NEWS ON INSIDE PAGES

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Weather Forecast.

Arkansas: Fair, warmer Wednesday and Thursday.

IN THE NEWS

Senator Bankhead (Dem., Ala.) will direct the Democratic campaign in Southeastern states, with headquarters at Birmingham, Ala., it was reported in Washington.

David Lloyd George, Britain's World war prime minister, said he was in a house shaken Monday night by the explosion of five German bombs.

Wayne Johnson, New York lawyer, was appointed chairman of the Democratic National Committee's Finance Committee. Representative John W. McCormack of Massachusetts was named director of the Campaign Speakers' Bureau.

Circuit Judge John F. Cook said at Kansas City he would call a county Grand Jury this week to investigate the August 2 primary election.

Princess Margaret Rose, youngest daughter of King George and Queen Elizabeth, who will observe her tenth birthday today by entertaining a few friends at a picnic, will have only a plain sponge cake because sugar rationing does not provide for the icing.

Pope Pius will broadcast a missionary message to the United States October 7 on the eve of a day dedicated to Catholic missions throughout the world.

Raymond Georges Yves Tanguy, noted French artist, and the former Katherine Sage, member of the Russell Sage art family of New York, were married after Tanguy received a divorce from Mrs. Jeanne Ducrocq Tanguy, who is in France.

President Roosevelt said he might dedicate the Great Smoky Mountains National Park in North Carolina and Tennessee on Labor Day.

Duke and Duchess of Windsor, oppressed by the midsummer heat of Nassau, were said to be seeking a temporary home away from Government House and close to the seashore, possibly Skaggerty-La, capital winter residence of Alexis Wenner-Gren, Swedish industrialist.

Representative Boykin (Dem., Ala.) introduced a bill granting permanent total disability rating to war veterans suffering service-connected tuberculosis disability in cases in which the disease reappears or flares after two years of hospitalization.

Mrs. Franklin D. Roosevelt said in her newspaper column that she listened to Republican Presidential candidate Wendell Willkie's acceptance speech and "He has a good voice and speaks well over the radio."

Myron C. Taylor, President Roosevelt's personal representative at the Vatican, had an unusually long farewell audience with Pope Pius prior to departure for the United States this week. Friends said they doubted Taylor would return to his post because of poor health.

Jan Masaryk, foreign minister of the Czechoslovak government-in-exile, said at New York the British blockade should be carried out strictly against Germany despite the suffering of Europe's conquered peoples.

Dr. Francis E. Townsend, old age pension leader, has settled his tax differences with the government "for less than the sum demanded," his lawyer said after it was disclosed a lien for $20,432 had been filed.

Col. Joseph S. Cecil, retired, who began his army career with the Tennessee Volunteers Infantry, during the Spanish-American war, and won many promotions and the Congressional Medal of Honor, jumped to his death from the sixth floor of a hotel at Hartford, Ct., where he had gone for treatment after having been a patient in various mental hospitals.

Mary Francis, Jr. and **Clayton Moore**, 25, film players, were married at Las Vegas, Nev.

BRITISH TO GIVE AIR, NAVAL BASE LEASES TO U. S.

Stronger Ties Held Necessary.

London, Aug. 20 (AP).—Britain announced today an "agreement in principle" for United States lease of British island territory from Newfoundland to the Caribbean for defense bases and presented the plan to Parliament and the people as proof of an "inexorable" fusion of British and United States interests.

In the House of Commons tonight Leslie Hore-Belisha, former war secretary, raised the possibility of "an eventual common citizenship" of Britain and the United States, and said this alone would almost compensate for "the evils of war." Such a union, Hore-Belisha recalled, was offered, in vain, to France in the hour of the Third Republic's collapse.

Utterly confident, Prime Minister Churchill used his disclosure of the plan for air-naval base leases to defend the British navy against the United States "will have to be mixed up together in some of their affairs for mutual and general advantage."

"No one can stop it!" he cried. "Like the Mississippi, it just keeps rolling along! Let it roll! Let it roll on full flood, irresistible, to broader lands and better days!"

