

Friday, March 16, 1928.

Report of the Newspaper Conference.

I am quite anxious to get some railroad consolidation legislation. I have referred to that several times in my messages, but I think it would be especially helpful at the present time, because there are a number of roads that if they could make their consolidation arrangements are ready to put in additions and improvements in the way of building and construction that would furnish quite a large market for materials and quite an opportunity for increased employment. The railroads have been waiting for several years for legislation of that kind and meantime their plans have been held up and their improvements and their extensions haven't gone forward, and with the increase in business that has come to the railroads they are feeling more and more the necessity of expansions of that kind. I am advised that there is a very good prospect of securing favorable action from the House and the Senate at the present session. It would be exceedingly helpful to the situation if that could be secured.

There wasn't much of anything of importance in the Cabinet this morning. The Secretary of Labor expects to have his report on the employment situation very soon. He said that his recent information was that employment, I think for February or the present employment, was 1-1/2%, about 1-1/2% as I recall it, in excess of what it was a year ago, and that wages were something over 4% in excess. I think that applied to the volume of the wages and not to the rate. But I am not quite certain about that.

It is also very desirable to have an adequate kind of radio legislation, because the present Board have not finished up the preliminary work that it was expected they were to do, and with the expiration of their powers to do this preliminary work on the 15th that work would devolve upon the Commerce Department.

The Commerce Department has authority to delegate, and I think under that authority has delegated this work to the present Radio Board, so they are going on functioning for the present under the old law. But it has developed that it is quite necessary to have an extension of their powers. There is a bill in conference for that purpose that I am quite anxious to have reported out and passed with some perfecting amendments.

Progress is being made on the flood control bill, especially I think in the House, where there has been a careful study made of the Jones bill by Rep. Reid, after conference with me to see what changes, if any, he would like to make in that bill, or whether he would like to incorporate in it any provisions of his own bill. I think I indicated before that the Jones bill, so far as it goes, is a fairly satisfactory bill. I don't mean that it is just exactly what I would like it to be, but it is seldom that as a result of legislation any one person gets exactly what they want, and on an extensive and intricate question of this kind, of course, anything of that nature would be practically impossible. The main discrepancy in it is the matter of the principle of local contributions, and I have indicated that if they would put into the bill provision for a Commission to make a survey during the present session and report to the next session of the Congress, so that Congress could have information on which to legislate as to the distribution of the costs, that I would say the bill was one that I would approve with pleasure. I think there is some movement in that direction and I hope very much that that may be adopted. It seems to me to be entirely fair. That question has to be decided by the Congress, and what I want to do is to have them furnished with information on which they would be able to make a decision after coming into possession of the facts. At present they are having to make a decision without very much knowledge of a great many facts, and I would be

3.

entirely content to have the question left that way, not undertaking to decide even whether there ought to be any more contribution than what is provided in the present bill. If we can have all the facts and the opinion of an informed body of men, I have no doubt it would be satisfactory to me. But I have been very anxious, and am still anxious, to maintain the principle of local contributions. Of course, the proponents of the Jones bill argue that that is already done in this bill. It is true that they provide for some slight contributions. And then they go on to add that there have been scores of millions of dollars expended for this work and that that also constitutes a local contribution. All of that would be taken into consideration by any investigation, and that proposal seems to be so entirely fair that I don't quite understand why they are not willing to adopt it all around.

We haven't matured any plan about what can be done in Nicaragua. We had expected to secure some legislation by the Nicaraguan Congress that would enable us to carry out the terms of that agreement that was made with both the contending parties down there by the President of the United States. We thought that would be the most feasible method of procedure. I don't know that it is absolutely necessary, but we felt it was very desirable. The Senate, I think, passed a bill that was satisfactory - it did not pass the House - so that we shall have to consider the situation and see what other plan can be adopted. When we went in there we were advised by the Nicaraguan Government that they were not able to protect life and property, which meant that their constitutional guarantees were practically in abeyance. We have at least been able to restore order under which the inhabitants of that country in almost every instance have been able to return to their usual vocations. We have stopped the warfare. We have collected the arms that both parties had. Some 13,000 rifles were turned over to us. So

Nicaragua has a year of peace anyway to its advantage and what is necessary now is to provide some method by which the inhabitants can express their desires for the filling of the offices that are necessary to fill in the coming election and start out again under the terms of their constitution. We are trying to help out in that direction and I rather think we can.

It is evident that there are a great many bills pending before the House and the Senate calling for the expenditure of money. I am indicating through the different departments and through the Bureau of the Budget that I am opposed to extensions of our expenditures at the present time for anything that doesn't appear to be absolutely necessary. Of course, a matter like flood control is a necessity, and there are some other bills that perhaps are in the twilight zone between expediency and necessity. Necessarily, I give a great deal of attention to bills that are passed by the Congress of the United States, and wherever there is any doubt about it I resolve the doubt in favor of the legislation, if I possibly can. But under present conditions it is still necessary to keep our expenditures down for the general welfare of the people of the country. So I am in hopes that Congress will give heed to numerous reports that I am sending up that certain bills are not in harmony with my financial program.

I am expecting to attend the dinner that the White House Press Association is giving tomorrow evening. While I undoubtedly shall be called on to make some remarks, I am not expecting to make anything in the way of an extended address.

Question: Have you any reports from the Treasury about incomes?

President: I asked Mr. Mellon about that this morning, but there are no reports yet.