidge's mother, of course, is very ill. No doubt she would like to stay with her for a short time. But she will be obliged to return with me because of some entertainment at the White House on the Thursday following. I think we are having a Cabinet dinner at that time. It comes on Thursday evening following the election.

I have been keeping in very close touch with General Lord on the question of a possible deficit at the end of this year. That of course would depend, as I explained before, on the receipts of the Government and on the expenditures, and the receipts of the Government depend very largely on the business conditions. Our imports are keeping up, especially are our exports keeping up. The exports of course do not bring us in direct revenue, but if exports are large it is an indication that business is good and profits will accrue on which the Government will collect income taxes. The general business condition of the country seems to be remarkably strong. The foundation of it must be particularly secure not to be

shaken at all by the occurrence of a Presidential election. All indications that we get seem to show that business is somewhat better on the whole than it was a year ago, so that I am very hopeful in the expectation that the tax returns which are to be made on the 1st of January for the business of this current year and the revenues that will come in in March and June will be sufficiently large to take care of any possible deficit, notwithstanding the reduction in taxes that was made at the last session of the Congress. We have two or three extra items that are to come in like the increase in the rates of pay for carrying the mail, then there will be an increase in the appropriation for the Mississippi flood control, probably work will be more completely under way, and for the fiscal year beginning next June, of course, there will be a greater expenditure than for the present fiscal year. Should some legislation be passed in relation to Boulder Dam that would require an additional expense, probably not very large for the first year, but something. There are some other items of that kind that have to be taken into consideration. But on the other hand, there are items that will go out. I think that the work on the Ohio River has progressed so far that the appropriation will practically finish it, and the appropriation for the next fiscal year will be entirely eliminated or else be very small. There will be a balance of enough of things of that kind so that the prospect of getting through this year and not having a deficit and being able to balance the budget for the coming fiscal year is getting better and better all the time, if business keeps up and keeps in a very strong position.



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