

U.S. Chamber Urges Heavy Raise in Taxes

Levy of 80 Per Cent on Excess Profits Proposed in Report

\$10 a Barrel on Beer; 20c. a Pound on Tea

"Economy Bonds" Planned for the Investment of Large Amounts

WASHINGTON, July 14.—Heavy increases in war taxes with an excess profits tax as high as 80 per cent are proposed by a special committee on financing the war of the Chamber of Commerce of the United States in a report just sent out to the chamber's membership for a referendum vote.

After repeating earlier declarations against special profits arising out of the war, emphasizing anew the necessity of economy and elimination of waste and extravagance, and quoting the committee's statement of last year regarding the advantages of heavy taxation in war time, the report presents eleven specific recommendations, as follows:

That exemptions allowed before war taxes are imposed should be adequate for the conduct of business enterprises, and that power to make adjustments that will prevent inequities should be given to the administrative authority under the tax law.

That liberal provisions for amortization of plant used upon war work should be made, with opportunity for subsequent readjustment to correct errors.

That there should be a limited number of regional boards of review, appointed by the administrative authority, and making recommendations upon appeals from preliminary assessments.

That there should be equalization of Federal taxes.

That in computing taxable income corporations should be allowed to make two deductions (interest and charitable gifts) which they are now denied.

On condition that proper exemptions and opportunities for adjustment are allowed, that a war profits tax should be imposed at a high rate, and should be levied when it exceeds the excess profits tax.

That upon the present general basis, but with inequalities removed, the excess profits tax should be increased.

That the rates of income taxes should be increased and unearned incomes should be taxed at least as much as earned.

That war taxes upon a few selected widespread consumption.

Heavy taxes upon a selected list of luxuries.

That the rates of tax upon a selected list of war extravagances.

Referring to the \$24,000,000,000 to be raised during the fiscal year, the committee suggests that the best prospect of raising this sum would be sought in the hope that it will raise at least \$8,000,000,000.

"It is important," says the committee report, "considering present taxation to remember that the taxes which are now imposed the more rapidly can taxation be decreased after the war, and the more advanced the nation, the more rapidly will be in that period of keen, international commercial competition when countries then bearing heavy burdens of taxation will be able to compete favorably the ratio of our taxes to our expenditures compares with the ratios of other countries, and that the rates of tax imposed on our citizens are very considerably higher than our rates."

Where Tax Failed

The committee points out that the excess profits tax, although fruitful in revenue and apparently efficient as a four-fifths of our business concerns, has failed adequately to reach large directly due to the war of the other fifth.

"For this reason it is proposed to enact a war profits tax, with exemption of a fair return as earned on capital or on the business of the taxpayer, and a tax on the excess profits above a certain return sufficient to permit a business to be carried on with safety.

Regarding consumption taxes the report says:

"For the purpose of enforcing reduction in unessential consumption and economy, which is by all students of war finance deemed of vital importance, taxes on certain articles of general consumption and taxes on a variety of articles of luxury are proposed. There is a threefold purpose in these taxes: The first obvious purpose is to obtain revenue; the second, to encourage a result in less waste by inducing a more economical use of commodities thus taxed and result in a greater margin of savings over expenditures which savings can be invested in Liberty bonds; the third purpose is to reduce demand for articles thus taxed so that materials, equipment, labor which otherwise would be employed to produce these commodities will naturally turn toward more essential employment."

Consumption Taxes

It is suggested that both consumption taxes and the tax on luxuries be placed upon a few articles, and that they be made heavy, rather than that light taxes be put upon a large number of commodities. Some suggested consumption taxes are: Tea, 20 cents a pound; coffee, 8 cents; tobacco, 50 cents a pound; \$10 a barrel. A moderate tax is proposed on the use of gasoline. Articles such as luxuries include jewelry and musical instruments.

Proper allowances for earnings for amortization, especially of plants created for war work, the committee advocates of great importance. It suggests two methods. In the first place it thinks that if a taxpayer engaged upon war work was not satisfied with the percentage allowed by the Treasury Department for amortization, he might be permitted to take any higher per-

LEADS REVOLT IN SIBERIA



Photo by Underwood & Underwood

The General Horvath, general manager of the Chinese Eastern Railroad, who is intensely anti-Bolshevik, has proclaimed himself ruler of the temporary Siberian government and hopes to restore the political and commercial treaties of Russia with the Entente Allies. He also intends to repel the Bolsheviks, establish a non-political army and restore all property. He favors religious freedom.

The establishment of a new provisional government for Siberia will make it the first democratic state in the history of Russia. The seat of the new government is at Vladivostok and its new flag consists of two white and two green stripes.

