M'ADOO'S REPORT HINTS OF TAX ON **GROSS INCOMES**

Suggests Possibility of Amending Present Law. Tells of Emergency Provisions and Says Catastrophe Was Narrowly Averted.

WASHINGTON, Dec. 9 .- Secretary Mc-Adoo's annual report on the state of the Government finances, made public today, reviews the financial aspects of the war erisis and the emergency measures taken efficially and by banks and other interests throughout the country.

Mr. McAdoo points out that steps are being taken for a more complete collection of the income tax, and hints that he may urge an amendment calling for Peturns on gross incomes, instead of net. as at present.

His report is in effect a chronology of emergency steps taken after the outbreak of the war, in addition to being a statement on the various activities of the Transury Department.

"The outbreak of the European war," says the report, "precipitated many grave problems. International credits and exchanges were completely disorganfixed, tocean transportation was for a time partially paralyzed, the entire business and economic structure in this country was shaken to its foundations, and & catastrophe of enormous proportions was narrowly averted.

"It is a tribute to the economic strength and soundness of the country and to the patriotism of its people in every class and walk of life that the shock has been so admirably withstood.

"A panic of cataclysmic proportions might easily have resulted, and, if it had, the injury to the country would have been incalculable, and many years would have been required to overcome its effects. Through the prompt and effective action of the Treasury Department, and with the cordial and intelligent co-operation of the banking and business interests of the country, the danger has been averted. Confidence has been restored and specie payments have been maintained in the face of the

"At no time since the war broke out has there been, to the knowledge of this department, with the exception of a few isolated cases, a failure on the part of any solvent national bank to honor its checks in currency or money, or to meet its obligations.

LOOKS FORWARD WITH CON-FIDENCE.

"The general revival of business throughout the country is the best evidence that confidence has been restored. Interest rates have come down from the high level to which apprehension had lifted them, restriction of credits has dis-appeared, foreign exchange has reached

appeared, loreign exchange has reached a normal basis and a feeling of optimism pervades the business world.

"There is every reason why the country should look to the future with confidence so far as its trade, commerce and industry are concerned. This has been accomplished, notwithstanding the fact that the Felgral progress without and the state of the the Federal reverve system authorized by the act of December 23, 1913, was at that time in process of formation, and was therefore unable to render any service in

Secretary McAdon then recounts the the department and by Congress since the closing of the New York Stock Exchange.

THE COTTON PROBLEM.

"It was realized," says the Secretary, "that the cotton problem was involved in that of foreign exchange, and it had early become apparent that unless the price of London exchange could be reduced from the high level then obtaining, the interests of our people would suffer seriously. The war found our business men and bankers indebted to London in the sum of approximately \$450,000,000 maturing by January 1, 1915.

the sum of approximately \$450,000,000 maturing by January 1, 1915.

"The city of New York owed \$80,000,000 in London and Paris, maturing in that period. A fund of \$100,000,000 in gold was raised to meet the situation. This, together with the increasing export trade of the United States, has had a salutary effect in reducing the price of exchange to a normal basis. This, in turn, has produced a favorable effect upon the foreign demand for cotton."

On August 10 the Federal Reserve Board came into being and with respect to it.

on August 10 the Federal Reserve Board came unto being and with respect to it. Mr. McAdoo says that it has taken hold of the many problems confronting it with vigor, loyalty and intelligence, and I believe it will render services of the greatest value to the country," he adda He calls the reserve aut the most important piece of legislation enacted since the Civil War.

Interest on crop moving denosits for

the Civil War.

Interest on crop moving deposits for
the fiscal year of 1918 totaled \$1,409.458,
compared with \$122,218 in 1912, the Increase
being due to the fact that beginning with
June, 1912, interest has been charged
upon all public deposits at the rate of 2
per cent, per annum. The war risk bureau has proved successful, according to
Mr. McAdoc.

