

TAX FOR REVENUE NOW BIG PROBLEM BEFORE CONGRESS

Eighty Per Cent Tax Is Proposed
for Incomes of \$300,000, But
Wisdom of Move Questioned.

MUST FIND BOND BUYERS

Suggestion Made That Excess
Tax Be Lifted if Wealthy
Ones Invest Heavily in Bonds.

Washington, July 27.—(WASHINGTON BUREAU OF THE JOURNAL.)—Income taxes, beginning at 8 or 10 per cent and grading up to 80 per cent for incomes of more than \$300,000 or \$400,000, are receiving serious consideration at the hands of the house ways and means committee, where the new revenue bill is being framed.

There has also been discussion of lowering the present exemptions, but the majority sentiment appears to be against it. In recognition of the increased cost of living, it is urged that the \$1000 exemption allowed to unmarried persons and \$2000 for the married cannot fairly be reduced without endangering the ability of persons of small income to pay.

Burden May Prove Handicap
An excess profits tax up to 80 per cent is believed to be assured. The principal difficulty will be in arranging the exemptions before the tax is imposed, along with the definition of invested capital. Fear is expressed that the burden on business may be made too heavy, so that business will be checked and future collections made difficult, as well as slowing up the flow of money for later bond issues.

Another uncertainty is the tax on liquors. If the country is to go on a dry basis, as the war prohibitionists insist, this will cut off several hundred millions in revenue, which must be placed at some other point. It seems likely now that prohibition will win, but it may be modified so as to allow a period of grace before taking effect, and thus not greatly affect the revenue for the present fiscal year.

Members of the ways and means committee, as a rule, are still shy about imposing consumption taxes upon the necessities of food and clothing. They want to avoid such taxes if they can, they say, but are not sure they can, for \$4,000,000,000 looks bigger, instead of smaller, as they proceed with the discussion of how it is to be had. But there will be no sparing of the smoker or the gum chewer, or the person who takes a "pleasure drink," whether it be beer or mineral water.

Many Problems to Settle
Orchard owners have asked for consideration in taxing their profits. Apples, in particular, they have pointed out, require many years of care before there is any yield, unlike a factory, which is constructed within a few months and has many "crops" each year. They wish to be allowed a deduction which will take into account the long years of non-paying development.

So far the committee has reached no really definite conclusions and has given out little information. Usually revenue bills are framed by members of the party in power, and the minority on the ways and means committee is not invited to take part until the bill is practically ready to report.

This year it is different. All members of the committee, without regard to party, are helping with the bill, from the preliminary stages on up. This work will become more definite after the treasury department has had time to report in detail what different rates of tax upon incomes, excess profits and articles of a wide range would produce for the government.

It is expected that before the bill is finally reported there will be further brief hearings. This will be for the purpose of permitting experts and representatives of various industries to say what they believe would be the effect of rates which will then be pending in definite form.

VIEW AT BULL RUN HEADWORKS



—Photo by J. L. Brickler, Official City Photographer.
New screen house or headgates near Bull Run lake.

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Special Committee at Work
A special committee on financing the war of the Chamber of Commerce of the United States has made 11 recommendations, which are being submitted by a referendum vote to chambers of commerce throughout the country. This committee agrees with Secretary McAdoo that \$8,000,000,000 should be the tax goal.

"The heavier the taxes which are now imposed," it says, "the more rapidly can taxation be decreased after the war and the more advantageous the position of our country will be in that period of keen international commercial competition, when countries then bearing heavy burdens of taxation will be correspondingly handicapped. However favorable the ratio of our taxes to our expenditures compares with the ratios of other countries, in such countries as England the rates of tax are very considerably higher than our rates."

"Economy Bonds" Proposed
The committee further suggests to the business men that the excess profits tax should be increased to perhaps 80 per cent, instead of the present 60 per cent. Heavy taxes upon a few articles of wide consumption and upon a selected list of luxuries are proposed. Appropriate consumption taxes, it is suggested, would be 20 cents a pound on tea, 8 cents on coffee, 50 cents on tobacco and \$10 a barrel on beer.

"There is a three fold purpose in these taxes, argues the special committee re-

port. "The first obvious purpose is to secure revenue; the second is that taxes will result in less waste, by inducing more economical use of commodities thus taxed, with savings which can be invested in Liberty bonds; the third is to reduce the demand, so materials, equipment and labor may be turned toward more essential employment."