Each of the new district committees is composed of fifteen or more bankers and business men of the district. Appointments have been made, Chairman Hamlin said, with a view to obtaining the widest possible representation, both geographically and with respect to the many interests concerned. The chairman of the Federal Reserve Board in each district will act as chairman of the committee and the governor of the Federal Reserve Bank will act as vice-chairman.

An executive committee of not more than seven members of the district committee will be selected to act as the Federal Reserve Board in each district, to consider applications referred to it by the Capital Issues Committee in Washington.

Chairman Hamlin, reviewing the work of the Capital Issues Committee, said that there had been a very wide range of applications, the applicants coming from every field of industry, as well as from the public and municipal interests. Every section of the country is listed among the applications received.

Hundreds of Applications

"Since the Capital Issues Committee was reorganized, in May, in conformity with the act of Congress creating it," Chairman Hamlin said, "hundreds of applications from both public and private corporations have been acted upon. With the help of the old district sub-committees the issuance and sale of the principal securities for war purposes regarded as not objectionable to the prosecution of the war have been postponed for the period of the war."

Issues which meet a real military or economic necessity have been encouraged. The effectiveness of the war programme depends, not only upon the soundness of the financial and sound economic conditions, but upon a sound basis of war business first—a readjustment that will release workers and raw materials for war industries by curtailing unessential operations.

The object of the Capital Issues Committee in passing upon all issues of new securities to determine their effect upon the national interest is to secure the postponement, until after the war, of the use of capital, materials and labor, in order to give the right of way to the government's financial requirements and to the production of war necessities.

The district committees, whose appointments are announced, will hereafter be authorized to make applications to issue securities amounting to \$100,000 or less, and in advisory capacity, to the main committee at Washington. A few measures of director involving larger amounts of applications issues Committee also has the benefit of the advice of all other departments of the government, including the War Department, the War Industries Board and other agencies having knowledge of the requirements of essential war industries.

Final Clean-Up of minor odds and ends of legislation awaits both Senate and House at their sessions to-morrow. The lower body plans to pass the \$28,000,000 agricultural appropriation bill which caused the President to veto the "War Congress" began, December 1917. Beginning with adoption of the resolution for a declaration of war on Austria-Hungary on December 7, the record is considered remarkable in view of the unprecedented importance of most of the problems presented.

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Drinking of the revenue measure will be begun to-morrow, as the House Ways and Means Committee, behind closed doors, with a view to its presentation to the House immediately after the recess, has passed a bill to amend the law during the vacation period. Senate ratification of the bill will proceed with their army inquiries, while Congress in a few measures in conference, including the oil land leasing bill, will meet.

Radical Laws Enacted

In addition to the war resolution and appropriation bills totaling billions of dollars, the House has enacted during this session of Congress several laws to place railroads under government control during the war.

Authorizing the President to control telegraph, telephone, cable and radio lines, and to declare a national emergency in case of a general strike.

Creating a war finance corporation with funds to aid the government and private business during the war.

Extending espionage and sedition laws.

The Overman bill, giving the President authority to reorganize and consolidate government departments.

Extending the draft law to youths attaining their majority and also to subjects of the Allies and certain neutrals.

Authorizing an additional \$8,000,000 in Liberty bonds.

In addition to these measures, Congress also adopted the resolution submitting to the states a proposed national prohibition amendment to the Federal Constitution, while the House adopted and the Senate is expected to act soon after the holiday on that for a similar woman suffrage amendment.

Five times this far during the session President Wilson has addressed the Senate and House in joint session on December 6, to recommend war with Austria; on January 8, and again on February 11, regarding peace problems; on January 4, to recommend Federal control of railroads, and on May 27, to have Congress remain in session and proceed with new war revenue legislation, now being framed by the House Ways and Means Committee.

Minor business before Congress included the housing program, extending the Alien Property Custodian's powers, the daylight saving law, enactment of the soldiers' and sailors' civil rights bill and the Webb exporters' combination measure.

Investigations were made of army and navy activities, aircraft production, the coal and sugar situations and shipbuilding by Congressional committees.

Uruguayan Minister To Visit United States

MONTEVIDEO, Uruguay, July 14.—Dr. Baltasar Brun, the Uruguayan Minister, is to make a visit of courtesy to the United States. The minister will take with him a testimonial signed by 7,000 Uruguayan students to American students.