CALLS TARIFF A SUCCESS. Collections of revenue for the fiscal year ended June 30, according to Mr. McAdeo, show the success of the tariff

McAdoo, show the success of the tariff act. It was satimated to produce in its first year \$70,000,000, and there was actually produced in excess of the estimates \$22,200,005. The income tax law has brought in \$32,200,005 on individual incomes, and \$45,127,100 on corporations.

The Treasury Department is making a careful investigation of the facilities by parcel nost or registered mail for the transportation of all moneys and securities between the Treasury, the subtreasuries and the banks. From test shipments already made a saving has been alfacted, Mr. McAdoo says.

The expenditures on account of the Panama Canal during the fiscal year amounted to \$35,250,202 and there was no eals of additional bonds. The total amount expended for the canal from the general fund to June 30, 124, reimbursable from proceeds of bends not yet sold, was \$14,550,555.

The ordinary receipts for the fiscal year 105 are estimated at \$170,000,000, include.

was EMA-653-655.
The ordinary receipts for the decal year 1915 are estimated at \$725,000,000, including \$233,000,000 from customs. The ordinary receipts for 1215 are estimated under existing laws at \$755,000,000. In this estimated outsides receipts are figured at \$150,000,000. The total receipts for 2014, including postal, were \$1,000,000, egainst \$1555 td,000 to 1518.

SCHOOLS AND COLLEGES EMELODRICHMA.

That L. Berry Private Lessons Civil Gerston, Burthard, Miles Marce, \$10 Melapolis Burg, Ra school.

TWENTY-NINE SUSPECTS ARRESTED IN A RAID

Police Spread Net in Search of Band

Led by Lieutenant Stinger, of the 10th and Buttonwood streets station, to detectives and special policemen in search of "yeggmen" who cracked a safe at the Riker-Hegeman drug store, on Market street, on Sunday night, and carried off \$2000, and attempted to get in to the safe in the plane store of Howard Vincent, 838-40 North 5th street, early yesterday morning, spread a net over the Tenderloin late last night and rounded up 29 suspicious characters.

Five patrol wagons were required to take them to the station house and when they were searched considerable jewelry was found on them. Harry Jacobs, alias 'Ace in the Hole," who has often been in the toils, once more fell into the hands of the detectives. Lieutenant Slinger said many of the men caught were known to be thieves or pickpockets, while others gave New York addresses, and the local police will get in touch with the New York authorities to learn whether any of the prisoners are members of a band of gunmen reported to be on its way to this titude he declares:

After having their pictures taken for the Rogues' Gallery, the men will be taken back to the 10th and Buttonwood streets station for a hearing before Magistrate Belcher.

NINE NATIONS BAND IN AMERICAN UNION TO SAVE COMMERCE

Diplomats Form Committee to Consider Plans for Neutralizing Seas as Safeguard During War.

WASHINGTON, Dec. 2.-Realizing the futility of expecting the warring countries in Europe voluntarily to neutralize the oceans of the Western Hemisphere, the Pan-American Union was today seeking some other method of keeping European and Japanese warships on the other side of the seas.

A committee, made up of Secretary of State Bryan and the Brazilian, Argentine and Chilian Ambassador, and the Peruvian, Uruguayan, Ecudorian, Hondurar and Cuban Ministers, is wrestling with the problem

The most important step in bringing about this neutrality was accomplished when the governing board of the union adopted the project of the Argentine Republic to create a special commission to study problems growing out of the war.

DESIRE OF COMMISSION. The following resolution was presented by Dr. Romulo S. Naou, Ambassador om the Republic:

The governing board of the Pan-American Union declares: That the magnitude of the present European war presents new problems of international law, the solution of which is of equal interest to the entire

world.
That the form in which the operations of the belligerents are developing redounds to the injury of neutrals.
That the principal cause for this resolve is that the respective rights of the belligerents and of the neutrals are not clearly defined, notwithstanding that such definition is demanded, both by general convenience and by the spirit of justice, which doubtless. he spirit of justice, which doubt ly animates the beligerents with respect to the interest of the neutrals.