Tumult from the House almost smothered the prime minister's last words—just after he had disclosed the unprecedented British offer of the leases, for 99 years, at the conclusion of a long and uncompromising report on the war.

Appeal for Destroyers Made by Churchill.

Lord Halifax, foreign secretary, told the House of Lords "we have agreed in principle" on the question of the leases on British possessions in the Western hemisphere. Where the bases will be located was not disclosed, but Lord Halifax said the discussions concerned Atlantic islands—presumably Bermuda—various West Indian points and Newfoundland.

Churchill declared Britain sought no advantage for herself from the offer, but he appealed for "timely reinforcement" of Britain's navy from the United States—an unspoken but clear reference to her need for United States' aid in filling gaps in her fleet. American discussion has centered about the sale to Britain of 50 overage destroyers.

Says No Inducement Offered by U. S.

Confident in Britain's final triumph, Churchill again and again spoke of "when"—not if—Britain reaches the top of the hill. He jeered at Germany's blockade, said Britain's air power was overhauling Germany's, declared Britain was growing less and less vulnerable to invasion, that her capacity for war was rising and, some day, there would be peace again in a Europe freed from Nazi dominion.

It was one of his best oratorical performances—calm and polished yet bursting with exuberance. When he finished, he sank back on the Government bench and let the noise ride. Finally he rose and stamped out to work.

Churchill told the House Britain decided some months ago her interests and those of the United States required that the United States have facilities for naval and air defense of the Western hemisphere.

"We have therefore decided, spontaneously and without being asked or offered any inducement," he said, "to inform the government of the United States that we should be glad to place such defense facilities at their disposal by leasing suitable sites in our transatlantic possessions for their greater security against unmeasured dangers of the future.

"President Roosevelt has made it clear he would like to discuss with us and with Canada and with Newfoundland, the development of American naval and air facilities in Newfoundland and the West Indies.

"Undoubtedly, this process means these two great organizations and English-speaking democracies will have to be somewhat mixed together in some of their affairs for mutual and general advantage. For my own part, looking out upon

(Continued on Page 7, 3d Col.)

Nazi War Machine Worth 100 Billions

Washington, Aug. 20 (AP).—War Department experts estimate it would cost the United States about $100,000,000,000 to duplicate Germany's war machine, Gen. George C. Marshall, army chief of staff, made the estimate in testimony before the Senate Appropriations Committee, made public today.

Senator Hayden (Dem., Ariz.) asked the general about reports Hitler had devoted half of Germany's national income to creating the war machine over a seven-year period and inquired what it cost.

"To reproduce their material accomplishments under our laws and procedure would probably require an expenditure of something like $100,000,000,000," Marshall replied.

Nazi Fear of Reds Might Help Britain

London, Aug. 20 (AP).—Fear of Russia's air power eventually may compel Adolf Hitler to limit his aerial attacks on Britain, Prime Minister Churchill suggested today in his war report to the House of Commons.

Speaking of the air battle for Britain, the prime minister said Hitler would continue the air onslaught "as long as he has the strength and as long as any preoccupations he may have in respect of the Russian air force allow him to do so."

This reference to Russia was not in the manuscript of Churchill's address distributed in advance to the press.

ITALY MASSING HER TROOPS ON GREEK BORDER

Armored Unit Said To Be Included.

Belgrade, Yugoslavia, Aug. 20 (AP).—Usually well informed circles said tonight Italy is massing troops in Albania on the Greek border with at least one armored division among them.

A check of official circles in Athens, the Greek capital, brought only this answer: "Reports abroad that such either be confirmed or denied."

Greece Calls More Thousands To Armed Service.

Athens, Greece, Aug. 20 (AP).—Several thousand men of new Greek military classes were called to arms today in the third strengthening of the army within a week. There was no explanation.

Premier General Metaxas called on King George late tonight.

There was no government confirmation of reports last night that Turkey has promised to come to the aid of Greece if she is attacked. The reports circulated after a conference between Metaxas and the Turkish minister to Greece.

