

Friday, April 27, 1928.

Report of the Newspaper Conference.

I am not very well informed about the House Merchant Marine bill. If it does have a provision that 5 of the 7 members must join in order to sell any ships, I should regard that as very unwise. It undertakes to make a minority of the Board a majority and substitutes for the usual procedure in this country of majority rule a minority rule.

Question: Was the original, Mr. President, just one member?

President: I don't know about that. I think they have got some suggestions of that kind, so that one member of the Board would be a majority. Now they are proposing to make 3 a majority. That isn't quite so bad as it is to make one. Nor do I know about the provisions that authorize the Board to remodel and improve existing vessels. I think they have that authority now, if they can get an appropriation for it, so I imagine that isn't very much of a change in the law. It is a matter on which I do not believe, though, that we should spend very much money.

I haven't sent any memorandum to Senator Jones on the flood bill. General Jadwin and I made some notes on it and I think that the General was going to confer with the Senator relative to the notes which we made. As I said the other day, except for the administrative feature, the bill as it passed the House is no improvement over the bill that passed the Senate, and so far as the expense is concerned it is a more expensive measure. I have noted a tendency on the part of the dispatches that go out from Washington now to refer to this as the \$325,000,000 Jones flood control bill. That is a very extreme euphemism. The bill as it is drawn would cost nearer \$1,500,000,000 than \$325,000,000, and all for the purpose of doing what the best engineering advice I can get indicates could be done for about \$300,000,000.

I don't know whether the conferees can agree on a bill which I can approve or not. I hope they can. I want to have a reasonable flood control bill. I don't see any reason why one shouldn't be passed by the Congress and laid before me for my approval. I have very little difficulty with the people that live down in the region that is to be benefited. The main difficulty seems to come from those that do not live in the region, but who own property down there which they wish to sell to the Government. There are a good many features about the bill as it passed the House that I regard as very objectionable. I have tried to indicate those to Senator Jones with the hope that they may be amended.

I was very much shocked to learn of the death of Representative Madden. Of course we all knew that he had a weak heart, and might drop away at any time, but his going was none the less a shock to me. I have prepared a message to Mrs. Madden of sympathy, and an expression of the high estimation in which I held Mr. Madden. That message will be given to the press.

The tax reduction bill, as I understand it, to be reported to the Senate is fairly satisfactory as to the amount. I think it is a mistake from my point of view to repeal the automobile taxes. We had already repealed 40% of them. We might reasonably look to that source of revenue for the expenses which the Federal Government is incurring in road construction. Road construction by the Federal Government, of course, is a new proposition. It is done especially for the benefit of the automobile owners. I think it would be ultimately for their benefit to have revenue accruing from that source, which would be applied for that purpose. I recognize, however, that the kind of taxes that are to be levied, and the sources that are to be looked to for revenue, are peculiar ones for the Congress to determine, so that my main

concern is for a bill that doesn't deplete the revenue too far. Of course, that is one of the advantages of the automobile tax. It is a pretty certain source of revenue, which wouldn't be reduced very much if there should be a considerable reduction in taxes on incomes and corporation profits. But I think that the amount they have set is fairly satisfactory. It is a little too high, but if the Congress is discreet in the amount of appropriations it makes in other directions I should say that it was not so high that the Treasury couldn't meet it.

The farm bill meets 3 or 4 of the objections that I raised to the bill of last year in my veto message. There are a great many other objections that I raised that the present bill doesn't meet. I am advised that the claim is being made that all the objections that I raised have been met, with the exception of the constitutional objection to the equalization fee. That doesn't appear to me to be the case. I hope that none of the members of the Congress will be misled by any rumors of that kind. I hope they may pass some reasonable farm legislation, but I am afraid that the present bill will not meet what I held to be the requirements.

Question: You said that you hoped the conferees on the flood control bill would be able to work out a bill that you could approve. In your reading of the two drafts, do you think it would be possible for them to do that without exceeding their powers?

President: I think that can be done by the Congress, if it wants to.