That considerations of every character call for a definition of such

rights as promptly as possible upon the principle that liberty of commerce should not be restricted beyond the point indispensable for military opera-

On these grounds the governing board of the Pau-American Union re-

A special commission of the same is hereby appointed, to consist of nine members, of which the Secretary of State of the United States shall form part, acting as chairman thereof ex-

officio.

This commission shall study the problems presented by the present European war and shall submit to the governing board the suggestions it may deem of common interest. In the study of questions of a technical character, this commission will consult the board of jurists.

Each Government may submit to Each Government may submit to tills committee such plans of suggested resolutions as may be deemed con-venient on the different subjects that

circumstances suggest. NEUTRALITY COMMITTEE. Following the adoption of this resolution, the Pan-American Commission was

named. It is composed of: William J. Bryan, Secretary of State of the United States, chairman ex-officio. Domicio Da Gama, the Ambassador from

Brazil.

Don Eduardo Suarez Mujica, the Ambassador from Chill.
Dr. Romulo S. Naon, the Ambassador from the Argentine Republic.
Dr. Carlos M. de Peña, the Minister

from Uruguay.
Don Federico Alfonso Peret, the Minis-ter from Feru.
Dr. Gonzafo S. Cordova, the Minister

from Ecuador.

Dr. Alberto Membreno, the Minister from Honduras.

Dr. Carlos Manuel De Cespedes, the Minister from Cuba.

HERRICK ARRIVES; PROMPTLY VETOES PRESIDENTIAL BOOM

Ex-Ambassador Declines to Make Political Capital Out of His Services in

NEW YORK, Dec. 9 .- Myron T. Herrick, ormer United States Ambassador to France, arrived from Europe today on the liner Rochambeau and an official reception and the freedom of the city were tendered to him in recognition of his valuable services in Paris during the early days of the war.

Mr. Herrick put his foot down hard pon the Presidential Seom, which had been launched in his favor by friends and followers. When questioned as to his at-

"I don't care to talk about such a nonsensical proposition. If there is any credit due me for what little I have done I have no desire to capitalize it and shall not do so."

The retiring Ambassador was emphatic in his expression of appreciation of the liberality of the American people to the victims of the war in Europe, but critisized the method of distributing American relief abroad, saying it lacked organization and system.

Mr. Herrick was met at the pier by a ommittee of 40 prominent persons from New York and Cleveland, O., headed by Mayor John Purroy Mitchel and W.

by Mayor John Purroy Mitchel and W.
H. Truesdale, president of the Ohio Society; Dock Commissioner R. A. C.
Smith went down the bay on a tug
and boarded the Rochambeau, where he
informed Mr. Herrick that certain formalities would be waived.

Mr. Merrick, with his wife at his side,
was standing at the ship's rall when the
liner edged into her pier and received
an enthusiastic welcome. This seemed
to embarrass the ex-Ambassador, and his
diffidence was further shown when asked
to talk about what he had done. Just
as he left France the Government had as he left France the Government had conferred the Grand Cross of the Legion of honor upon him for his services in behalf of foreigners in Paris. Mr. Merrick refused to say anything about this

WATER CONSERVATION BILL BEFORE SENATE COMMITTEE

Indication of Strong Opposition to Measure in Present Form.

WASHINGTON, Dec. 9.—The Senate Public Lands Committee today began hearings on the so-called water power bill, the first of the conservation measures mentioned by President Wilson in his address to Congress yesterday, which already has passed the House. From the beginning it was evident there would be already expension to the bill in the

the beginning it was evident there would be strong opposition to the bill in its present form.

Senator Clark, of Wyoming, suggested that the measure should be amended so that if an applicant for a lease for a water power site on the public domain complied with all the regulations laid down by the bill and the department, the Secretary of the Interior should be compelled to grant the lease.