The committee also urges liberal allowances for amortization of capital invested in the war industries, under a plan which will permit readjustment to be made on a just basis in accordance with facts developed at the end of the war.

Germany Surrender Gladly to Belgians
Washington, July 27.—(I. N. S.)—Belgian patriots were extremely active in the Ypres salient on the nights of July 24 and 25, according to cables to the Belgian legation this afternoon. Some German officers and men were captured during the hand to hand fighting which passed from corps to corps along the line and forced the enemy to fall back with losses. The Germans expressed great satisfaction at being captured and told the Belgians that the Austrians with the German army were completely demoralized.

Warnings Issued to Aerial Trespassers
St. Louis, Mo., July 27.—Growers of wheat and corn within a radius of 45 miles of Scott field, Belleville, Ill., near here, have posted their farms, warning the army fliers not to land. When aviators effect a "forced landing" the machine usually drops into a wheat or corn field and shoots through it like a binder, cutting a path 100 feet long. Aviators tell the farmers the signs are too small to be seen from an altitude of 3000 feet, at which distance forced landings oftentimes start.

Two Americans in Hun Prison Camps
Washington, July 27.—(I. N. S.)—Two more Americans have been found to be held in German prison camps, the war department announced this afternoon. They are:

Captain A. H. Sewing, 2349 St. Louis avenue, St. Louis, and Second Lieutenant Walter M. Tenney, St. Albans, Vt. Sewing is held at Camp Villigen and Tenney at Camp Rastatt.

Greece and Italy Settle Old Question
Washington, July 27.—(I. N. S.)—Greek and Italian differences regarding the Balkans, long standing, have been settled completely, according to cables to the Italian embassy from Rome today. The differences have been settled on a nationality basis.

The cables also said that "peace negotiations between Russia and Finland will open in Berlin next week."

German Aviators Shot by Bolsheviks
Amsterdam, July 27.—(U. P.)—Bolshevik soldiers are reported to have captured, maltreated and then shot Lieutenant Nellesen and Lieutenant Burchardt, German military aviators, who were flying over Russian territory. Germany is said to have demanded the severest punishment of those responsible.

10,000 ACRE FEE OF WATER FORMS SUPPLY OF CITY

Chief Engineer Returns From Bull
Run Reserve, Where Examination
of Headworks Made.

65,000,000 IS DAILY FLOW

Though Amount Is 15,000,000 in
Excess of Maximum Demand,
Waste Should Not Result.

Ten thousand acre feet of water are available for use in Bull Run lake, the source of Portland's water supply, according to F. M. Randlett, chief engineer of the city water bureau, who has just returned from the magical mountain retreat.

This wonderful natural water reservoir, surrounded by dense forests and situated near the base of Mount Hood, is the wonder of all those who have seen it. Its charm never failing to captivate the senses of the beholders. Its dimensions of 8000 by 2000 feet, surface area, and depth reaching to 100 feet, give some idea of the source of pure water which is distributed to the homes and the factories of Portland through the system of conduits, head works and six city reservoirs.

Has No Outlet
"One of the remarkable features of this lake is that it has no visible outlet," said Engineer Randlett. "The outlets are all underground and drain into the Bull Run canyon, which is a natural filter. The flow through the Bull Run river gives the water perfect aeration."

"The original conduit is 42, 35 and 33 inches in diameter, and the new one is 52 and 44 inches in diameter. Both of these conduits are capable of bringing into the city 65,000,000 gallons of water daily. The maximum demand for water is about 50,000,000 gallons a day and the average is 25,000,000 gallons."

"The distributing reservoirs Nos. 1, 2, 3 and 4 are at Mount Tabor, and Nos. 5 and 6 are at Washington park. Crews of men are constantly on duty at the head gates, the watches being divided into three eight-hour shifts. Under the direction of John M. Mann, commissioner of public utilities, new improvements in the way of dams and barracks houses have recently been completed at the lake. A screenhouse has been built and double sluice gates clear away all gravel."

Caution Is Urged
Despite the wonderful water supply Portland has, Commissioner Mann and Chief Engineer Randlett urge precaution against undue waste, and special attention is called to the danger of forest fires in the watershed area. The timbered section surrounding Bull Run lake is always liable to be attacked by a disastrous fire similar to one of previous years which have swept the magnificent forested hills in that vicinity bare.

