



HAIG CAPTURES DOMINATING HEIGHTS; GAINS MORE THAN MILE ON 9-MILE FRONT

"JOKER" IN WAR TAX ACT LEVIES EXTRA 8 PER CENT. ON ALL INCOMES ABOVE \$6,000

Clause Secretly Inserted Adds Heavily to Taxes on Individual Earnings.

PENALTY PUT ON BRAINS

Aimed at Professional Men Who Get Big Fees, but Also Hits Salaried Worker.

WASHINGTON, Oct. 4.—It has been discovered that the new War Tax Bill, which levies a heavy increase in tax on incomes over \$6,000, imposes in addition a tax of 8 per cent. on all persons whose income is over \$6,000 and who are engaged in a "business or trade having no invested capital or not more than a nominal invested capital."

This tax hits doctors, lawyers and professional men and women generally—in fact, it reaches everybody who, by the exercise of unusual talent or energy, has succeeded, without the aid of capital, in building up an income of over \$6,000 a year.

The section imposing the tax is plainly a "joker." It was adopted in a secret session of the conference committees of the Senate and the House, and reads as follows:

Sec. 209. That, in addition to the taxes imposed by existing law and by this act, in case of a business or trade having no invested capital or not more than a nominal invested capital, there shall be levied, assessed and paid in lieu of the tax imposed by this title (the excess war profits tax on corporations), a tax of 8 per cent. of the net income only of such business or trade, in excess of \$3,000 in case of a corporation and \$6,000 in case of a partnership or individual.

WUXTRY! Hylan IS MISSING; MURPHY HASN'T SEEN HIM

Tammany Boss, However, Expects Judge to Speak To-Night—Cohalan "Out of Politics."

Judge Hylan, Democratic nominee for Mayor, failed again to-day to keep an appointment made by his campaign managers for him to meet newspaper reporters at noon in the headquarters at No. 50 East Forty-second Street.

At Tammany Hall Charles F. Murphy sat behind his desk and received long lines of district leaders. "You've got nothing on me," he said to the newspapermen who asked his help in finding Hylan.

Murphy was asked whether Justice Daniel F. Cohalan, whose name appeared in the Bernstorff correspondence, has any relations with himself or the Tammany organization. "I think," was the Chief's reply, "that he is not a member of the General Committee and I know that he has not been active in politics since he was on the bench six years ago."

RESERVE BOARD FINDS BUSINESS GOOD HERE

'Thoroughly Satisfactory' Throughout the Country, Is Monthly Report.

WASHINGTON, Oct. 4.—General business conditions throughout the country are "thoroughly satisfactory," the Federal Reserve Board announced in its monthly official bulletin made public to-day.

\$122,088,700 NOW NEW YORK'S TOTAL FOR LIBERTY LOAN

Seven Concerns Subscribe More Than \$1,000,000 Each—\$5,000,000 From Buffalo.

The fourth day of the Second Liberty Loan campaign found the New York district with total subscriptions of \$122,088,700 to its credit, this splendid showing evidencing the determination of the district to raise the \$1,500,000,000 allotted to it by the managers of the \$5,000,000,000 loan.

To-day's big contributions were as follows: Marine National Bank of Buffalo, \$5,000,000; Hayden, Stone & Co., \$3,000,000 in subscriptions for itself and other concerns; Utah Copper Company, \$3,000,000; Nevada Consolidated Copper Company, \$1,000,000; Chino Copper Company, \$1,000,000; Ray Consolidated Company, \$1,000,000; Atlantic Gulf and West India Steamship Company, \$1,000,000. The five latter subscriptions also came through Hayden, Stone & Co.

The figures made public to-day by those in charge of the loan in this district are admittedly conservative, the managers of the undertaking not wanting to issue any statement that might make for overconfidence. It is not denied by those handling the biggest financial job in the history of the country that the real total, official and unofficial, would be many millions more than the sum announced.