1,700 Stars in College Flag

Nine New York University Men Dead So Far in War

Chancellor Elmer E. Brown of New York University yesterday issued a report compiled for the university authority on the honor roll of the 1,700 members of the faculty, council, alumni and student body of the institution now are actively engaged in war service, nearly all in the army or navy. The university also is entitled to nine gold stars on its service flag for those who left the institution and died in action or in accidents on their training fields. These include Corporal Arthur (Tex) Baker, of Temple, Tex.; Lieutenant Wilmer Bodenshatz, of York; Lieutenant Gerald Carroll, an aviator killed in Texas; Lieutenant Walter Johnson, another aviator officer killed in Texas; Russell Gasser, William Lloyd Martin, Howell S. Meyer and Dillon Frank.

Capital Issues Work Organized on Permanent Basis

Chairman Hamlin Replaces Temporary Committees Serving Since February

Broad Representations Federal Board Chairman in Each District Will Be Committee Head

(Special Dispatch to The Tribune)

WASHINGTON, July 14.—Permanent organization of district committees on capital issues in each of the twelve Federal Reserve districts was announced to-day by Charles S. Hamlin, chairman of the Capital Issues Committee. This organization replaces the temporary committees that have been serving since February.

Each of the new district committees is composed of fifteen or more bankers and business men of the district. Appointments have been made, Chairman Hamlin said, with a view to obtaining the widest possible representation, both geographically and with respect to the many interests concerned. The chairman of the Federal Reserve Board in each district will act as chairman of the committee and the governor of the Federal Reserve Bank will act as vice-chairman.

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Cause of Hay Fever Wiped Out by War

CHICAGO, July 14.—The war has caused a decline in hay fever, according to an announcement made to-day by the Chicago Department of Health.

It was explained that hay fever is spread by weeds and that the cultivation of war gardens has almost eliminated weeds, thus bringing much relief to sufferers from the disease.

Germany Too Kind to Americans, Says Paper

"Cologne Gazette" Denies Ruthless Liquidation of U. S. Property There

AMSTERDAM, July 14.—Formal denial is made by the "Cologne Gazette" of statements attributed to Lee Bradley, counsel for the American Custodian for Foreign Property, regarding the ruthless liquidation of American property in Germany. The newspaper says:

"It is a crying shame that war enemy aliens are permitted to go freely about their lucrative businesses here, not only those who personally prosper good toward us, but those who brazenly flaunt the administration."

"President Wilson meanwhile is peering good German money. Yet people in America shudder at the thought of the sad fate of their compatriots here."

"The 'Cologne Gazette' calls on the government to 'have this matter placed in a proper light both here and in America.'"

Soldier Speeds Auto To Save Man's Eye

Speeding in an auto 125 miles in 150 minutes from Lakehurst, N. J., to Bellevue Hospital was the record established yesterday by Private Walter Hosely, of Battery 5, 2d Battalion, New Jersey Heavy Field Artillery, to save the left eye of Richard Chardran, of 872 East 123rd Street. A piece of glass had pierced the eye when Chardran ran his car into a tree near Lakehurst.

Chardran, after the accident, was taken to the hospital at Lakehurst, where Major Sherman, after dressing the wound, advised his immediate removal to Bellevue. Hosely was assigned to drive the car. The machine left at 3:55 p. m., and reached Bellevue at 6:20 p. m. There were many hold-ups by the police en route because of the great speed, but the car was allowed to proceed after explanations.

Chardran, on arrival at the hospital, was placed on the operating table. Everything possible is being done to save the sight. He is twenty-one years old and has on his way to visit his father at Lakehurst, where he is engaged in government work.

Six Cholera Cases on Ship From Petrograd

STOCKHOLM, July 14.—Six cases of what the medical board pronounced to be Asiatic cholera are on board the Swedish steamship Angermanland, which arrived from Petrograd July 11. The disease is epidemic and has spread widely in Petrograd. When the vessel sailed July 9, they had, rioting was in progress in Petrograd, and machine guns had been used in several quarters of the city.

The Finnish Senate, according to a telegram from Stockholm, has closed the frontier between Finland and Russia owing to the prevalence of cholera at Petrograd.

20 Hurt in Crash Of Hartford Trolleys

HARTFORD, Conn., July 14.—In a recent trolley car collision here this afternoon twenty persons were injured, four so seriously that they were taken to hospitals. The most seriously hurt was Mrs. Susan S. Hopkins, sixty, of 240 Collins Street, mother of Dr. Victoria Parker, formerly of Greenwich, widely known for her social hygiene and suffrage activities.

The brakes on a Sixton Avenue car failed to operate properly as the car was descending the hill west of Union Station, and the car smashed into a standing Ashley trolley, and with discharging passengers at the station.

