

U. S. REJECTS PEACE OFFER

German Empire Not Now to Be Trusted, Says Wilson.

AMERICA DECLARES FOR A REAL PEACE

Object of War Is to Deliver World From Power Now Balked But Not Beaten —Permanent Peace Only Is Desire.

Washington, D. C.—President Wilson has rejected the Pope's peace proposals.

In a note dispatched Monday night and made public here Tuesday night the President says that, while every heart not blinded and hardened by the terrible war must be touched by the moving appeal of his holiness, it would be folly to take the path of peace he points out if it does not in fact lead to the goal he proposes.

To deal with such a power as the present rulers of Germany upon Pope Benedict's plan, declares the President, would involve a recuperation of the strength and renewal of the world domination of that power, now balked, but not defeated, after sweeping a continent with the blood of innocent women and children and the helpless poor, as well as of soldiers.

Permanent peace must be based upon the faith of all the peoples and upon justice and fairness and the common rights of mankind, he adds, and "we cannot take the word of the present rulers of Germany as a guarantee of anything that is to endure, unless explicitly supported by such conclusive evidence of the will and purpose of the German people themselves as the other peoples of the world would be justified in accepting."

The text of the President's note to the Pope follows:

To His Holiness, Benedictus XV., Pope:
In acknowledgment of the communication of Your Holiness to the belligerent peoples, dated August 1, 1917, the President of the United States requests me to transmit the following reply:
"Every heart that has not been blinded and hardened by this terrible war must be touched by this moving appeal of His Holiness the Pope, must feel the dignity and force of the humane and generous motives which prompted it and must fervently wish that we might take the path of peace he so persuasively points out. But it would be folly to take it if it does not in fact lead to the goal he proposes."

Stern Facts Govern.
"Our response must be based upon the stern facts and upon nothing else. It is not a mere cessation of arms he desires; it is a stable and enduring peace. This agony must not be gone through with again and it must be a matter of very sober judgment what will insure us against it."

"His Holiness, in substance, proposes that we return to the status quo ante bellum and that then there be a general condemnation, disarmament and a concert of nations, based upon an acceptance of the principle of arbitration; that by a similar concert freedom of the seas be established; and that the territorial claims of France and Italy, the perplexing problems of the Balkan States and the restitution of Poland be left to such conciliatory adjustments as may be possible in the new temper of such a peace, due regard being paid to the aspirations of the peoples whose political fortunes and affiliations will be involved."

Autocracy Is Condemned.
"It is manifest that no part of this programme can be successfully carried unless the restoration of the status quo ante bellum be a firm and satisfactory basis for it. The object of this war is to deliver the free peoples of the world from the menace and the actual power of a vast military establishment controlled by an irresponsible government which, having secretly planned to dominate the world, proceeded to carry the plan out without regard either to the sacred obligations of treaty or the long-established practices and long-cherished principles of international honor; which chose its own time for the war; delivered its blow fiercely and suddenly; stopped at no barrier either of law or of mercy; swept a whole continent within the tide of blood—not the blood of

"Command" is Used Again.
Petograd—Lieutenant General Korniloff, commander-in-chief of the Russian army, has issued orders for a resumption of strict training for all the military forces, the free time of the soldiers to be devoted to gymnastics, drills and games, and for a cessation of all discussions. "Henceforth the only language in the army is command." This is significant, in view of abolition of the use of the word "command" since the revolution.

soldiers only but the blood of innocent women and children also, and of the helpless poor, and now stands balked but not defeated, the enemy of four-fifths of the world.

"This power is not the German people. It is no business of ours how that great people came under its control, or submitted with temporary zest to the domination of its purpose, but it is our business to see to it that the history of the rest of the world is no longer left to its handling."

German's Word Doubtful.
"To deal with such a power by way of peace upon the plan proposed by His Holiness the Pope would, so far as we can see, involve a recuperation of its strength and a renewal of its policy; would make it necessary to create a hostile combination of nations against the German people, who are its instruments, and would result in abandoning the new-born Russia to the intrigue, the manifold subtle interference and the certain counter-revolution which would be attempted by all the malignant influences to which the German government has of late accustomed the world. Can peace be based upon a restitution of its power or upon any word of honor it could pledge in a treaty of settlement and accommodation?"

"Responsible statesmen must now everywhere see, if they never saw before, that no peace can rest securely upon political or economic restrictions meant to benefit some nations and cripple or embarrass others; upon vindictive action of any sort, or any kind of revenge or deliberate injury."