The statistics are buried under the avalanche of applications pouring in hourly from all over the district. When it is learned that they receive reports daily from more than 1,000 banks the extent of their task will be realized.

Subscriptions are classed as official and unofficial, the former representing applications for the bonds which have actually been filed with the Federal Reserve Bank, the latter those that are announced by the Liberty Loan Committee that have not yet reached the Federal Bank.

The total received at the Federal Reserve Bank to-day was \$65,088,700. The estimate of subscriptions as yet in the unofficial class was placed at about \$57,000,000, a figure which, as has been noted, is believed to be away below the real amount.

Since Sunday night, when New York received its first blanket of posters, hundreds of thousands of these inspiring lithographs have been hung throughout the district. By the end of the week it will be practically impossible for New Yorkers to go any place where they will not be met by a printed personal appeal to buy the new bonds.

Supplementing the most elaborate poster campaign in the history of the country, and the exhortations to buy the bonds that will come from pulpits, stages, department stores, railroad terminals and public dining places, will be the house to house canvassers.

Street booths for the sale of the bonds were opened yesterday in City Hall plaza and at Fifth Avenue and Forty-second Street. Similar booths will be opened in Madison and Union Squares. Bands of boy musicians will be stationed at these places to draw the crowds and then the bond salesmen will get busy.

Westchester County expects to make an even better showing than in

BOLO'S BANKER PRODUCES BERLIN ORDERS TO FURNISH \$1,700,000 TO BERNSTORFF

Wireless Messages for Payments to "Charles Gledhill" Shown at Hearing.

Confirmation of the financial transactions of Bolo Pasha, now under arrest in Paris, with the German Government while in this country, was given by Hugo Schmidt, Germany's financial agent here, at a hearing before State's Attorney General Merton E. Lewis in the Murray Hill Hotel to-day.

Mr. Schmidt produced communications sent by wireless via Sayville, between himself and the Deutsche Bank in Berlin covering the payment of \$1,700,000 in various sums to Ambassador von Bernstorff which agree with the various sums transferred to France through G. Amadick & Company of No. 6 and 8 Hanover Square, this city, the Royal Bank of Canada, and J. P. Morgan & Company, in accordance with arrangements made by Bolo Pasha.

Mr. Schmidt, in his testimony, admitted the transfer of the funds, but declared that he simply acted as agent for the Deutsche Bank in Berlin and knew nothing about the purpose.

Assistant Attorney General Alfred L. Becker, who is asking Attorney General Lewis, says that the proceedings in which Bolo Pasha figured comprised simply a transfer of the \$1,700,000 from Berlin to France via New York. Perley Morse, who is working on the case for the Attorney General, points out that the transfer of the funds was accomplished by means of cashier checks between banks in such a way that the banks did not know to whom the funds belonged nor for what purpose they were transferred.

On Nov. 24, 1914, the Guaranty Trust Company in this city was authorized to disburse money of the Deutsche Bank on deposit here. The Deutsche Bank had no branch in New York, but used the Guaranty Trust Company and the National Park Bank as depositories. Schmidt was simply the German bank's financial agent.

BERNSTORFF WAS "CHARLES GLEDHILL" IN CODE.

Early in March last year Mr. Schmidt was requested by Count von Bernstorff to enable his principals to authority to turn over money to him and on March 6, 1916, Mr. Schmidt sent a wireless message via Sayville to the Deutsche Bank in Berlin as follows:

"Communicate with William Foxley and telegraph whether he has placed money at my disposal with you for Charles Gledhill."

William Foxley, Mr. Schmidt testified at the hearing to-day, was the code word designating the German Foreign Office, and Charles Gledhill designated Ambassador Bernstorff. On March 13 Mr. Schmidt received the following reply:

"Reply your cable about Charles Gledhill. Fred Hoover will receive money for our account. You may disburse according our letter November 24, 1914, to Fred Hoover."

