

J. J. HILL TO URGE BIG LOAN TO ALLIES

Comes to Advise Bankers in
Conference with English and
French Commissioners.

\$1,000,000,000 MAY BE ASKED

Fears Trade Paralysis Unless
Europe Is Enabled to Pay
Bills Here in Cash.

MORGAN INVITES HIS AID

Railroad Man to Appear at Confer-
ence Today—Formal Proposal
Is Not Yet Completed.

Special to The New York Times.

ST. PAUL, Minn., Sept. 12.—James J. Hill will arrive in New York tomorrow morning to take part in the largest financial deal of the kind in the history of the world. He has been asked to go to New York by J. P. Morgan to discuss a loan to European governments that may amount to \$1,000,000,000.

Mr. Hill is fully prepared for what is one of the most important transactions in the history of the United States, and one which, in a large measure, may determine the course of the war in Europe. He will lay before the meeting data showing that if the loan is not made commerce will be paralyzed and our surplus crops become unsaleable because of Europe's inability to buy and pay cash for the commodities and munitions we are prepared to sell her.

Mr. Hill will insist that the loan be made to nations that are trading with us and that are in a position reasonably to secure the loan with collateral. Some of the data he is carrying is of such startling nature as to make prompt action advisable.

Although Mr. Hill did not make any statement prior to his departure, his talk in the last week makes it certain that the banks all over the United States will be asked to participate in the loan.

Conference to Meet Today.

Several different measures for relieving the present foreign exchange situation and for establishing a war supply credit here for the Allies will be proposed at the first conference between the Anglo-French Commission and American bankers. An informal meeting will be held today in the financial district, probably at the Chamber of Commerce, 65 Liberty Street.

The six Commissioners have had three days in which to exchange views informally with the American financiers, and both the visitors and the American bankers have a fairly clear outline of the plans which will be offered formally. The Commissioners spent Sunday at the country homes of J. P. Morgan, Willard D. Straight, and Frank A. Vanderlip, returning last night to the Hotel Biltmore, where they are staying.

Whatever the size of the credit proposed—it has been estimated at from \$500,000,000 to \$1,000,000,000—the plan is to provide for the amount in installments. One financier suggested yesterday that there would be four installments of \$250,000,000 each to be financed, payment to be guaranteed by the English, French, and Russian Governments.

Underwriting Syndicate Suggested.

It is suggested also that a syndicate of bankers will underwrite the notes themselves and offer them to the public under the tri-government guarantee at a rate of interest to be fixed, probably at 5 per cent. The American bankers would receive as security notes of the three Governments named.

The commission will try to adopt measures by which the loan will be exempt from income or war taxes. If a low rate of interest is decided upon it may be with an agreement by the banking syndicate to exempt the notes or bonds from the income tax here. In that event the syndicate would pay the tax, and collect the amount from the borrowers.

"Under existing conditions of exchange," a member of one banking firm said, "grain, meats, hides, and copper may be purchased to better advantage by Europe in South American markets. Of course, we want to retain this trade. There is a great surplus of idle capital here, so bankers are all the more ready to co-operate with the foreign Commissioners in adjusting the foreign exchange situation.

"The more the Allies can borrow here the greater will be the amount of their purchases, and should they be unable to arrange a substantial credit here, they would be inclined to buy from other countries where their exchange is nearer par."

The participation of leading bankers from other American financial centres outside of New York makes a gigantic credit possible without causing undue strain on the monetary system. Financiers from Chicago, Philadelphia, Boston, Cincinnati, and other important financial cities have met the Anglo-French agents and will attend the conferences.

The commission probably will establish offices in the financial district, so that the Commissioners and the American financiers will be able to keep in close touch with each other during the negotiations.

JAMES J. HILL TO MANAGE THE LOAN

Western Financier Asked by
Morgan to Come to His As-
sistance

International Commission Spends
Quiet Day While Assay Office
Melts Sovereigns

Special to The Inquirer.

ST. PAUL, Minn., Sept. 12.—James J. Hill will arrive in New York Monday morning to handle the largest financial deal in the history of the world. Mr. Hill has been asked to come to New York by J. P. Morgan to direct the loan to European governments that will amount from \$500,000,000 to \$1,000,000,000.

Mr. Hill is fully prepared for what is one of the most important transactions in the history of the United States, which in a large measure determines the cost of the great war in Europe. Mr. Hill will lay before the meeting data showing that if the loan is not made our commerce will be paralyzed and our surplus crops useless.

Although Mr. Hill did not make any statement prior to his departure, his talk during the week makes it certain that the banks all over the United States will be asked to participate in the loan.

No statement of any kind could be obtained from Mr. Hill's office about his trip to New York.