

OF ECONOMIC PURPOSE DECLARED

German Foreign Secretary Denies Divergence of Opinion Among People.

BELGIUM NOT TO BE FREED

Michaels Asserts No Promise Ever Given to Evacuate Occupied Territory—Added Note Does Not Reach Pope.

BERLIN, via London, Sept. 29.—(British Admiralty, per Wireless Press).—The German Secretary for Foreign Affairs, Dr. Richard von Kuhlmann, speaking before the main committee of the Reichstag, said he could not venture to say what would be the immediate outcome of the papal steps toward peace.

This courageous initiative of the Pope, said the Secretary, "will mark an epoch in the history of this tremendous battle of nations and will appear as an unending page in the annals of Vatican diplomacy. The Pope threw the word 'peace' into the turmoil of battle at a time when events threatened to transform Europe into a place of bloodstained ruins."

The German people and the German government, whose consciousness of their strength and internal security always made it easy for them to emphasize their willingness to conclude an honorable peace, have reason to welcome gratefully the initiative of the Pontiff which makes it possible for them to set forth again their national policy in a clear, unambiguous manner. I say intentionally "national policy," as I hope and believe that the German government both as regards its form and contents, embodies the desires of the overwhelming majority of the Germans.

Disparity Is Denied. For our purely German development, the first result is also a landmark. It is the first result of the collaboration between all the factors of the government and the representatives of the German Parliament. That has been attempted here for the first time and with a cordiality that has no precedent, so near as I can see, even in purely Parliamentary states.

This collaboration, added the Secretary, both in regard to its principles and results, is of a kind which a statesman having the German foreign policy at heart might regard with perfect contentment. He declared that there is in Germany today one policy of the government and another policy of the people and declared that this legend could be destroyed if the Reichstag stood behind the policy represented in the reply to the Pope.

Dr. von Kuhlmann also denied that there existed in the government various views or that there was divergence of opinion or between the leading men and the field marshals. All were working in the closest and most complete harmony and he gained the best impressions for the future by the harmonious collaboration which revealed itself between the parliament and the government on the question of the papal note.

COPENHAGEN, Sept. 29.—Germany has not renounced Belgium and has not been in communication with any of her allies, according to Berlin reports of a speech made before the Reichstag main committee by Chancellor Michaelis. The Chancellor is quoted as follows:

Occupied Lands Not Renounced. "A liberal deputy correctly stated that the attitude of the imperial government, as regards its war aims, was clearly explained in my answer to the Reichstag. The peace readiness of July 19 was expressly mentioned in this reply and further foundation thereof is unnecessary.

"Moreover, I declare the statement that the imperial government has already communicated with this or that hostile government and that it had in advance renounced occupied territories thus abandoning the most valuable advantages in peace negotiations, is untrue. I declare the imperial government has free hands for eventual peace negotiations. This also refers to Belgium."

PARIS, Sept. 29.—The diplomatic courier who brought the Austrian reply to the Pope's peace note to Rome did not bring the supposed supplementary German communication concerning Belgium. "That communication," adds a Havas dispatch from Rome, "can then be considered as non-existent."

WAR TAXES AGREED UPON

(Continued From First Page.)

Exchangeable for securities, before March 2, 1917, not exceeding 20 per cent of the total shall be included at a value not exceeding a fair cash value at the time of purchase.

In lieu of the House zone tax on second-class publications the conferees included a new zone system effective July 1, 1918, with different rates for reading matter and advertising matter with special, but increased rates for religious, agricultural and other publications.

Letters and Postals Rate Higher.

A flat increase on reading matter of a quarter of a cent per pound until July 1, 1919, and one-half cent thereafter was provided. Advertising matter exceeding 5 per cent of the total space would be taxed from one-fourth to 2 1/2 cents additional until July 1, 1919, and from one-half to 4 1/2 cents thereafter until July 1, 1920, and from three-fourths to 6 1/2 cents thereafter until July 1, 1921, and from 1 cent to 9 cents thereafter.

Tax Levied on Passenger Fares.