America Suffers Wrongs.
"The American people have suffered intolerable wrongs at the hands of the imperial German government, but they desire no reprisal upon the German people, who have themselves suffered all things in this war, which they did not choose. They believe that peace should rest upon the rights of peoples, not the rights of governments—the rights of peoples great or small, weak or powerful; their equal right to freedom and security and self-government and to a participation upon fair terms in the economic opportunities of the world—the German people, of course, included, if they will accept equality and not seek domination."

"The test, therefore, of every plan of peace is this:
Tests of Peace Listed.
"Is it based upon the faith of all the people involved or merely upon the word of an ambitious and intriguing government on the one hand and of a group of free peoples on the other? This is a test which goes to the root of the matter, and it is the test which must be applied."

"The purposes of the United States in this war are known to the whole world—to every people to whom the truth has been permitted to come. They do not need to be stated again. We seek no material advantage of any kind. We believe that the intolerable wrongs done by this war by furious and brutal power of the imperial German government ought to be repaired, but not at the expense of the sovereignty of any people—rather a vindication of the sovereignty both of those that are weak and those that are strong."

Damages Not Demanded.
"Punitive damages, the dismemberment of empires, the establishment of selfish and exclusive economic leagues, we deem inexpedient and in the end worse than futile and no proper basis for a peace of any kind, least of all for an enduring peace. That must be based upon justice and fairness and the common rights of mankind."

"We cannot take the word of the present rulers of Germany as a guarantee of anything that is to endure unless explicitly supported by such conclusive evidence of the will and purpose of the German people themselves as the other peoples of the world would be justified in accepting."
"Without such guarantees, treaties of settlement, agreements for disarmament, covenants to set up arbitration in the place of force, territorial adjustments, restitutions of small nations, if made with the German government, no man, no nation could now depend upon. We must await some new evidence of the purposes of the great peoples of the central powers. God grant it may be given soon and in a way to restore the confidence of all peoples everywhere in the faith of nations and the possibility of a covenanted peace."
"ROBERT LANSING,
"Secretary of State of the United States of America."

ADD MILLIONS TO INCOME TAX

Washington, D. C.—After protracted debate in which many senators urged heavier levies on incomes and war profits in the war tax bill, the senate Thursday tentatively adopted Senator Gerry's amendment which would add \$40,375,000 by greatly increasing surtaxes on incomes exceeding \$500,000.

On a test vote for elimination of the so-called Lenroot amendment made in the house providing 25 per cent increase in surtax rates on incomes exceeding \$50,000 and raising about \$66,000,000 in revenue, the senate voted 35 to 32 against their elimination by the finance committee.

Under the Gerry amendment the total tax levy on all millionaires' incomes, including the present law, would be 67 per cent. With the Gerry amendment the bill would aggregate \$2,035,000,000, with several amendments by Senator La Follette pending for further increases in the income tax rates. The Gerry amendment was adopted without a dissenting vote.

Jam Made for Soldiers.
Tacoma, Wash.—The government's first contract for blackberry jam, to be given to the Puyallup and Sumner Fruitgrowers' association, was filled Wednesday. It consisted of 3500 cans to be distributed among the forts of the Northwest. That the government will follow England's example and supply jam to its soldiers is indicated by the fact that the cannery has just filed bids for 120,000 cans with the quartermaster department in Seattle.

WORLD HAPPENINGS OF CURRENT WEEK

Brief Resume Most Important Daily News Items.

COMPILED FOR YOU

Events of Noted People, Governments and Pacific Northwest and Other Things Worth Knowing.

The Dutch minister of agriculture has decided that the bread ration of 2800 grams per head must suffice for 11 days after September 2.

Eight slackers from Tacoma and other Southwest Washington towns were sentenced to jail by Federal Judge Cushman, and one was remanded for trial.

An order for 1,000,000 khaki pocket testaments for American soldiers and sailors has been placed by the National War Work Council of the Y. M. C. A. with the American Bible society.

Choice beefs sold in Chicago at the Union Stockyards Tuesday at \$16.30, a new high-price record for cattle on the hoof. The new figure was 80 cents higher than the record price established last week.

Sheriff Boone Gosney, of Campbell county, and Mayor A. J. Livingston, of Newport, Ky., were indicted Wednesday, charged with non-feasance in office. The indictments followed a crusade against gambling.

The Argentine minister to Germany, in a cablegram received at the foreign office, says he expects within a short time to receive Germany's reply to Argentina's demands regarding attacks on Argentine vessels by submarines.

