

SENATE AND HOUSE DIFFER SHARPLY AS TO RAISING REVENUE

Taxes on Tea, Coffee, Newspapers and Theatre Tickets Show Contrasts.

INCOMES WILL PAY MORE

Increases to Make Up for Whiskey Tax to Come From Excess Profits, Postal Rates, Incomes.

(NOTE—This is the third of a series of articles on the house and senate revenue measures from The Journal's Washington Bureau.) Washington, July 14.—(WASH-INGTON BUREAU OF THE JOURNAL.)—Sharp difference in view as to the raising of war taxes is shown in a comparison of the provisions of house and senate bills in the sections dealing with postal rates, inheritances and import duties, which comprise the last half of the revenue bill. The changes made by the senate in income tax, excess profits, manufacturers' sales and other features have been pointed out in previous dispatches.

The senate bill, as reported by the committee on finance, but since withdrawn for revision in view of uncertainties connected with the liquor schedule, wiped out the house proposal for taxes on inheritances in its entirety.

Tea and Coffee Taxes. It likewise eliminated a blanket increase of 10 per cent ad valorem in the tariff schedule. The house tariff schedule also fixed a consumption tax on coffee and tea in the hands of the retailer, at one cent a pound for coffee and two cents for tea. For this the senate committee substituted a tax of two cents on coffee imported or produced, five cents on tea, three cents on cocoa and half a cent on sugar.

The house bill established a zone system conforming to the parcel post concept for second class mail, with rates gradually increasing by three successive steps until the maximum would be reached on March 1, 1918, and would then start at 15 cents per cent on net incomes exceeding \$1000 of publishers of newspapers, magazines and periodicals.

Senate Favors Flat Increase. The senate bill struck out all of this and substituted a flat increase of one fourth of a cent a pound on all mail matter of the second class, with five per cent on net incomes exceeding \$1000 of publishers of newspapers, magazines and periodicals.

The house bill provides for increase of letter postage to three cents in return for newspaper news, and the bill strikes out an increase of one cent on drop letters proposed by the house. A tax of one cent for each 10 cents of fraction of a cent for stamps for admission tickets to any place, with a flat rate of one cent for children, appears in both bills, the senate adding a tax for cabaret entertainments. The house bill makes an exemption where the price of admission is five cents, the senate extending this exemption to 25 cents in the case of moving picture shows.

Club Dues Exempted by Senate. The senate committee struck out a house provision for a 10 per cent tax on dues and membership fees of social sporting and athletic clubs. Stamp taxes imposed by the two bills vary in detail. The house bill practically reconstructs the stamp tax law of the Spanish-American war. The most important change of the senate bill is an addition of one cent for each 25 cents or fractional part thereof on parcel post packages, to be paid by consignee.

The house bill fixed a stamp tax of eight cents on each pack of playing cards. The senate bill graduates the tax downward, with a three cent rate for cards selling up to 15 cents, eight cents if sold for more than 15 cents at retail.

Collecting the Income Tax. The senate bill concludes with an elaborate revision of the methods to be followed in collecting the income tax, making it payable direct, instead of being deducted at the source, as under the present law. The house bill does not disturb the present method of collection.

While the doubt surrounding the liquor tax makes many changes possible in the final text of the senate

Fair Weather Next Week Is Prediction

Washington, July 14.—The weather bureau today issued the following forecast for next week: Region of the Great Lakes—Generally fair weather with nearly normal temperatures will prevail during the week. Plains states and upper and middle Mississippi valleys—The week will be one of generally fair weather with temperatures about the same as at present.

Rocky mountain and plateau region—The week will be one of generally fair weather with temperatures over the central and southern districts.

Pacific states—The week will be one of fair weather without any decided change in temperature.

PEACE OFFER IS EXPECTED FROM GERMANY SOON

(Continued From Page One)

and financial supporter of the senate powers there has been shown little disposition so far by those powers to reciprocate with the United States.

Observers Dealt Opportunists. Official reports now on file in the war and navy departments contain interesting information which indicates that up to the present at least the United States is not in full possession of the support which is most needed to make the American armies potent factors in the conflict.