The conferees levied 1/2 per cent in lieu of the Senate 5 and the House rate of 1 1/2 per cent on passenger transportation, estimated to raise from the compromise levy about \$60,000,000, instead of \$7,500,000 under the Senate plan. The 3 per cent tax on freight transportation was retained and the tax on express transportation was increased so that 1 cent would be levied

on each 20 cents paid instead of each 25 cents. The House 10 per cent tax on Pullman accommodations, cut to 5 per cent by the Senate, was restored and is estimated to raise \$5,000,000.

Bank Checks Not Taxed.

On sporting goods, the revised bill levied 3 per cent, on manufacturers' sales, instead of 5 per cent proposed by the House and 2 per cent by the Senate. The 3 per cent levy also was adopted for cameras in lieu of the Senate 2 per cent rate, and chewing gum manufacturers would be taxed 2 per cent of gross sales, a reduction of 2 per cent from the House rate.

The Senate 2 per cent manufacturers' sales taxes on perfumes and patent medicines were retained.

Inheritances Are Taxed.

A new system of graduated inheritance taxes was written into the bill in lieu of the House plan and despite the Senate's rejection of such taxes. The new rates on inheritances, with those of Americans in military service exempted, range from one-half of 1 per cent on \$50,000 estates to 10 per cent on estates of \$10,000,000 and more.

The bulk of the increases of between \$20,000,000 and \$300,000,000 made by the conferees in the Senate bill was obtained from the postage, public utilities and manufacturing sales section and the new inheritance taxes.

Taxes Effective at Once.

With but few exceptions the new taxes are effective with the passage of the act.

Both Senator Simmons and Representative Kitchin, heading the Senate and House conferees, tonight expressed satisfaction with the conference revisions, and they believe the compromise measure an improvement of both the Senate and House bills.

The income tax section was adopted virtually as written by the Senate. The new 2 per cent normal tax on incomes of more than \$2000 for married persons and \$1000 for single persons is in addition to the present law exempting incomes of less than \$3000 for single persons and \$1000 for married persons.

The Senate provision allowing an additional exemption of \$200 for each dependent child to heads of families subject to the present law was retained. The exemption for children, however, does not apply to those subject to the new reduced taxes with the \$2000 and \$1000 exemptions, respectively, for married and single persons.

Surtaxes were agreed upon as follows: One per cent on incomes over \$5000 and less than \$7500; 2 per cent between \$7500 and \$10,000; 3 per cent between \$10,000 and \$12,500; 4 per cent between \$12,500 and \$15,000; 5 per cent between \$15,000 and \$20,000; 7 per cent between \$20,000 and \$40,000; 10 per cent between \$40,000 and \$60,000; 14 per cent between \$60,000 and \$80,000; 18 per cent between \$80,000 and \$100,000; 22 per cent between \$100,000 and \$150,000; 25 per cent between \$150,000 and \$200,000; 30 per cent between \$200,000 and \$250,000; 35 per cent between \$250,000 and \$500,000; 37 per cent between \$500,000 and \$1,000,000; 40 per cent between \$1,000,000 and \$5,000,000; 45 per cent between \$5,000,000 and \$10,000,000; 50 per cent on incomes exceeding \$10,000,000.

Alcohol Taxes Little Changed.

Increased Senate rates on whiskey and beer were virtually retained, and that on wines somewhat reduced. The tax on distilled spirits was made \$2.10 per gallon when for beverage use and \$1 less for industrial purposes, estimated to raise \$125,000,000. The amendment prohibiting importation of distilled spirits for beverage use was retained. Floor taxes to reach withdrawal liquors were approved. Beer was taxed \$1.50 per barrel additional to the present rate of \$1.00, an increase of 25 cents per barrel over the House rate.

Present wine taxes were doubled. Taxes on non-alcoholic beverages were compromised. On prepared syrups and extracts the taxes graduated from 1/2 to 20 cents instead of 3 to 12 cents a gallon were adopted.

Grape Juice Taxed Cent a Gallon.