The great amount of pitch and other highly inflammable material in the woods constitute a dangerous menace in case a lighted match is dropped heedlessly. Extra precautions are being taken by forest guards, however, and every acre of the watershed is under the watchful eyes of the patrol especially during the summer months.

That Portland's water supply is in a class by itself is indicated by the statement of J. B. Lippincott, a construction engineer of note. He said: "Portland has probably the most completely protected watershed and possibly the most enviable water supply of any city in the United States."

History of Water Service
1857—First water supply Caruthers creek.
1861—Pump from river at Mill street.
1865—Committee of 15 named by the legislature. Colonel I. W. Smith, engineer.

1865—Talbot & Cunningham secured water rights on Bull Run river about 22 miles above its junction with the Sandy. Rights purchased by the city. Five hundred million gallons per day—average daily flow yearly.
1892—Construction of head works begun. Purchased Portland Water company (started 1862), \$646,551; 27 miles of mains, mostly 4-inch; Palestine hill station.

1897—Water rate was \$24 per annum, as against \$7.50 in 1917.
1894—Conduit No. 1, 22,000,000 gallons daily, 10 miles 42-inch, 8 miles 36-inch, 6 miles of 24-inch riveted steel, cost \$1,051,678. Four reservoirs, 1, 2, 3 and 4, 68,500,000 gallons capacity.
1910-11—Conduit No. 2, 41,224,121, 10 miles of 52-inch, 14 miles 44-inch, 45,000,000 gallons per day.
1909-10—Reservoirs Nos. 5 and 6, cost \$223,306. City area 65 square miles, 300,000 population; 740 miles of distribution mains, 1 to 30 inches.

1886—Population 40,000.
The present system is composed of the old east side water plant, McGuire, Portland Heights, Albina, Piedmont, Mount Tabor, Woodstock, Linnton and St. Johns, in addition to the Portland system.

Turks and Bulgars Reported Fighting
Rome, July 27.—(U. P.)—Hostilities have occurred between Turkish and Bulgarian forces along the Adrianople-Dedagatch railway, according to advices from Switzerland today.

DANCING
taught by professional instructors at DeFoney's beautiful academy, 22d and Washington. New classes for beginners start Tuesday and Thursday evenings this week. All dances taught in eight lessons—ladies \$4, gents \$5. The only school teaching the entire evening, 8 to 11. Every step and figure of all dances thoroughly taught. Separate step room and extra teachers for backward pupils. Plenty of practice. No embarrassment. You will meet refined people and are sure to learn correctly. One lesson from us is worth any other average school. Normal instructions for dancing teachers. Private lessons \$5 an hour. A full printed description of all modern dances given to all pupils free. War Stamps taken as money. Be sure to start this week. Call prices will advance in a few days. Call afternoons or evenings. Phone Main 7654. Circulars mailed. (Adv.)



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and a Bevy of Blonde Beauties in
DAD'S KNOCKOUT
A Comedy Gam in 2 Carats

SUNDAY NOON CONCERT 12:30-1:15
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ORGANIST

March—LIBERTY BELL... Sousa
(Requested)

ANDANTINO... Lemare
Intermezzo—NAILA... Delibes
LITTLE GRAY HOME IN THE WEST... Lohr
ECHOES FROM SCOTLAND... Pavimurt
(Requested)



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TALMADGE

IN
THE

SAFETY
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Puck—half child, half woman—adopted orphan of stage—thought "The Safety Curtain" would shut out her past—just as it shut out fire and smoke—but it didn't. The rest you see on our screen. A big story in every way worthy of the star. Eugene O'Brien is co-starred.

COLUMBIA BEACH



19,723 People
enjoyed the pleasures of

Columbia Beach

last Sunday. It's the big popular resort of Portland—the place where the crowds go. Bigger and better than ever and at its best right now.

Beach Bathing
Dancing

All Day Sunday and Every Evening

Skating

in the Big, Roomy Roller Skating Rink

EXCELLENT MUSIC BY PELZ
AND HIS ORCHESTRA

Wonderful New Attraction for Night Bathers—Revolving Rainbow Tower Throws Every Color of the Rainbow Over the Water and Beach.

COLUMBIA BEACH is the Picnickers' Paradise. Come Out Today and Bring Family and Friends.

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