Held on Homicide Charge

Walter A. Hughes, nineteen years old, a seaman on the torpedoed President Lincoln, was held without bail yesterday in the Harlem court on a charge of homicide in connection with the death of George B. Hays, president of the Church of the Incarnation and manager of P. G. Mehlin & Son, a Fifth Avenue piano company.

Kimmel was found dying with his skull fractured on the sidewalk near his home, at 65 East Eighty-seventh Street, at 1 o'clock yesterday morning. He was taken to Bellevue Hospital, where he died three hours later.

Detective Donovan, of the East Eighty-eighth Street station, learned that Hays had been seen at a right with a man near where Kimmel was found. Hughes was arrested and admitted that he had struck Kimmel, but he was unable to follow him for several blocks and made an insulting remark to him. He did not think the man was seriously injured, and so continued on his way to his home, at 116 East Ninety-second Street.

Negroes Oppose Lynching

Resolutions condemning race prejudice and lynching were adopted by a meeting of one thousand negroes held yesterday at the state assembly hall, under the auspices of the National Urban League, at the Palace Casino, 135th Street and Madison Avenue. Nominations for the State Assembly and Congress were also made.

Among those nominated were Dr. Reverdy C. Ransom, for Representative from the 21st District, and John C. Hawkins, for State Assembly from the 20th District. Edward A. Johnson, the present Assemblyman from the 19th Assembly District, was renominated.

Oil Company Sues U. S.

NEWARK, July 14.—The American Oil Company, Inc., which was ousted from Port Newark Terminal by the Quartermaster's Department, is demanding \$550,000 damages from the government. The company had a fifty year lease on four acres of wharf which was taken over by the government. Its rental was \$750 a year for each acre.

At a hearing before the War Department Board of Appraisers experts testified that the company's lease was valued at \$100,000. A lumber company occupying the wharf property settled with the government for \$15,000.

Jersey Boys "Strafe" Huns

One Reports 8 Americans Better Than 50 "Heinies"

ORANGE, N. J., July 14.—The gallant part played by the boys from Essex County, N. J., in the United States Marines, in stemming the German drive on Paris during June is told in a letter received from Edgar W. Quinby, son of Frank E. Quinby, assistant treasurer of the Howard Savings Institution, of Newark, and who resides in East Orange.

Quinby, who is nineteen years old, was wounded so severely during the drive that he will not be able to do any more front line fighting. He is a former student of the East Orange High School. The young man, in a letter dated June 21, tells of his company being ordered to digouts within 120 yards of the Germans, where, with machine guns and rifles, they held the line, and, as Quinby says, "We gave them a—"

Referring to the Huns as armed heads, he declares that when he saw "yellow," the young man expressed a belief that eight Americans could capture fifty Heinies. A bit of amusement was added to the letter when he instructed his father to tell the dentist never again to give him gas unless he is looking for a fight. Quinby was wounded in the leg, and also suffered from gas.

Enemy Suspected In Ship Collisions

Two British Vessels Sunk Off the Coast of South America

BUENOS AYRES, July 14.—Two British steamships have been sunk in nearby waters as the result of collisions. The British steamship Clan Robertson, of 4,826 tons gross, collided yesterday with another British steamship and sank in the River Plate.

A dispatch from Montevideo reports the sinking of the British steamship Induna, of 4,426 tons gross, off the Brazilian coast, between Rio Grande and Coronilla, after a collision with an Italian steamship.

The newspapers are demanding that the government investigate the frequent collisions between Entente Allied mercantile vessels in the River Plate while in charge of pilots whose names would indicate enemy origin. The sinking of the Clan Robertson was the third collision in the last six weeks affecting six vessels of Entente Allied registration or loaded with supplies intended for the Allies.

Baseball Held A Non-Essential In First Ruling

Massachusetts Board Refuses Reclassification of Catcher Henry

BOSTON, July 14.—Baseball was classed as a non-essential productive occupation by the Brighton local draft board to-day in deciding a test case brought by John Parker Henry, catcher for the Boston National League baseball team, against Provost Marshal General Crowder's "work or fight" rules.

The board found that the amount of relief from war strain furnished by the game was overestimated by the registrant in his affidavit, and that baseball's financial contribution to the war was no larger materially than the voluntary sacrifices of "many millions of citizens."

All the three members of the board are agreed in the finding that baseball is a non-productive occupation, but one of them, Justice Thomas H. Connelly, recommends that Henry be not required to change his occupation on the ground that he could not do so "without substantial financial loss to himself or others."