Edward C. Finney, of the Interior Department, replied that he thought some discretion should be lodged with the Secretary of the Interior.

Among those who will appear as witnesses at the hearing are the Governors

Among those who will appear as witnesses at the hearing are the Governors
of Utah and Colorado, Gifford Pinchot,
Secretary Lane, of the Interior Department; ex-Secretary of the Interior Walter L. Fisher and Clarence M. Clark, of

GARGOYLE SAILS TODAY UNDER AMERICAN FLAG

Shipping Men Believe Big Tanker

Will Be Seized. The tank steamer Gargoyle leaves here

today on her first voyage under the Amer-ican flag. Odds are being given that the vesvel will be seized as soon as she is free from the protecting waters of the At-The Gargoyle was formerly the Ger-

man steamship Pennoil. She was owned by the Pure Oil Company, and hailed from Hamburg. She was bought by the Vacuum Oil Company and placed under the American flag in accordance with the Act of Congress of August 18. The Stars and Stripes were raised over her verteday. She now hells from New

her yesterday. She now halls from New York, Captain Gldeon S. Jefferies and his crew of 39 men are all Americans. The vessel is scheduled to take her cargo of nearly two and a half million gallons of oil to Alexandria, Egypt.

Jersey Farmer Dies of Injury MT. HOLLY, N. J., Dec. 2.-John B. Evans, a farmer near Birmingham, died at the County Hospital from a fracture of the skull received this morning when he was thrown from a train which he attempted to board while it was in motion at Birmingham station.

MODERN DANCING

FRED W. SUTOR Maitre De Danse STUDIO 1431 WALNUT STREET

BLANCHE WEST ALL THE MODERN DANCES Studio, 1820 CHESTNUT ST., can be rented for select private dances. Phone. Spruce 3474. WANT TO FORM TOUR OWN CLASS or take a Strictly private Lesson Consult Arm-Brust, Chestnut St. 1118. SPECIALIST in up-to-the-minute dances.

Jeweled Wrist Watches

Beautiful Bracelet Watches Set in Platinum with Diamonds and Sapphires, Combining a feweled Ornament with a Practical Timepiece. Prices \$450.00 to \$700.00

Gold Bracelet Watches, \$23.00 to \$100.00

Van Dusen & Stokes Co. 1123 Chestnut Street

Store Opens 8:30 A. M.

WANAMAKER'S

Store Closes 6 P. M.



"To Wanamaker's, to Wanamaker's With Our Christmas Lists"

Another Lot of 400 Famous 'Martha Washington' Sewing **Tables**

Ready this morning at \$12 each.

Made of solid mahogany in the famous Cowan factories in the Cowan way, but priced a shade lower than one-half of what the original Cowan sewing table

(Fifth Floor)

Plenty of Christmas Suggestions in These New Silks For instance, a dress pattern from a fresh assortment

of very pretty crepes de chine, 40 inches wide, and only \$1.25 a yard. Or the new peau satin which makes such attractive tub frocks and men's shirts, \$1.25 plain and \$1.55 checked.

Every woman likes lingerie crepes. They come with multicolor stripes, and are \$2 a yard. New 1915 foulards are unusually pretty this year, and

they are \$1.50 and \$2 a yard. New plaid silks for entire gowns, combination gowns and waists, also fancy bags, at \$1.50 and \$2 a yard, and the fascinating lining silks with printed patterns for negligees and linings, at \$2.50 a yard.

