Report of the Newspaper Conference.

Tuesday, February 14, 1928.

There do not seem to be any important developments in the business conditions of the country. It is apparently going on about as it did last year. Some lines show some improvement, some perhaps are not improving. Some concerns are taking on men, some are not running with quite their full quota.

Mr. Harley P. Wilson came in to say that he has been engaged in working out some plan that he was to lay before the Public Service Commission of the District of Columbia relative to the merger of the two traction companies here. I think he will have that ready for presentation within two or three days. I didn't have opportunity to go into the details of it, but --

Question: Have you looked into it any more since it was up before? You said you had just a general idea.

President: No, I haven't gone into the details of it.

I have talked with one or two members of the House Naval Affairs Committee to see how they were getting on with their naval bill and they have asked me what I thought were the more important features of the bill, and I have told them that I think the cruisers are the most important. I do not mean by that to minimize the importance of the rest, but if one were to lay out priorities of what they would prefer first, what ought to be constructed first in order to round out our Navy, it is my understanding that the answer would be that it is cruisers. I have a list of the cruisers in the Navy and we have 22 old cruisers, all but 5 of which are already out of commission. 11 of them are comparatively small cruisers and 11 of them are large cruisers. Those large ones I mean are all of them over 8,000, and 8 of them are about 14,000; 2 of them are about 10,000. Now, the building program, as I understand it in re-
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I am not, of course, an expert at all on what is the type of ship that we need most, but I am advised by the Navy that it is in the matter of cruisers that we are most deficient. I have understood that there was something of a propaganda under way against any Navy building program. That, I think, always happens whenever the Congress starts in on building additional naval vessels. There are opinions about that, of course, on both sides. There are some letters being received here at my
office against the building program and some communications are being received in favor of it. But I think if it is understood that this is a plan toward which the Navy is to work in the future as funds become available, and that so far as the cruisers are concerned it is to quite a large extent a matter of replacement, that a good deal of the opposition on account of the financial aspects and so on, that has been expressed, would probably be withdrawn. If this program were carried out, it would leave the Navy ultimately with about 43 cruisers, it having at the present time 40. No, I have given you the wrong number. We have at the present time of finished cruisers 32, and 8 building. That is, we have 18 cruisers built and building, besides the 22, so that when we get through we would have 43 instead of the present number of 40.

Question: Of that 40 are 22 old cruisers, all but 5 of which are out of commission?

President: Yes, so that it really does not contemplate, so far as numbers are concerned, any very great ultimate increase in the Navy. These new ships will be a good deal stronger and more powerful than some of the old ones and not of so large a tonnage as 8 or 10 other old cruisers.

It is difficult to say whether the delay in the Senate jeopardizes the passage of the tax bill this year. In one way it does, and in another way it doesn't. If it could have been taken up immediately and passed in accordance with the recommendations of the Treasury Department, I think it would have been helpful, but on account of a very wide divergence of opinion about the amount of reduction that could be made it didn't seem to be possible to do otherwise than wait until what the tax returns showed; and looked at from that angle delay probably enhances the probability of the passage of a tax bill at this session, because after the reports come there will no longer be any opportunity to have a divergence
of opinion about the condition of the Treasury. For that reason, as I say, the delay probably makes more probable tax reduction this year.

I have conferred with some of the members of the House and the Senate relative to the flood control bill. I think they are gradually coming nearer to agreement in relation to it. As I understand it, there isn't very much divergence of opinion now concerning the engineering features; still some divergence of opinion about the financial features of the bill. But I think that can be worked out in some way to maintain the principle of local contribution without placing a burden on any communities involved, which is disproportionate to their ability to meet.