Grape juice and other soft drinks are taxed 1 cent per gallon, as provided by the Senate in reducing the original 2-cent rate of the House.

Senate rates on cigars and cigarettes were retained, but those on snuff were increased from 4 cents to 5 cents a pound.

Stamp Taxes Agreed Upon.

Bonds of indebtedness, 5 cents on each \$100; indemnity and surety bonds, 50 cents; parcel post packages, 1 cent for each 25 cents of the cost of transportation; capital stock, original issues, 5 cents per \$100; sales and transfers, 2 cents per \$100; sales of produce, exchange, 2 cents for each \$100 value in merchandise; drafts, checks payable other than sight or demand, promissory notes, except bank notes for circulation and renewals, 2 cents for all sums below \$100 and 2 cents for each additional \$100 or fraction thereof; conveyance papers, 50 cents for each \$100 and 50 cents for each additional \$500; custom-house entries, from 25 cents to \$1; entry for withdrawal from bonded warehouses, 50 cents; passenger vessel tickets for port, other than those in the United States, Canada and Mexico, between \$10 and \$30, 1/2; between \$30 and \$40, 3/4; and above \$40, 5/8; voting proxies, 10 cents; attorney's fees, 25 cents; playing cards, decks of not more than 54 cards, an additional 5 cents on the present rates.

House and Senate provisions for a tax of 5 cents each on telegraph, telephone and radio messages costing 15 cents or more and designed to raise \$7,000,000, were retained, but the House tax on gas, electric and telephone service was eliminated.

Insurance Taxes Reinstated.

Taxes on life insurance, eliminated from the House bill in the Senate, were amended and reinstated, raising about \$5,000,000. Effective November 1, the new taxes on new insurance policies issued are 8 cents per \$100 of fraction thereof on life insurance and 1 cent per \$1 on the premium charged on marine, casualty, fire and inland insurance.

Amusement taxes agreed upon provide that all persons entering places of amusement free, except employees and officials on duty and children under 12, would pay a tax rate of 1 cent on each 10 cents or fraction thereof of the admission charge. This tax would apply to cabarets and similar performances where the cost of entertainment is included in all costs, such as service. Holders of annual box seats would pay 10 per cent of the annual rental. Nickel theaters and shows, with a maximum admission of 10 cents, and benefit entertainments and agricultural fairs were exempted.

Club Dues Levied On.

After November 1, 1917, members of all clubs except certain fraternal orders paying more than \$12 annual

DIAMONDS - There's many a rare gem resting here, awaiting a new owner. Never before have we shown so beautiful a collection of lovely diamond jewelry as we are showing now. Our Three Specials: Blue White Diamond Rings \$25 \$50 \$100. Men Who Want to Save Time Wear Wrist Watches - Accurate timepieces for men are shown in great variety at \$4.25 and up. Ladies' Elgin Watches \$14.75 With 20-year Guarantee.

Woodstock Typewriter Agency - The new No. 5 Woodstock is the latest of standard high-grade typewriters, a step in advance of anything heretofore produced. We Have Some Bargains in Second-Hand Rebuilt Machines.

On excess profits the conferees agreed upon a minimum deduction of 7 per cent and a maximum of 10 per cent instead of the 6 to 10 per cent fixed by the Senate. Other exemptions are \$3000 for corporations and \$6000 for individuals. Corporations, partnerships and individuals having no capital stock would pay a flat rate of 8 per cent on net profits in excess of \$3000.

Miscellaneous Income Tax Amendments. Miscellaneous income tax amendments inserted by the Senate were generally adopted, including the so-called Jones amendment for a tax of 10 per cent on corporations' undistributed surplus, without allowance for income taxes paid. The 10 per cent tax would not apply to undistributed income actually invested or employed in business or invested in Federal securities after September 1, 1917, and a 5 per cent penalty for surplus retained but not employed in providing for the war tax bill.