(First Floor, Chestnut)

Slippers

for HIM Main floor, Market

Slippers

for HER Main floor, Market

Slippers

for the Little Folk Subway Gallery, Market

Certain Christmas Umbrellas Cost But \$1.50 and \$2

They are our special \$1.50 piece dyed taffeta umbrellas for men and women, and are strongly made with natural wood or fancy "Sample handle" umbrellas, so

popular we can hardly get enough of them, are \$2. They are also piece dyed taffeta and have hanmuch more expensive grades. Both men's and women's (West Aisle)

Albums for Photographs

The favorite is a "loose-leaf" album, but we have a splendid stock of all sorts for gifts. Prices are 25c to \$3.50. (Main Floor, Central)

Reliable Furs That Cost Little

Black coney neckpieces are \$3 to \$7.50; muffs, \$5 to \$12. Kit coney—Kit is a dark or taupe-gray color—neck-pieces, \$4.50 to \$7; muffs, \$5 to \$9.

Skunk dyed racoon is one of the most durable of inexpensive furs; and neckpieces of it are \$10 to \$25; and muffs \$10 to \$25. Natural raccoon neckpieces, \$10 to \$30; muffs, \$15 to

Besides which are natural and blue wolf, Persian paw, pieced caracul and Japanese mink.

(Third Floor, Chestant)

A New Silk Blouse Has a Removable Guimpe

Something many women have wished for for some time. The waist is soft messaline, navy blue or black, opening down the front to show the guimpe, which is of cream-colored net with a high ruffled collar and cuffs. The price is

Two other new waists that would make delightful gifts are of cream shadow lace over pink chiffon, made in fichu effect, \$5.50, and a very smart crepe de chine blouse in the new sand color with a collar of white faille silk that may be worn high or low. It is \$5. (Third Figur, Central)

Boys' Winter Suits Special at \$6

A little collection including Russian blouse suits, sailor blouse suits and man-o'-war suits in shepherd checks, blue serges and fancy mixtures.

At \$6 they are several dollars less than the regular

For boys of 21/2 to 10 years. (First Plear, Market)

GRAND ORGAN plays Christmas music (with the new chimes) every morning at 8.30. That is just the time when wisest people start their Christmas shopping.

You Can Make a Man Happy With a Fine House Coat

It is one of the things that almost every man wants but few think to buy for themselves. This year there is a greater-than-ever demand for house

coats and we have a better-than-ever assortment, In doublefaced cloth of handsome design, with silk frogs

and trimmings, prices range from \$5 to \$12. Velvet house coats, silk lined, and in a variety of rich colorings, are \$18 to \$22.50.

(Main Floor, Market)

Women's Fur Collar Coats for Presents

Every year at this time we get in certain rich and dignified looking black broadcloths with fur collars-so many people want something of the sort for "Mother's" Christ-

This year the collars are Hudson seal-sheared muskrat -and the price \$35.

Two other styles of coats with fur collars-a black plush and a black caracul-are both wonderful for the price,

Two styles that would suit younger women very well are black and navy corduroys at \$30, and black broadcloths at \$25. Both have skunk-dyed opossum collars,



Toys! Toys! Toys! Toys! and Dolls! Dolls! Dolls!

in the wonderful two floors where Santa Claus is keeping store with all his latest and best

(Third and Fourth Ploors, Market)

Newest Two Shoes for Men Smart-Very Smart!

An all-patent leather lace boot, with long, flat forepart and a pronounced air of slim elegance. \$8 the pair.

Dull black calfskin lace, with sand color cloth top. Black calfskin lace stays, perforated vamp and punched tip. \$8 These are the last word in men's boot making.

(Main Floor, Market) So far as we can see and compare—and our com-

parings have been careful and just-Every Wool-Filled Quilt in Our Stock is Priced Below the

Retail Market Valuation If we are in error, we shall feel obliged for being put right, but we don't think we are.

In round numbers there are about 500 wool-filled guilts now on these tables, with plenty of others in reserve. Prices from \$2.75 for one covered with alkeline with a

sateen border, up to \$150 for a rather magnificent quilt in a rich satin covering, adorned with Cluny lacs; every quilt in the assortment a gift that calls for no pen-praise. (Pittle Pleas, Market):

JOHN WANAMAKER