Britain has made such pledges to Greece and Italian diplomats have been reported insisting that Greece repudiate such guarantees and come within the Italian sphere of influence.

The Greek passenger steamer Attiki, reported last week to have been stopped by Italian warships off Sicily, arrived today at Piraeus. The ship's officers reported the Italians took the ship to Palermo, Sicily, and seized 2,100 tons of steel and many barrels of glycerine.

Italy Says Albanians Awaiting Help Against 'Assassins.'

Rome, Aug. 20 (AP).—The official Italian news agency, Stefani, accused Greek authorities tonight of hiring assassins to terrorize Albanians in the Greek region of Camuria, and declared the Albanians were awaiting Italian "action to ban the criminals."

This is the sharpest suggestion yet heard of direct measures against Greece, which long has been subject of a violent Fascist press campaign. Italy has laid claim to the Ciamuria region for Albania, which has been under Italian occupation since April, 1939. Italians said Ciamuria is rightfully Albanian territory.

"These terrorists," Stefani said, were intended to be passed off as the "spontaneous reaction of the local Greek population against Mussolinian Albanians and an outburst of ancient hates."

"The truth is that the band was paid by the Greek authorities, Jiana, Siorina and Prevesa," Stefani said, and its command entrusted to the "savage bandit," Kocodiro Sillates, whom the agency described as a "specialist in assassination and burning."

"His mere name makes the unfortunate inhabitants of Albanian villages shake with horror" as they await "our beginning of action to ban the criminals," Stefani declared.

Leon Trotsky Injured Seriously In Attack.

Mexico City, Aug. 20 (AP).—Leon Trotsky, exiled Russian revolutionist, was attacked with a pick ax in the office of his residence in nearby Coyoacan late today. He was reported in a "very serious condition." Police and Trotsky's associates declined to give details.

Unofficial sources gave this version of the attack: Trotsky and an acquaintance—regarded as a friend—were chatting in Trotsky's office when suddenly the exile called for help. One of his bodyguards found the visitor raining blows on the Russian's head with the pick.

Trotsky and the attacker were taken to the police hospital where patrolmen, armed with rifles, stood before a heavy iron gate to keep the crowd away.

Gen. Jose Manuel, chief of the Federal District police, told reporters surgeons had operated on Trotsky and "there are hopes of saving his life."

Police said the assailant gave his name as Jacques Mornan, 36, a Belgian. They said he also carried a revolver.

Hospital attaches said it appeared Trotsky had a fracture at the base of the skull, a hole in the skull where the pick-ax entered, one wound on the right shoulder, and another on the right hip.

Police said Mornan had known Trotsky more than a year, frequently visited the house, and was regarded as a strong sympathizer with Trotsky's political policies.

BRITAIN BOMBS SCATTERED NAZI SEA, AIR BASES

Germans Raid Four English Towns.

London, Aug. 20 (AP).—British bombers struck at German-held airdromes and quays from Norway to southern France today in an effort to smash Nazi springboards for any attempted invasion and carried out attacks on the outskirts of Paris.

Seven German planes were declared shot down in raids on Britain. Raided were two towns in Essex, one in South Wales and one in the Anglian region. A South Wales port was reported to have suffered only "small" damage.

Minor attacks continued into the night with two Nazi raiders shot down. One fell near a northeast coast village. Its four-man crew was captured. The other was struck by anti-aircraft first in southwestern England.

After a final re-check the Air Ministry revised upward to 152 the total number of German raiders destroyed in Sunday's fighting.

In preparation for the showdown across the channel, the government took further steps to insure the independent functioning of local defense areas in the event they were isolated. Emergency administrative plans to direct traffic in 40 ports, without the necessity of authority from London, were set up.

Oil Refineries And Industrial Plants Bombed.

It was long-range bombers that conducted the raids on Nazi troops. These, said the Air Ministry, were the scope and results of their offensive.