Results of the heavy fighting on the Canadian front are reflected at Ottawa, Ont., in the casualty lists, totaling over 1000 for the week-end. The noon list Tuesday numbered 327, of whom 19 were killed in action and 33 died of wounds.

Trial of Frank C. Oxman, of Durkee, Or., accused of attempted subornation of perjury in connection with the bomb murder trial of Thomas J. Mooney, was set by Superior Judge Frank H. Dunne, of San Francisco, for September 5.

Ten American regiments will carry in France flags presented by descendants of French officers who fought in the American war of independence. Ambassador Jusserand has transmitted this offer to the secretary of war, who said it would be accepted gladly.

One hundred and fifty-two cadets of the class of 1918 will be graduated at the West Point military academy Thursday morning. This is the second time within five months that West Point has sent out a class of newly-made officers for the army. The class of 1917 was graduated in April last.

Seventeen Mexicans, captured by General Pershing's punitive expedition in Mexico and accused of participation in the Villa raid on Columbus, N. M., pleaded guilty to second degree murder before District Judge R. R. Ryan, at Deming, N. M., Wednesday and were sentenced to serve from 17 to 80 years in the New Mexico penitentiary.

Word from Paris says Walter Lovell, of the Lafayette flying squadron, has shot down a German airplane. He probably will receive the war cross.

Bohemian papers announce that Austrian churches have been notified that all organ pipes in all churches of the monarchy will soon be requisitioned to fill the needs of war industries.

The relief sailing steamer Neptune, commanded by Captain Robert Bartlett, bringing some of the members of the McMillan Arctic exploring party from Greenland, is off the coast of Labrador.

The San Francisco Iron Trades council, representing 25,000 men, voted to call a strike Labor day in sympathy with striking car men of the United Railroads unless the differences between men and the company are settled before that date.

According to Die Morgen Post, of Berlin, the police in Germany intend to prohibit smoking in the streets, in view of the decline of tobacco stocks. The prohibition will be extended to the whole of Germany.

Instructions to intern Karl Arma-gaard Graves, self-styled international spy, were received at Kansas City Saturday from Washington. Graves was arrested last week as an enemy alien whose freedom threatened the security of the country.

ONE YEAR'S COST HIGH

War Expense Will Reach 20 Billions; Extra Two Billion Asked as Mar- gin—Allies Get 7 Billions.

Washington, D. C.—Two billion dollars may be added to the total of bond to be authorized at the present session of congress, making a total of approximately \$21,000,000,000 available to the government during the fiscal year ending June 30, 1918.

Democratic Leader Kitchin said Tuesday night that estimates submitted to him by the Treasury department made it appear that the additional authorization probably would be necessary.

Present indications, according to Mr. Kitchin, are that \$19,000,000,000 will meet the expenses of the fiscal year, but it is thought best to have a \$2,000,000,000 margin for emergencies.

"It now seems probable," he said, "that the total amount of money needed for the fiscal year will be about \$19,000,000,000. This estimate covers about \$7,000,000,000 for loans to the allies, \$3,000,000,000 of which already has been provided; \$1,300,000,000 for current expenses, exclusive of war, leaving about \$10,000,000,000 for war expenses. Included in the war estimate is \$176,000,000 for the new insurance bill and \$1,000,000,000 for the shipping board."

Approximately \$11,000,000,000 of the foregoing amounts are included in the bond and certificate bill which the ways and means committee has begun to consider. The bill would authorize \$7,000,000,000 for allied loans, \$3,000,000,000 to be used in refunding 34 per cent bonds already authorized; \$2,000,000,000 in war certificates and \$2,000,000,000 in war savings certificates.

No attempt will be made, Mr. Kitchin believes, to add the newly suggested \$2,000,000,000 issue to the bill now before the committee. It will come in as a separate measure, if at all.

Several members have indicated that they would oppose Secretary McAdoo's plan of taxing the bonds. There was no indication, however, of opposition to the general terms of the bill, and both Democratic and Republican committeemen are expected to support it once it reaches the floor.

SETTLERS FLEE FROM FIRES

Washington and Montana Towns Are Menaced by Flames.

Forest fires were threatening Washington towns and sweeping through the woods of Montana at a tremendous rate, driving homesteaders and crews of fighters before them, according to reports that reached the outside Tuesday from the fire-infested districts.

Wind that suddenly came up Monday threatened to fan 100 Montana fires into blazing fury proved not to be general and summer resorts probably will be saved. Settlers in many districts, however, were driven from their homes by the onrushing flames.

