Tuesday, May 8, 1928.

Report of the Newspaper Conference.

I haven't any information about any proposal to purchase the U. S. Lines of shipping. That would be made of course to the Shipping Board. You will have to apply there for any information concerning it.

I don't know very much about the disagreement between the House and the Senate on the District appropriation bill. I have talked with one or two people about it a little. There seems to be more disagreement about the principle than there does over money, and as an appropriation bill is rather a matter of money than of principle I should think they would adjust it some way on a money basis. I think it is very important that the appropriation bill should pass and the conferees ought to make some mutual concessions on the things that are in disagreement, of which there are a number, and make an agreement and report their agreement back to the two houses for approval.

There hasn't anything new developed in relation to a new District Attorney for the District of Columbia.

I talked yesterday with the conferees and some others relative to the flood bill. I have been able to get that deflated some, so that I think it is a good deal better than it was when they started to work on it. It has some saving clauses in it. It isn't just such a bill as I would like, but the form in which I understand the conference is proposing to recommend its passage perhaps is as over good as can be secured. The main difficulty has been a possible payment of damages which is a new element in flood control, one that hasn't had to be met in any other efforts that have been made to control the waters of the Mississippi and its tributaries. But I think that has been put in very much better shape than it was at the outset.
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I am a good deal disturbed at the number of proposals that are being made for an expenditure of money. The number and the amount is becoming appalling. Practically none of those bills have reached me yet, and it may be that the Congress won't pass all of them. Of course, there is this flood bill. It is impossible to estimate what that will cost. If it is carried out as suggested, I think $500,000,000 would probably be the minimum. Nobody knows what the maximum might be. There is the farm bill calling for $400,000,000. The Boulder Dam bill. I think the lowest estimates on that are $125,000,000. Other estimates run to $250,000,000. There is a pension bill, running $15,000,000 or $20,000,000. The salary bill, the so-called Welch Bill, of about $18,000,000. The Muscle Shoals bill, which I think was reported to me would cost perhaps $75,000,000. I think that is rather excessive. That is only a part of them. I don't know just what will happen to the Treasury if we try to put all those proposals into effect. In addition to that there is the Postoffice pay bill of I think $20,000,000, and the reduction of postage payments which has been reported in the Senate I think calls for - it seems as though it is $38,000,000. Those two together make a difference of $58,000,000 in the Postoffice Department, which is already running a considerable deficit. There are $7,000,000 or $8,000,000 for the corn borer. There are $6,000,000 for vocational training. How many more bills there are, I don't know.

Question: Does this endanger tax reduction?

President: Well, there is a tax reduction bill of $202,000,000 reported to the Senate and $289,000,000 as it passed the House. If all these bills went through and became law I should think it would not only endanger tax reduction at the present time, but would make necessary the laying of additional taxes.