Bombs dropped in bursts on the hangars and across the landing ground of the military airdrome at Villacoublay, just outside Paris; other French areas bombed as far south as Orleans.

Direct hits on one of two 3,000-ton German transports in the harbor at Haugesund, Norway.

Direct hits on the German naval base at Kiel, bombs hitting the naval dockyard, the inner basin and underground stores of oil.

New raids on the already battered French port of Boulogne; on the airdrome at St. Omer, in northern France; on oil tanks near Bordeaux; on Hanover oil refineries; on the industrial Ruhr and in northwest Germany.

R. A. F. bombers, it was declared left a 200-foot sheet of flame over Hanover; attacked the Dortmund-Ems and Elbe canals; dislocated rail communications over a wide area.

In these far-ranging actions, three British planes were acknowledged to have been lost.

In the St. Omer bombing, the communique said, the British bombers "found a flare path lighted in readiness for returning Nazi aircraft."

"One Blenheim pilot, mistaken for a German" the communique said, "was signalled to come in and land. He replied with a load of bombs."

The government told Parliament that from August 8 up to last night, the defenders of Britain destroyed 699 German bombers and fighters and lost only 153 of their own fighters.

Germans Renew Assaults On Airports in England.

Berlin, Aug. 20 (AP).—German planes returned in force today to the assaults on Great Britain after a brief lull and "scored carefully bombed" airports and military objectives in southeast England, DNB, the German news agency, reported the Nazis had dropped bombs on the Eastchurch and Southend airports and others in Kent, southeast of London, as well as raiding munitions depots and other military objectives. German fighter planes brought down a number of British planes, DNB added.

For the most part, the news agency reported, today's flights were only armed reconnaissance—fighting of what planes came up to keep the Nazis from examining British defenses and the results of earlier raids. Only scattered air fighting was reported except for one dogfight over Dover.

Overdue British Liner Arrives With Children.

New York, Aug. 20 (AP).—The two-day overdue British liner Samaria reached New York harbor today with 277 passengers, 68 children and 138 British children slated for war-time adoption in American homes. The children were the first group brought across the Atlantic under the sponsorship of the United States Committee for the Care of European Children.

The Cunard White Star liner had been delayed by fog and had stopped at Halifax before proceeding here.

Nazi Plane Reported to Have Crashed in Ireland.

London, Aug. 20 (AP).—The London Daily Mail said tonight a German plane crashed in Ireland today an hour or two before arrival of the British flying boat Clare from New York at Foynes, Ireland, 50 miles from the scene of the crash. The newspaper called the German plane a "mystery plane." Its crew of six, two seriously injured, was interned.

Re wise! Insure with Rather & Beyer, 119 W. 2nd. Phone 8640.

BOMBS FALL ON BOTH SIDES

WIREPHOTO (AP)

Aug. 20.—R. A. F. planes dropped flares at Tegel (1), near the German capital, early today, sending Berliners to air-raid shelters for nearly two hours.

British sources said one British plane had been downed near Oldenburg (2).

The R. A. F. pounded German coastal bases at Boulogne and fanned out through Germany. Nazi planes returned to widespread overnight raids in England. London authorities admitted that a German coastal gun had bombarded the English coast (3).

Satisfactory Progress In Negotiations

Hyde Park, N. Y., Aug. 20 (AP).—President Roosevelt said today conversations with Britain on acquisition of naval and air bases on English possessions in this hemisphere were progressing satisfactorily. He would not say when decisions might be reached.

Mr. Roosevelt told reporters they should not speculate on proposals that the United States sell to England destroyers built in World war days. But he did not deny such sales were under consideration.

Leslie Hore-Belisha's statement on the possibility of "an eventual common citizenship" of Britain and the United States brought no comment from the White House.

Mr. Roosevelt said:

He hoped to announce Thursday the names of United States members of a permanent American-Canadian Defense Board to be established under an agreement between him and Canadian Prime Minister W. L. Mackenzie King. Reports that Canada and the United States might occupy certain strategic areas jointly were pure, unadulterated speculation.