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Requests for the models and drawings of the latest type of British and French aeroplanes and aeroplane engines, which admittedly are superior to anything obtainable in this country, have been ignored up to the present time. And all efforts to get possession of the French 75 patterns, the greatest weapon ever manufactured for offensive and defensive purposes, have failed.

In consequence the war department's ordnance experts are at present taking down two of these guns which have come into their possession and are trying to determine the recoil method which is the big asset of the gun.

Cause of Minor Friction. It is expected that eventually these matters will all be smoothed out, but they are a cause of minor friction at the present time. They have, however, served to emphasize the fact that when the peace councils come—and inevitably they must come—the United States will have to be ready to oppose selfishness on the part of other allies as well as efforts at aggression on the part of her enemies.

Officials here are very closely watching developments in Germany. There is no such disposition evinced here as in evidence in London to characterize the reform movement as a "pretense to win easy terms." On the other hand, the information reaching the state department indicates that the reform movement is real and that it is almost certain that the reform will result eventually in Prussia.

This will cause control there to pass from the junker element, although it is not expected that at present the chancellor will be made unwavering to the people. These preliminary reforms, however, officials here believe, eventually will result in a new deal in Germany which must inevitably make for peace.

Miss Varney Will Tell All

Boston, July 14.—Miss Harriet A. Varney, the former artist's model, indicted for the murder of Mrs. Pauline Keyes, announced today that she will lay bare every detail of her strange love affair with George H. Keyes, Boston real estate broker and husband of the dead woman, for six years she lived with Keyes at various times.

Postmaster Is Arrested

San Francisco, July 14.—(U. P.)—Accused of embezzling government funds, John Milton Sobbe, postmaster at Glen Ellen, Cal., was arrested early today by Deputy United States Marshal Bohm and brought to this city. He was arraigned before the United States commissioner and held to answer in \$1500 bail. Postoffice Inspector Madden, who swore to the complaint, accuses Sobbe of misappropriating \$1600 of the government funds.

bill, the increases, it is generally believed, will fall on incomes, excess profits, postal rates, and on beer and wine, if they survive.

TRAINING CAMP MEN TO TAKE EXAMS SOON FOR LIEUTENANCIES

About 10 Per Cent of Students at Presidio Reserve Camp to Be Recommended

The Presidio, San Francisco, July 14.—(U. P.)—Ten per cent of the total strength of the officers' training camp, men between 21 and 27 years of age, soon take their examinations for second lieutenantcies in the regular army, according to Colonel M. W. Rowell, in charge of the camp.

The candidates will take their physical examinations July 23 and that their only other examination will be in the form of a written examination for commission by the commanding officers of their company.

These successful officers will be given provisional second lieutenantcies in the regular establishment and will not be commissioned in the reserve, as will the other officers who are over the specified age for that grade.

Sixty-eight men at the camp received their commissions in the reserve Friday, of whom two were made captains, six first lieutenants and the remainder second lieutenants. Officers of the reserve corps of the army will be made happy through a decision of the comptroller of the treasury to allow them to receive pay across the continent it meant a considerable financial outlay. Now they are to get the regular mileage all officers beyond the limit of 40 miles, the same as officers get when they change stations.

Heretofore reserve corps officers called to active service had to pay their own transportation to first station, the most advanced being in Germany across the continent it meant a considerable financial outlay. Now they are to get the regular mileage all officers beyond the limit of 40 miles, the same as officers get when they change stations.

Sham Battle Held

San Francisco, July 14.—(U. P.)—The knoll west of the Presidio golf links was the scene of a sham battle. Overcome by superior numbers—250 to be exact—85 brave student officers have been forced to retire to "previously prepared positions" which they defended with great gallantry against sharp enemy attacks.

The capture was the chief result of yesterday's sham battle, staged by the military department as part of the training in actual fighting.

GEN. GOETHALS ANNOUNCES HIS BUILDING PLANS

(Continued From Page One)

ships under negotiation. General Goethals announced that he will continue to let contracts for all the wooden ships; "I can secure from responsible bidders."

In addition he will offer contracts for the building of two government-owned plants for the building of steel ships to produce 400 vessels of an aggregate tonnage of 1,500,000 within 18 months. The ships already contracted for aggregate a tonnage of 1,850,000 tons.

