

Friday, October 12, 1928.

Report of the Newspaper Conference.

I have no information other than what is generally public relative to the flight of the Count Zeppelin. I should expect to send a message of congratulation when the flight is completed.

There has a report come in, I think, from the Tariff Commission on fluor-spar. For the information of my stenographer, rather than the press, that is spelled f-l-u-o-r-s-p-a-r. That is being handled in the regular course. We usually send those to the Department of Commerce and find out what effect a change in the tariff rate might have on our commerce, and then after that it would go to the Treasury Department to ascertain whether the papers are properly drawn. That is what is being done.

I don't recall having any report from the Shipping Board indicating that they were having any difficulty in interpreting the provisions of the new Shipping Board bill with respect to dealing with applications for payment for carrying foreign mail. That is a matter that is dealt with by the Post Office Department and the Shipping Board. There are some contracts, I think, that are practically ready for acceptance, and those are going forward in the regular course. I have had some rather offhand conversations with one or two members of the Shipping Board in relation to the results under this act of the proposal to build new ships. Those results seem to be very satisfactory. I asked Chairman O'Connor about it. He said he couldn't tell exactly, but he counted up 12 ships that are going to be built. I think later some member of the Board told me that there were 18. That is my recollection, though my mind isn't entirely clear as to the number, but a very considerable number, indicating very good results in the way of getting American ships built. That is one of the things we especially want to encourage private enterprise

engage in, building ships and putting them into operation.

The result of the effort to cut down expenditures and the investigation into income, as I indicated, by three months experience have been encouraging. We evidently can make considerable savings in our expenditures and there are some items in our income that are larger than we thought and some not so large. We have not yet, by reason of the reduction of expenditures and the increase in some, been able to make an estimate that entirely balances the budget, but we are near enough to it so that I think it can be done. That, I am reminded, is one of the reasons that we are waiting for the time being on some of these mail carrying orders. Those contracts have not been made and we are waiting to see what the prospects of income may be. That is being helped out in certain respects by the sale of ships by the Shipping Board that will result in considerable savings. They are disposing of some lines that are being operated at a loss and when that is done, of course, the loss that is made by the Shipping Board is wiped out and the cost of getting the mail by reason of the new private contract is not so much in some cases as the Shipping Board loss, so that we are making some savings in that direction. But I think we have gone far enough to say that unless some unforeseen things come up and Congress makes appropriations that require expenditure before the 30th of next June, there will be savings and we can balance the budget. It will be necessary to make some more savings and for the Congress to refrain from spending money between now and June 30th next.