Henry, Justice Connelly finds, is paid \$750 a month for playing baseball and "is not qualified to take up any other occupation which, from a practical standpoint, would be comparable to the compensation he receives in his present occupation."

Justice Connelly also interprets "others" who would be financially injured by Henry's removal from the game to include not only dependent members of his family, but also his employers.

The majority of the board, in disputing Henry's claim that baseball is necessary for continuing needed recreation and in contenting that the conduct of the war by taxes, the purchase of Liberty bonds and other contributions, say:

"We believe that the continuance of the business of the registrant's employers is secondary to the winning of the war, and that they must necessarily expect to share the financial welfare of the general citizen, and that they must necessarily expect to share the amount of recreation and relief from stress and strain derived from baseball by the registrant. The general citizen or who are not engaged in the industry that will contribute to the winning of the war is greatly overestimated by the registrant, and, finally, it is not equitable to require the registrant and his employers that they contribute into war taxes, Liberty bonds and other war contributions in a no material measure less than that of many millions of citizens who are already contributing generously not only with their money but with their flesh and blood."

The board states that it made careful inquiry into the measure of recreation furnished by the game, and found that only 10 per cent of the seating capacity of the Boston, Pittsburgh and St. Louis baseball parks was used on the holiday, July 9, and that on the holiday, July 10, the seating capacity used was only 33 per cent.

The board covers the district in which Braves Field, the home of the Boston Braves, is situated, and submits its finding to the local draft board in Amherst, which is to decide further upon Henry's status. It concludes its finding with the statement that it is reluctant to recommend the withdrawal of his deferred classification and order number because of lack of more intimate information of the kind of dependency in his case and of his connection with his manufacturing business.

Romans Send Casket Of Gold To Poincaré

PARIS, July 14.—Romeo Gallenga-Stuart, Italian Minister of Legation, arrived in Paris to-day from Rome, presented to President Poincaré and Marshal Joffre a golden casket containing the more than 300 signatures sent by the people of Rome in token of their friendship for France and their faith in Entente Allied victory.

Dr. Naon Here With Authority Seldom Given to Diplomat

Seeks Stabilization of Exchange Problem and Freer Commercial Intercourse

(Special Dispatch to The Tribune)

WASHINGTON, July 14.—Dr. Romulo S. Naon, Argentine Ambassador and High Commissioner to the United States, has just arrived here possessed of powers of authority such as have seldom been entrusted to a diplomat. He is authorized by his government to carry on with the United States any and all negotiations which he deems desirable in making for the stabilization of the exchange problem and freer commercial intercourse.

His authority extends to everything connected with relations between this country and Argentina short of severing diplomatic intercourse. He may in his discretion place the products of the Argentine Republic unreservedly at the disposition of the United States and this country's associates in the war in exchange for an agreement by the United States to facilitate the export to Argentina of many commodities, especially raw materials and manufactured goods, which the Argentine needs and for which it depends now absolutely upon the United States.

Freer Exportation Likely

It is expected there will be an early arrangement whereby there will result a freer exportation of Argentine products and also permit of the shipping to Argentina of vast quantities of stores tied up in American warehouses.

In regard to the question of exchange of Argentine goods for the United States, a delicate problem has arisen as a result of the rapid exhaustion of the credits granted by the Argentine government in the United States for the payment of goods exported from the Argentine. The last \$20,000,000 (gold) was taken up in two days, and the entire credit of \$60,000,000, which it had been anticipated would cover the needs of American importers for the last year, was exhausted in less than three months.

It is the belief of the Argentine authorities that these credits have been used to protect English and French exchange, which they maintain, is contrary to the agreement entered into between the ambassador and the American government. The United States has requested of the Argentine government an additional credit of \$20,000,000, but the Buenos Ayres officials have refused to advance the credit, and Dr. Naon is now reviewing the situation and endeavoring to ascertain just how the previous credits have been handled by the Argentine government to accede to the request.

To Aid Dr. Naon

Accompanying Dr. Naon as commercial and consular assistant to the high commissioner is Hugh Wilson, an Argentine citizen of English ancestry. Mr. Wilson is a member of the board of directors of the United States general Long Island towns and were heading for Manhattan, there to give the feature exhibition of the day, when they were overtaken by a thunderstorm and had to go back to Hempstead.

In the afternoon, Captain Boyrven and Lieutenant Davidson of the American aviation section, started out at the head of two squadrons of French and American aviators. They had passed in a battle formation over the Hudson River, and were heading for Manhattan, there to give the feature exhibition of the day, when they were overtaken by a thunderstorm and had to go back to Hempstead.

City Called "Dead" By Vice Raiders, Who Arrest 40 Men