General Goethals also announced his program for building ships now being built for private parties, the total tonnage of which is more than 1,500,000 tons.

Details of Great Program

The program outlined by General Goethals in his letter to Chairman Denham is as follows: "Contracts for 348 wooden ships have been let or agreed upon, with a tonnage of 4,100,000 tons, at a cost of approximately \$117,000,000."

"In addition, I have under negotiation contracts for about 180 wooden ships. "Contracts for 77 steel ships have been let, or agreed upon, with a tonnage of 643,000 tons, at a cost of approximately \$101,660,358."

"There are thus provided 425 ships of all sorts, with an aggregate tonnage of 1,850,000, at a cost of approximately \$218,660,358. I shall continue to let all contracts for wooden ships (of design approved by the naval architect of the government) which can be secured from responsible bidders."

"My main reliance for getting the greatest amount of the most serviceable tonnage in the shortest time will be on the construction of fabricated steel ships of standard pattern. For that purpose I shall use, to some extent, the existing yards."

Contracts for Two Plants. "On Monday I shall offer contracts for the building of two plants (to be owned by the government) for the construction of fabricated steel ships, to produce 400 ships of an aggregate tonnage capacity of 2,500,000 tons within the next 18 to 24 months. For the building of these two yards and the construction of these ships, I shall offer, as compensation to the agents who undertake the work, a fee of approximately 6 per cent of the total cost of the work, with reward for savings in the cost of delivery. A provision will be made, for decreasing the fee to prevent unnecessary cost. The contracts will give the government the benefit of government-fixed commodity prices, and will provide for cessation of work at any time, so that the appropriation may not be exceeded."

Official Estimates Are Reached. This part of the program will take all but \$250,000,000 available, not absorbed by contracts made or making, as stated at the beginning of this letter. The program will more than redeem my promise to the congressional committee at the time the appropriation was asked for 3,000,000 tons of new construction within 18 months.

The additional contracts for wooden ships which I expect to place, together with the full number of fabricated steel ships which it is planned to build, will require more money than congress has authorized. When I know how much will be needed, it will be necessary to ask congress for further sums."

"On Monday I shall deliver to shipbuilders a general statement of the program which I have long been maturing for commanding ships under construction on private account (such ships having an aggregate tonnage

considerably in excess of 1,500,000 tons). "The essence of this program is to commandeer all such ships and expedite the construction by added labor and cutting out refinements."

Greatest Efficiency Is Kept. "By this federalizing of each yard, giving it regular orders, and putting it on a speed basis, we shall produce its greatest efficiency. As fast as the berths are cleared, each yard will be devoted to the construction of a single type of tonnage for which it is best suited. I count upon the complete co-operation of the yards."

"This program is made comprehensive because expedition cannot be obtained in a yard engaged partly on rush work and partly on pre-war schedule. My suggestion is satisfied that citizens of the United States and of our allies will pay the cost of expediting ships now building for them and take them off our hands."

If this policy is adopted, it will conserve our funds. "I agree that it is essential for the shipping board to requisition at once the new yards which are being constructed and ready to sail. I have no data to make an estimate as to how many of these ships there are, or how much they will cost, but I intend to purchase. I shall, therefore, cut my program to the extent of \$50,000,000. Please notify me whether this is enough."

"Each day's delay in summer—in commanding or contracting—means two days' loss of time in throwing the work into the winter. It is for that reason, I am urgent that the program start on Monday."

VON STEIN GOES OUT OF CABINET OTHERS FOLLOW

(Continued From Page One)

the main committee is still refusing to vote the 16,000,000,000 mark war credit sought by the government.

The "policy" question is in Germany continue to grow more menacing and complicated.

The crisis is being watched with the most intense interest by democratic circles in London and Paris, for it is believed that the longer it continues, the closer it will bring the German government to a realization of the inevitable.

Two Ministers Absent

Amsterdam, July 14.—(U. P.)—Carl Helfferich, secretary of state for the interior, and the Reichsminister of instruction, both of the Prussian ministry, are not attending meetings of that cabinet, according to the latest news from Berlin.

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DEPUTY SHERIFFS IN READINESS TO QUELL I. W. W. DISTURBANCES

Force Held at Seattle Awaiting Further Word From Skykomish on G. N.