It was just a newspaper item, that the defense agreement might contemplate the use of World war destroyers by Canada.

He was told it seemed to be assumed in Ottawa that destroyers were involved and the Canadian naval minister "was almost to the point on it." Mr. Roosevelt said he didn't believe that.

He threw no added light on what specific duties the Defense Board would assume, or on the question whether it would be limited to making studies and recommendations or would have the authority to act in the interests of North American defense.

It will, he said, do just exactly what he and Prime Minister Mackenzie King said Sunday it would do, and nothing more. They had said the board would consider "the defenses of the north half of the Western Hemisphere" and would "commence immediate studies relating to sea, land and air problems, including personnel and material."

Bombing Raids Start Fires On Gibraltar.

Algeciras, Spain, Aug. 21 (Wednesday) (AP).—Enemy planes scored five direct hits on the center of Gibraltar, Britain's great rock fortress, starting a big fire early today in the fourth raid in 24 hours. Antiaircraft batteries for the first time brought down a plane as warships joined in the shooting. The objective struck was not immediately determined but flames and smoke could be observed rising from the center of the rock long after the raiders had fled.

Bombs were dropped near the arsenal and the warship Resolution. In a second attempted raid a plane flew over the rock but fled to seaward under anti-aircraft fire.

Ortiz Resumes Duties As Crisis Grows.

Buenos Aires, Aug. 21 (Wednesday) (AP).—President Ortiz, who had turned his duties over to an acting president because of illness, was reported suddenly to have reassumed leadership of his cabinet early this morning in an attempt to check a growing crisis threatening his regime.

The crisis centers around an army land purchase in which it is alleged too much money was paid. Ortiz called the cabinet into session at his home at 1:30 a. m.

Germany Could Feed Defeated Nations, Commons Told.

London, Aug. 20 (AP).—Germany has food enough to feed her vanquished, Hugh Dalton, minister of economic warfare, told the House of Commons today. He said the Reich had about 7,000,000 tons of bread grains in Germany itself, and some 3,000,000 tons in occupied territories.

Cool Weather To Be Short-Lived

Fall-like temperatures which have prevailed in Arkansas for the past two days will be short-lived, the United States Weather Bureau indicated yesterday, forecasting fair and warmer for today.

Yesterday's low reading, 61 degrees at the Weather Bureau in the Federal building and 57 at Adams Field was the coolest August 20 recorded at the bureau since 1882. Readings of 62 degrees were recorded on August 20, 1932, and 1927. It was the lowest reading for Little Rock since June 30 of this year.

The temperature dropped to 54 degrees at Blytheville, the lowest August reading on record.

Of the mean temperature yesterday, 68 degrees, was 12 degrees below normal.

Aug. 20: High 76, Low 61

6:30 a. m.	30.17	60	57	84	0.00
12:30 noon	30.14	77	65	52	
6:30 p. m.	30.06	72	62	59	0.00

Total precipitation since January 1, 21.31 inches or 11.69 inches below normal.

7 p. m. Monday	75
12 midnight	67
6 a. m. Tuesday	61
12 noon	72
3 p. m.	73
4 p. m.	76
7 p. m.	71
12 midnight (airport)	59

WEATHER IN OTHER STATES.

Louisiana and Mississippi: Fair, warmer in north and west portions Wednesday; Thursday partly cloudy.

East Texas: Fair, warmer in interior Wednesday; Thursday partly cloudy.

Missouri: Fair and somewhat warmer Wednesday and Thursday.

Oklahoma: Fair and somewhat warmer Wednesday; Thursday fair except partly cloudy and occasionally threatening in Panhandle, warmer central and east.

FIVE-DAY FORECAST.

New Orleans, Aug. 20 (AP).—The regional forecast for the period of Aug. 21-24:

Arkansas, Mississippi, Louisiana, Alabama and extreme northwest Florida: Temperatures generally near normal, rising beginning of period; fair first part of period; scattered shower activity beginning Friday or Saturday with rainfall generally light.