LIFT FOR CARMEN URGED - Business Men Give Views to Public Service Commission. SALEM, Or., Sept. 29.—(Special.)—The East Side Business Men's Club of Portland, has forwarded a copy of resolutions to the Public Service Commission in which the club declares itself as favoring a just and fair increase of wages for the Portland Railway, Light & Power Company's employes, and also states that it has appointed a committee to investigate the question of increase in fares.

HONOR GUARD GIRLS HIKE - Similar Trip Is Planned for Next Tuesday Night. The Girls' Honor Guard of Portland staged their first weekly hike yesterday. Under the leadership of Miss Lucille Danforth they tramped through Washington Park and Arlington Heights, following a trail which made a circuit of five miles.

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Victor Menashi Hit by Auto. Victor Menashi was treated at the Emergency Hospital yesterday for internal injuries sustained when an automobile, bearing license No. 3878, collided with him at 81st and Couch streets. He is not seriously injured.

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All Wool, Style and Value - Get Them All for Fall. See the Hart Schaffner & Marx sport suits in the military models; greens, browns, grays in worsteds, tweeds, chevots—\$20 up to \$40. The all-wool quality is a big asset to your overcoat. You'll find just the style and quality you want here in a Hart Schaffner & Marx make.

\$20 to \$50 - "Multnomah" Hats unexcelled at \$3. Sam'l Rosenblatt & Co. The Men's Store for Quality and Service. Southeast Corner Fifth and Alder.

with Commissioner Buchtel a protest against the proposed increase in fares. HONOR GUARD GIRLS HIKE - Similar Trip Is Planned for Next Tuesday Night. The Girls' Honor Guard of Portland staged their first weekly hike yesterday.

10-rib Mayo Money's Worth - You hardworking men who know the real value of a dollar, spend less than a dollar for 10-rib Mayo Underwear. For 10-rib Mayo Underwear is the only medium-priced underwear that's "actually knit in the dollar way".

Take your 10-rib Mayo Underwear from the back of the bedroom chair. Then prepare for the truest, snugest underwear comfort that a man ever had. For this 10-rib knitting makes Mayo Underwear mighty cosy, mighty friendly.

You'll think that 10-rib knitting for the added warmth of Mayo Underwear; for its added stretch and "give". You'll compliment yourself on your own good buying judgment when you see how that 10-rib Mayo fabric wears. You'll say that Mayo lasts more wash-days than any underwear you ever had before.

If you don't get your Mayo Underwear soon, we both lose. We lose the sale. You lose the Mayo 10-rib comfort, 10-rib elasticity and 10-rib durability.

Mayo WINTER UNDERWEAR for MEN and BOYS. The only medium-priced underwear that's "actually knit in the dollar way". Any progressive dealer either has or can quickly get for you this 10-rib Mayo underwear. Wholesale Distributor: Fleischner, Mayer & Company.

Campbell Hill Hotel - 741 Washington Street. Phone Main 7264. SUNDAY DINNER - 60c. Watermelons, Sliced Cucumbers, Cream of Tomato Soup, Fried Spring Chicken with Country Gravy, Top Sirloin Steak, Mashed Potatoes, Corn on the Cob, Pop-Overs, Home-made Jelly, Coconut Cream Pie, Cherry Nut Ice Cream and Cake, Crackers, Cheese, Coffee.

Progress - All makers of player-pianos have striven for years to produce a playing mechanism that was not mechanical in effect. Two or three have succeeded. Unless you have heard their latest models you can have no idea of the musical perfection they have achieved. It is the simple, plain truth that with some of these instruments you can play a composition better than many pianists. This covers not merely the technique, but also the expression and coloring and the delicacy of touch—until recently but the hope of all makers, still just a hope with most of them. Visit any of our seven stores and try for yourself any one of these makes: The Euphonia Player-Piano, at \$495 to \$700; The Carola Inner-Player, at \$700 to \$850; The Apollo Piano, at \$650 to \$2200; The Angelus, at \$750 to \$1000.

The Wiley B. Allen Co. - ALL ARE SOLD ON VERY EASY TERMS. Morrison Street at Broadway, Portland. Sacramento, Los Angeles, San Francisco, San Jose, San Diego, Oakland.