

Friday, March 23, 1928.

Report of the Newspaper Conference.

I don't know of any connection between the possibility of the construction of one or two new vessels by the Panama Railroad S. S. Line and construction by the Shipping Board. This Panama line is one used entirely by the War Dept. for the purpose of serving the defensive means of the Panama Canal. It does carry some commercial freight. That is primarily for defensive uses of the Canal. I don't know whether those ships are to be constructed or not. It is true they have asked for bids. I think the matter is to be held up pending some investigation.

I think it is possible to have a tax reduction of \$225,000,000, with the way things stand now. Of course, if the Congress goes and spends all the surplus we have for some other purpose then we can not have a reduction in taxes. I should think it was quite apparent by now that it would be impossible to have a tax reduction of \$289,000,000, but we have not received the figures yet from the tax returns for March. They will probably be available very soon.

I haven't seen the bill that it is said here has been reported by the Commerce Committee of the Senate relative to flood control. If it contains the provisions that it is said to contain in this question, I should think it was not nearly so good a bill as the original Jones bill.