Hundreds Die As Chungking Again Raided

Chungking, China, Aug. 20 (AP).—High winds fanned flames from Japanese incendiary bombs into a raging conflagration tonight that left Chungking's eight-century-old walled city an unrecognizable mass of smoking ruins. Hundreds of Chinese were believed killed and trapped in the blazing area where homes sheltering 25,000 persons were wiped out by 100 Japanese bombers in the sixth raid in four days. Anti-aircraft batteries shot down one raider.

Missionary institutions and foreign commercial houses were destroyed.

American Property Destroyed.

Fire destroyed the Canadian church mission, gutted the offices of du Pont de Nemours, the American Asiatic Underwriters, and the home of an American business man, J. H. Schwer of St. Louis.

The British shipping offices of Butterfield, Swire and Jardine Matheson and a German commercial agency were burned.

Bomb fragments hit a building occupied by the Intercontinent Corporation, an aviation concern with headquarters in New York.

The American Methodist church and a 100-bed French Catholic hospital were destroyed but the American Methodist hospital stood unscathed in a square mile of devastation.

Says "We Can Take It."

Lin Yu Tang, Chinese author of American best sellers, lived through two direct bomb hits on his air raid shelter. He said later:

"If they can dish it out, we can take it."

Abe Collins Interprets Primary Law

Belief that a third-place candidate in the August 13 primary should be permitted to enter the second primary next Tuesday if the second-place candidate withdraws, was expressed yesterday by Abe Collins, De Queen lawyer and past president of the Arkansas Bar Association.

Mr. Collins, author of Amendment 29 to the state constitution which permitted enactment of the new preferential primary law, gave his views at the request of the Gazette. Such a situation developed after the first primary when John M. Bransford of Lonoke, second man in the race for lieutenant governor, withdrew and Senator Hal P. Smith of Little Rock, the third candidate, sought permission to contest the nomination at the second primary with Lieut. Gov. Bob Bailey, who led the ticket.

Senator Smith announced Sunday he would not press his claims for a place on the August 27 ballot.

"Clear Intent of Amendment."

"In my opinion, the name of the third man should be placed on the ballot if the second man withdraws," Mr. Collins said. "Otherwise, the second man would be permitted to deprive the voters of the right to choose between the first man and the next highest man willing to run, which is the clear intent of Amendment 29. The amendment prevails as against provisions of any statute in conflict therewith. Elections are held for the benefit of voters and not the announced candidates."

Amendment and Act Conflict.

Amendment 29 provides in effect that a Democratic candidate's name cannot be placed on the general election ballot in November unless he received a majority of the votes cast in the primaries.

A 1939 enabling act provides that only the names of the first and second place winners in a race contested at the first primary can be placed on the second primary ballot, along with names of candidates for offices in which not more than two were qualified prior to May 15.

$22,299,730 Defense Contracts Approved.

Washington, Aug. 20 (AP).—The Defense Commission announced today it has approved $22,299,730 in additional contracts to be awarded by the army and navy. Largest of the four items announced was $15,000,000 for gun equipment to be bought from the Savage Arms Corporation at Hartford, Ct.

While listed clearances, the Defense Commission had approved a total of $2,100,445,017 in defense contracts since it was created late in May.

In addition to the gun equipment contract, contracts cleared yesterday include:

For the War Department: Bleached hard wheat bedsheets, to be bought from various contracts, $590,030.

For the Navy Department: Ammunition, various contracts, $2,608,680; gun equipment, Michle Printing Press and Manufacturing Company of Chicago, $4,101,019.

Conferees Agree On National Guard Bill

Washington, Aug. 20 (AP).—Chairman Sheppard (Dem., Tex.) of the Senate Military Committee stated tonight a Conference Committee had ironed out all differences between the Senate and House over legislation authorizing President Roosevelt to call out the National Guard and the army reserve for a year's military training. He said the compromise probably would be acted upon in the House tomorrow and then hurried to the Senate for final congressional action.

