

Tuesday, November 16, 1926.

Report of the Newspaper Conference.

I think any statement about the contents of Mexican notes had better come from the State Department where you will get more accurate information than I can give you. I go over the notes usually before they are sent, but I don't keep the contents of them specifically in mind so that I would want to undertake to relate it at the conference. It is barely possible that some of the notes may be published in the near future and that will give you a very explicit understanding of their nature. Ambassador Sheffield was down and had a conference with the State Department and he and Mrs. Sheffield spent the week-end with us at the White House. He is going back to Mexico very soon, of course with my full confidence and support.

I don't know that there is anything more that can be said at present about taxation. It occurs to me though that perhaps there has been a little confusion of terms. We talked about refunds and rebates and so on and credits, but what we all mean is a reduction in taxation, and that would take the form probably of a reduction in the amount that is to be paid on the first two installments of 1927. I think perhaps with that in mind it might clear up some ambiguity, not to say misunderstanding, that possibly has arisen in relation to it. It is a simple proposition, that at the end of the fiscal year which occurs on the 30th day of June the best estimate shows that we will have a surplus. What can

we do with it, why apply it to a reduction on the taxes that are to be paid between the time that the bill is passed and the 30th of June. I would like to reiterate that I haven't undertaken to make any definite plan about what ought to be done, because I have realized and stated at the conference the other day, that it is a matter primarily in the hands of the House of Representatives, they having the obligation under the Constitution to originate revenue measures, and I thought quite properly that when the Committee on Ways and Means finds out what the probable surplus would be they would then be the best judges of just what plan ought to be adopted for a tax reduction, how much it should be and just how it should be put into operation.

I haven't any detailed information about aviation races. I know in a general way that we participate in them. Whether our participation necessitates the building of special planes or not, I don't know. I suppose that in some of these races some different type of plane was used from that which might be called the regular service plane. So that it would be better to inquire of the Navy Department whether, if we participate for the Schneider Cup next year, it would be necessary to build any new fast airplanes. They would give you a much better idea of that than I can.

I don't know that there is anything I can say about my Kansas City address that hasn't already been said in comment about it. Then, I think you know it is my general policy about an address to make it and try to have it plain enough so that it speaks for itself. I was attempting to

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set out there what I understood the facts to be.

There isn't anything further that I could say about Mexico than that which I have already said.