Ione, Wash., which Sunday night seemed to be on the verge of destruction, is reported reasonably safe unless a high wind arises and drives the fires across the river into the town. Bay-view, however, is in the path of the fires and crews are working diligently to save the town. More men were called to fight the flames.

Crews were helpless before fires that swept through the holdings of the West Side Logging company in Eastern Lewis county, Washington, and burned several sections. The government may be asked to postpone the opening of the hunting season as a result of the fires.

BIG FIRE AT COTTAGE GROVE

Sawmill is Burned, Roundhouse Lost and City Menaced—Loss \$150,000.

Cottage Grove, Ore.—Fire, which for a time threatened to sweep through the city, Monday night, destroyed the plant of the Brown Lumber company, the roundhouse of the Oregon, Pacific & Eastern railroad, burned much lumber in the yards and endangered a large number of surrounding plants. The loss is placed at more than \$150,000.

Incendiarism was suspected by the fire chief because of the sudden destruction of the company's property, the entire plant being in flames in two minutes after the blaze was discovered at 7 o'clock.

Feed lines running into the city were melted by the fire and the city for a long time was in darkness, except for the light of the flames.

Airplane Cost Cut in Half.

Washington, D. C.—Manufacture of aircraft in great numbers under the aircraft production board, it was learned Tuesday, has reduced the cost of airplanes one-half, with the probability that the cost price to the government eventually will be about one-third of the normal cost. In addition, it was announced authoritatively that satisfactory progress was being made with actual construction, insuring a continuous supply.

EXEMPTION RULES SLIGHTLY CHANGED

President Wilson Favors Relief of Married Men.

FEW MEN GO SEPT. 5

Five Per Cent of Quota Instead of 20 Will Make First Increment of Army—Camps to be Ready.

Washington, D. C.—At the direct suggestion of President Wilson, Provost Marshal General Crowder telegraphed to all governors Saturday night a supplemental explanation of regulations governing the status of married men under the selective service law. No change in regulations is made and the purpose of the new statement is to clear up misunderstandings which have arisen in what General Crowder described as "a few instances."

In a letter to Secretary Baker, quoted by General Crowder, President Wilson states his opinion that the regulations directing local boards "to establish the fact of dependents in addition to the fact of marriage ought not to be abrogated." This leaves the regulations as they are and the supplemental statement is designed merely to make the application of the rule uniform among all boards.

While the statement regarding married men was in preparation new orders were issued changing entirely the mobilization arrangements previously made. Under the new orders 5 per cent of the drafted men, preferably those with military experience, from each local area will be started forward to the camps September 5, instead of 30 per cent. They will go in five daily detachments of equal size and form skeleton company organizations and set up a going concern into which the remainder of the total quota can be absorbed without confusion as they reach the cantonments.

The next 40 per cent of the quota will go forward September 19, when the second 30 per cent originally was scheduled to go; a second 40 per cent will go forward October 3 instead of the third 30 per cent, and the remaining 15 per cent will be called up as soon thereafter as practicable.

Local boards are directed to disregard order of liability numbers to some extent in selecting the first 5 per cent, as men of experience, such as cooks and former soldiers are desired at that time.

Warning is given, however, against getting into this levy by reason of his experience any man who might not otherwise have been included in the first increment of the district at all.

WATCH FORMER SECRETARY

Isaac McBride is Being Shadowed by Department of Justice.

Washington, D. C.—Isaac McBride, son-in-law of the late Senator Lane and for several years his private secretary, is being shadowed by agents of the department of Justice because of his activity as an agent of the People's Peace Council, scheduled to hold a peace convention at Minneapolis September 2 to 5.

McBride has been actively working for this association in Washington for several weeks, and it was for this society that he arranged the recent meeting of senators in Senator Chamberlain's room at the Capitol, during which the administration and its war policy were severely denounced.

McBride is planning to leave for Minneapolis Wednesday, unless the department of Justice interferes, and at the convention expects to take an active part. He says the people will insist that the administration set forth fully and convincingly why the United States is in the European war and that his society will not desist in its demands until its questions are answered. McBride in the past has had I. W. W. and Socialistic affiliations, and before entering Senator Lane's employ, was a public speaker in the cause to which he is committed.

Corvallis Has Firebug.

Corvallis, Ore.—Corvallis is convinced that the city is infested with a firebug, and want the city officials to offer a reward for his capture. In the past year there have been 15 fires which the fire chief is convinced were of incendiary origin.

Nearly all of them have been in vacant houses, and the smell of coal oil has been a prominent feature. The 15th one occurred Saturday night, making the second in one week.