The House conferees agreed to include retired officers in the group subject to call, Sheppard reported, while the Senate conferees accepted a House provision that would permit National Guardsmen below the rank of captain to resign within 20 days if dependents were supported entirely by their wages.

REVISED DRAFT BILL APPROVED BY COMMITTEE

Men 21 to 45 Would Be Trained.

Washington, Aug. 20 (AP).—A conscription bill making men 21 to 45 years old, inclusive, liable for immediate military training was tentatively approved by the House Military Committee today, while the Senate debated a less sweeping measure. The House bill calls for registration of men from 18 through 64. Those selected immediately for a year's compulsory service would come from the 21-45 classifications.

Chairman May (Dem., Ky) said the committee, by an almost unanimous vote, turned down proposals that provisions of the Senate bill, calling only for registration and training of men 21 to 30 inclusive, be inserted in the House measure.

"It's the opinion of the committee that these are the proper ages and we're going to put the bill out this way," May said.

Clergymen, divinity students and conscientious objectors would be exempt, and the training of college students in their senior year would be deferred.

Necessity of Large Army Questioned by Walsh.

The general debate on the draft in the Senate produced a clash between Senator Connally (Dem., Tex.) and Senator Wheeler (Dem., Mont.) Connally charged Wheeler "wants to make it just as difficult as possible" for the country to recruit an army. Wheeler protested, and Connally withdrew the statement, but he added without adding a rejoinder that "no other senator" was as "free in reflecting on the motives of others" as was Wheeler; an opponent of conscription.

Chairman Walsh (Dem., Mass.) of the Senate Naval Committee questioned the necessity for a large standing army, and declared he would seek a "test vote" on a proposal that, before conscription was attempted, the nation build up a powerful air force, and "invincible navy," a "multiplicity of airplanes and bombers" and anti-aircraft guns which would det the country "from one end to the other."

Admiral Urges Changes In Tax and Profits Laws.

The Senate Appropriations Committee disclosed that several of its members had spoken of "conscription business," applying "a little force," or enacting a "universal tax bill" after hearing a high-ranking naval officer complain that the navy was having difficulty obtaining materials that go into fighting ship."

The testimony was given by Rear Admiral W. R. Furlong, chief of the Naval Bureau of Ordnance. He said the difficulty was due to tax requirements and limitations on profits, together with the fact that American manufacturers could do business more profitably with the British.

Furlong, pleading for changes in the tax and profits laws, said the present attitude of the manufacturers was natural. Alluding to a plan to have the United States Steel Corporation build a steel plant at a cost of $4,000,000, he said the company was eager to do so, but did not want to "spend $1,000,000 and then be taxed over a long period of years." The plant, he said, ought to be amortized in about five years "because they are just putting it up for the government's special need and for no future business that they can foresee."

The admiral testified at hearings on the $3,000,000,000 appropriation bill for starting a two-ocean navy and equipping an army of 1,200,000. He told the committee that "progress has stopped on the procurement of materials that go into ships." There was no difficulty, he said, there in getting picked up and the army, free from profit limitations, began buying guns. This, coupled with business from abroad and from other government departments, he added, had made naval business unattractive.

Conscription of Business Discussed by Senators.

Members of the committee displayed immediate interest in Furlong's assertions. Senator Russell (Dem., Ga.) said conscription legislation was before Congress which would draft young men into the army. Saying that it was "very unfortunate that these people are so much interested in profits that they will not take any contracts from the navy," he added:

"I guess we will have to conscript business."

"When we are going in for a universal service bill [conscription]," said Senator Byrnes (Dem., S. C.) an administration leader, "we ought to have a universal tax bill, too, and put them all on the same basis."

Senator Townsend (Rep., Del.) agreed.

Russell asked whether the president was not empowered to take over plants which refused to produce defense items, and Furlong told him such a provision had been eliminated from previous legislation.

"If they are turning down your contracts," said Senator McKellar (Dem., Tenn.), "I do not know but what we had better restore it. You say they have been, they have declined to enter into contracts with you. If that is the case, I think we had better use a little force."