Fred Hoover, Mr. Schmidt explained, was the designation used for the Guaranty Trust Company. On the same day, March 13, Mr. Schmidt wirelessly to the Deutsche Bank:

"Your wireless received. Paid Charles Gledhill \$500 through Fred Hoover. Gledhill requires further \$1,100."

TREASON CHARGED TO MALVY BEFORE FRENCH DEPUTIES

Chamber in Uproar as Premier Reads Assertion ex-Minister Aided Germans.

PARIS, Oct. 4.—The Chamber of Deputies assembled to-day and decided to take up immediately discussion of the case of Bolo Pasha, arrested on the charge of having conducted German propaganda in France. Louis J. Malvy, former Minister of the Interior, who resigned on account of press attacks against him in connection with exposures of German intrigues, said:

"The President of the Republic has received a letter from Leon Daudet (leader of the Royalist Association and editor of L'Action Francaise). This letter, reciting infamous calumnies against me, has been transmitted to the Premier, who has communicated it to me. I cannot accept this letter in silence."

Prefer Painleve interrupted him saying: "The accusations against M. Malvy are very grave. He is accused of having betrayed secrets to Germany during three years."

There were loud cries from all parts of the chamber. In a voice which rose above the tumult the Premier continued: "M. Malvy is accused of having wished to enter the war council to deliver to the German command the plan of attack upon the Chemin-des-Dames. M. Daudet declared that the Surete Generale (political police attached to the Ministry of the Interior) was in the troubles of May."

"The letter! The letter!" was shouted from all parts of the chamber. "I will obey the will of the House," said the Premier, "but I must say that this letter is not addressed to me. In it M. Daudet affirms that with regard to M. Malvy and M. Leymarie (former head of the Surete Generale), the proofs of treason are superabundant. The letter cites two accusations, one concerning the attack on the Chemin-des-Dames, the other regarding the troubles in May. It is essential, the letter says, to deliver M. Malvy immediately to military justice."

FRENCH REPRISAL RAIDS ON TWO GERMAN CITIES

Aviators Drop Bombs on Frankfurt Again and Also on Rastatt.

PARIS, Oct. 4.—Another aerial raid over Germany was made last night by French aviators, as told in the following official statement: "In reprisal for the bombardment of Paris by our aviators on May 11, it is essential, the letter says, to deliver M. Malvy immediately to military justice."

PROMOTION FOR PERSHING.

Bill Also Created General in Bill to Be Rushed Through.

WASHINGTON, Oct. 4.—An Administration Bill creating two Generals in the Army—to provide promotions for Major Gen. Pershing and Major Gen. Bliss (chief of staff)—and a number of Lieutenant Generals, was introduced to-day in the Senate.

It is planned to rush it through Congress before adjournment.

HOUSE TO EXPEL HEFLIN OR THOSE HE HAS ACCUSED

Inquiry Resolution Demanding It Adopted and Investigators Named.

WASHINGTON, Oct. 4.—Investigation of Representative Hefflin's charges of disloyalty against certain members of the House was ordered this afternoon. A resolution introduced by Representative Stephens, Mississippi, was adopted viva voce. Only two or three voices were heard in opposition to it while a heavy chorus of "ayes" demanded adoption.

Members were chary about sitting as a court of trial on their colleague. Almost as fast as Speaker Clark could name them, they resigned. Finally these five men consented to serve:

Barnhart, Indiana, Chairman, Venable, Mississippi; Dewalt, Pennsylvania; Longworth, Ohio, and Walsh, Massachusetts.

The committee was directed to report before adjournment. Evidently surprised at the unexpected turn of events, Representative Hefflin arose and asked to make a statement. But Stephens demanded the previous question and Hefflin's request was defeated overwhelmingly.

Hefflin then asked if he would be allowed to subpoena witnesses before the investigating committee. Speaker Clark replied he could subpoena as many as he wished.

