

Tuesday, November 8, 1927.

Report of the Newspaper Conference.

Mr. Stearns is visiting us at the White House. He came in this morning. Today is his birthday and I am having a small dinner to celebrate that event at 7:00 o'clock this evening. Just 8 or 10 of his friends here in Washington are coming in.

Query: That is his 72nd birthday?

President: I don't know just how old he is. That isn't so important as that today is his birthday.

I have here a communication from one of the important newspapers of the country making a suggestion which I will pass on to the members of the conference for whatever they may think it worth. It is in relation to a book which has been published, entitled "The American Policy in Nicaragua", by Colonel Henry L. Stimson, former Secretary of War. I think that was first published in periodical form. Now I understand it has been gathered together in book form. It wasn't very long. I think there were three articles. Colonel Stimson submitted them to me and I looked them over with a great deal of interest and notified him I didn't want to make any suggestions regarding any changes in them. I merely state that, so you will know that I had some knowledge about it. The suggestion is that it would probably be helpful to the correspondents here in Washington in discussing the Nicaraguan subject if they would read that book. This editor thinks very highly of it and thinks that work would be helpful to the other members of the profession.

I had a shorttalk with Mr. Steed, Wickham Steed, the editor of the London Review of Reviews when he was here. I didn't have a chance to go into much of the development of the suggestion that he is making relative to some position that

should be announced by the United States as to what it might do in certain contingencies, so I have never come to any definite conclusion about it. I told him I thought it could be assumed that our main desire was to keep out of controversies that affected other nations. But of course on the other hand our country assumes to have certain rights, commercial intercourse, and so on, that our people might not like to have interfered with. Where the line would be drawn between those two possibly conflicting sentiments, it would be hard to say. So that I haven't developed his proposal sufficiently to come to any final determination about it. It is a very interesting proposal. Mr. Steed seemed to be a particularly well informed and very brilliant man.

I am having the Army lend every assistance that it can to the area of New England that was damaged by the recent floods and of course the Red Cross is already on the scene up there. Some of the places where the military were sent have been able to tell them that they could take care of the situation themselves, and our forces have been or shortly will be withdrawn to their bases. One of the things that the Army is doing just now is through the Engineers, to see what possible assistance they can lend in the way of helping to rebuild. There is considerable damage to railroads, a good deal of damage to highways, though the reports that have been coming in for the last 24 hours indicate that the damage is not so much as was at first feared. But it is very serious. There has been considerable damage to buildings and to the property along the streams, but especially to highways.

Query: Did you have any word from Plymouth?

President: I haven't had any direct word from there. Some of you who have been up there will remember what we call the mountain which runs from the Union up to where I live, and I was told that a quarter mile stretch of the mountain had slipped down into the road and cut off travel temporarily between the Union and

where I live.

Query: Down towards Ludlow, Mr. President?

President: Yes. You remember that steep hill toward Ludlow? On that steep hill a quarter of a mile of the mountain slipped into the road, so the report was. There is a piece in your very valuable paper this morning (the President was speaking to Carter Field) headed Albany, by the A.P., that gives some of the experiences of my aunt Sarah Pollard, who lives at Proctorsville. It is on the third page of the Herald-Tribune.

Mr. Field: I am very glad to know you read it, Mr. President.

President: I haven't had a chance to examine the other Metropolitan dailies to see whether they are similarly provided, but as it is an A.P. story -- (a great deal of laughter) --

I inquired this morning of the Attorney General about the fire that took place in Ludlow, which wasn't a matter of any particular consequence. It was an old building there that used to be used as a grain store when I was a boy in that region, and had recently been occupied, I think, as a bakery. That is burned up, but its location was such that it didn't endanger any of the surrounding property, and the surrounding property, so far as I know, was covered over with snow. But the situation up there is very serious. I am anxious to do everything possible to relieve it.

I haven't given any thought to going up in person to deliver my annual message before the Congress. I doubt very much if I shall do that.

I do not expect to be present on Armistice Day when the exercises take place at Arlington, relative to the Canadian Memorial. I am having a reception for that party at the White House. I have forgotten just what time or what day, and I am giving a lunch to some of the Canadian officials that I think are accompanying the party.

My remarks when the Hubbard Memorial Medal is conferred on Colonel Lindbergh by the Geographic Society on the 14th of November will be very short. I may just have something that I think is appropriate for the conferring of the medal. Of course, Colonel Lindbergh has been in Washington, and the Government has already given its official recognition at that time to his feat of flying across the Atlantic, so that any extended remarks about that will be to a large extent repetition, and I don't consider them necessary.

From anything that I know about the section that was flooded in Vermont, there would be nothing that could be done there about flood control.

There wasn't anything in particular that was developed at the breakfast I gave this morning to Governor Small and Mayor Thompson, and some of the other people that are here with them. Quite naturally we spoke of the problem of flood control. No particular recommendations were made about it. There was merely an expression of a desire to have what could be done, done, to prevent any repetition of such a catastrophe in the future.

Some people came in from Chicago, or Illinois, yesterday, to speak with me about the Interstate Commerce Commission, and fortified my own convictions of the necessity of securing the best possible talent that we can to serve on that Commission. I think everybody agreed about that. The difficulty always encountered is to find a man that fits the specifications.

I do not recall that anybody has been in to confer with me outside the Government in relation to the repeal of the federal estate tax. My convictions ^{are} about that tax/not very strong either way. I had looked on it as a source of revenue that could be turned to for the purpose of bearing the expenses of the war, which of course means retiring the debt that has been incurred in the prosecution of the

war. But I think the Congress has provided and I have signed a bill that turns 80% of it over to the states. In time of peace I would think that the states whose needs are very pressing for revenue ought to be free to secure the entire benefit that comes from a tax of that kind. Perhaps I haven't made that very plain. What I mean is that under peacetime conditions, when your war expenses are out of the way and your debt is paid, that that is a source of revenue that the United States Government might well withdraw from and leave the states to collect all the revenue that is to arise from that source. We are only to get 20% of it now, which leaves it in a position where we are not very much interested in it. I am thoroughly in favor of the principle of taxing the estates of deceased persons. That ought to be done in a way that will result in a fair tax, and not result in a confiscation of the estate by undertaking to levy so large a tax on it that it is necessary to sacrifice property in order to raise money to pay the tax. If all estates were made up of Government bonds or bank balances, that question wouldn't arise. Oftentimes an estate is made up of mill property or an agricultural property, or other real estate, or sometimes it is impossible to sell a part of it without selling the whole of it. In those cases, if the tax is very large, it results necessarily in a forced sale of the property, which is very close to confiscation, so that the tax ought to be moderate. But I don't know of any sources of revenue that are likely to be less burdensome than the estates of deceased persons. So I am very much in favor of the principle of the tax and am greatly in favor of leaving it to the states in time of peace. I am not greatly in favor of having the present law changed. I am not going to enter into any very pronounced advocacy of making a change. The Secretary of the Treasury feels that such studies as he has made indicate that we might at this time about as well abandon that as a source of revenue and his advice on that subject has a very great deal of influence with me, and for that reason

6.

I should expect to approve of a bill that might abolish that tax, so far as the national government is concerned. If it wasn't his opinion, I shouldn't be asking the Congress to make the change at this time. Now, I don't want it understood there is any conflict of opinion between the Secretary of the Treasury and myself. There isn't. I am expecting to go along on his advice in relation to it. I look to him for guidance concerning the fiscal affairs of the Government. I am simply indicating my personal view and my official view. He thinks that we might as well, because the states are already getting 80% of this tax - they are going to get that - abandon it entirely.