Seattle, July 14.—(U. P.)—Deputy sheriffs are being held here today in readiness to rush to Skykomish, 75 miles east of Seattle, on the Great Northern railroad, where I. W. W.'s are reported mobbing.

"Deputy sheriffs already there telegraphed yesterday that hundreds of men, driven out by the breaking up of Eastern Washington 'Jungle' camps, were beating their way to Skykomish. Clashes are feared."

Strike at Aberdeen

Aberdeen, Wash., July 14.—A strike called by the I. W. W.'s last night is affecting all logging camps and shiplifts in this section and will eventually extend to the mills. It is estimated at noon that 1000 men in all camps have so far walked out. There has been no trouble.

Foreigners' Discharge Demanded

Piat River, Mo., July 14.—(U. P.)—Carrying a large American flag 1000 men today paraded the streets and patrolled the mines demanding the discharge of 2000 foreigners employed in the lead mines.

The mob has purchased all the ammunition in Flat River and adjoining towns and is said to be marching tonight of the outbreak which resulted in one dead and 30 injured. The sheriff says he tried to swear in deputies but all refused to serve.

Miners Postpone Strike

Jerome, Ariz., July 14.—(U. P.)—Patriotism won out here today and the International Union of Mill, Mine and Smelter Workers voted unanimously to postpone the strike until after the war. This was a direct snap at the I. W. W. Instead of voting to strike the miners decided to support the government's copper too badly to permit of further trouble.

Hogium Camps Close

Hogium, Wash., July 14.—(U. P.)—Two logging camps here shut down as a result of labor unrest on the harbor. Employers have refused to meet demands for higher wages.

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Blasbe Maintains Guards

Blasbe, Ariz., July 14.—(U. P.)—Armed guards, stationed in permanent camps today along the main railroads and highways outside Blasbe, are challenging and examining every person entering the district today as an actual demonstration of Blasbe's determination to keep deported I. W. W.'s from returning to this district. At very depot passengers alighting from trains are questioned.

Globe Strike Is Acute

Globe, Ariz., July 14.—(U. P.)—Disturbances similar to the wholesale demonstration of I. W. W.'s at Blasbe and Jerome seemed likely here and at Miami today as the strike situation, with 7000 men out, grows more acute. Some industrialists openly expressed the fear that the Loyalty league, which is being augmented by home guard members and deputy sheriffs, is considering ousting I. W. W. The county attorney has wired the sheriff at Globe advising that such action is likely.

Executives Discuss Situation

Moscow, Idaho, July 14.—(U. P.)—Governor Alexander, Lieutenant Governor Parker and Secretary of State Dougherty arrived in this city last night from Skykomish, where they are holding a conference today with the sheriffs of the 10 Northern Idaho counties and 10 Washington counties, to work out a plan of cooperation to deal with the mobbing in this section. They will also attend a mass meeting of the citizens of Latah county, at the courthouse, called to organize the Latah County Protective Association, for the protection of life, property and the rights of men to work.

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N. E. A. MEETINGS END AND DELEGATES BEGIN LEAVING FOR HOMES

Board of Directors Hold Session and Elect New Members to Fill Vacancies.

SECRETARY IS FINISHING

Bringing the fifty-fifth annual convention to a close, the board of directors of the association met this morning and elected new members to fill up vacancies in the National Council of Education which controls the destinies of the association. This is a body of 120 members elected for six years. Membership in it is considered an honor.

With the election this morning all business came to a close and by Monday morning Portland will be almost without visitors representing the association. Most of the officers leave this afternoon. Durand W. Springer, executive secretary, remaining to close up the business matters needing attention here.

Seaton Closes Office

J. W. Seaton, in charge of the publicity for the convention, closed his office in the Multnomah hotel and leaves today. Mr. Seaton was elected to the national council to succeed John Macdonald, deceased. Mr. Seaton is professor of journalism at the Kansas State Agricultural college at Manhattan, but will not teach next year, as he plans to do the final work for his doctor's degree at Columbia university.

Miners Postpone Strike

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Finland Would Be Free From Russia

Petrograd, July 14.—(U. P.)—The senate of Finland has passed to the second reading the resolution declaring independence of Russia. A third reading is all that is necessary to final passage.

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