Stephens said frankly that his purpose is the expulsion of Hefflin if the latter is unable to substantiate his allegations.

"Somebody ought to leave this House," said Stephens. "If the charges and the insinuations of Hefflin can be shown to have backing, the accused should be expelled."

"If Hefflin is shown to have slandered without basis his colleagues he should be expelled from the House. This investigating will afford an opportunity for the full truth to come out."

Stephens said he had informed Hefflin yesterday that he intended to put in his resolution to-day, so that the Alabama might be on the floor when it happened.

170,000 WORKERS GIVEN VOLUNTARY PAY INCREASE

All Branches of Brewers' Industry and Woolen and Cotton Mills Affected.

ATLANTIC CITY, Oct. 4.—The United States Brewers' Association to-day decided to increase the wages of employees in all branches of the industry. Approximately 170,000 workmen will benefit.

The increase, it was stated, becomes operative within a few weeks and will approximate existing wage contracts. The increase will be adjusted on a basis of consideration and justice, according to the resolution adopted.

GERMANS FIGHT DESPERATELY, BUT FAIL TO HOLD BRITISH IN BIGGEST FLANDERS DRIVE

London Officially Announces Success Which Gives Them Control of Passchendaele-Gheluvelt Ridge—Several Towns Taken.

LONDON, Oct. 4.—In their offensive in the Ypres sector the British gained all their objectives on a front of 16,000 yards and to a depth of 2,500 yards, Gen. Frederick B. Maurice, Chief Director of Military Operations at the War Office, announced to-day.

Both the first and second objectives on the Passchendaele-Gheluvelt Ridge have been captured by the British. Broodseinde is among the villages taken to-day.

[Gen. Maurice's statement indicates to-day's drive is perhaps the greatest of all the offensive blows yet aimed at the German lines.]

[Sixteen thousand yards would mean a battle front of more than nine miles. A penetration of 2,500 yards would mean more than a mile gain into the German hold territory by the British forces.]

[Broodseinde is about half a mile beyond Zonnebeke, almost in the center of the great Ypres sector. It lies slightly below the Ypres-Roulers railroad, along which Haig has by his three last offensive blows been steadily advancing toward the main German line of communications on the Belgian coast.]

[Presumably the nine mile front runs almost along the line of where Haig last struck, approximately from Langemark to the Comines Canal around Hollebeke.]

Earlier in the day the War Office announced the beginning of the drive and said Gen. Haig reported "satisfactory progress."

[The battle of Flanders is growing more and more to resemble last year's battle of the Somme, which was followed by the memorable Hindenburg "strategic retreat." The same general tactics now being pursued of persistent driving at the

BRITISH OVERRUN HEIGHTS AT BEGINNING OF DRIVE

First Objectives Quickly Taken and German Soldiers Surrender by the Hundreds to the Victors.

BRITISH FRONT IN FLANDERS AND BELGIUM. Oct. 4 (by the Associated Press).—Field Marshal Haig's forces in an offensive begun to-day in the Ypres sector in some places have penetrated the German lines to a depth of one mile and have overrun the crest of the Passchendaele-Gheluvelt Ridge.

Passchendaele is a little to the southeast of Langemark, captured by the British two weeks ago. Gheluvelt is seven miles farther south. The ridge between the two points, the crest of which was overrun in to-day's drive, is said to dominate a great extent of low lands now occupied by the Germans.]

At an early hour the Germans were surrendering by hundreds. The British already have penetrated well beyond the hamlet of Broodseinde, in which lies the

British Have Taken 72,515 Men, 470 Guns in Last Nine Months

LONDON, Oct. 4.—"In the nine months ending Sept. 30," Gen. Maurice said to-day, "the British on the west front captured 51,405 men, 332 field heavy guns, and lost 15,945 men and no guns. "In all theatres of the war the British captured 72,515 men and 470 guns and lost 15,945 men and no guns."

RACING RESULTS, Page 2 ENTRIES, Page 7