

MAY CUT TAX ON CORPORATIONS

TALKS AMONG SENATORS OF REDUCING PER CENT OF LEVY ONE-HALF.

NO OTHER CHANGES ALLOWED

Taft Wants Revenues Bolstered From Start.—Senator Aldrich's Scheme to Allow Deficit to Disappear Gradually Is Opposed.

Washington, June 30.—The amendment providing for a tax on the net earnings of corporations will not be amended on the floor of the senate if the plans of the leaders are carried out, but it is entirely possible that the rate of 2 per cent may be decreased in conference, provided the president approves such decrease.

In all discussion of the proposed tax, 2 per cent has been used as a matter of convenience, although there has never been any determination to fix the tax at that percentage.

When the conferees have completed their work on the schedules they will be in a position to determine with considerable accuracy the revenue to be expected from the custom duties, and the estimates of the revenue from the corporation tax also will be before them. If the two combined yield only sufficient to carry on the government, there will be no change, but if it is apparent that a tax of 1 1/4 or 1 1/2, or even 1 per cent will be ample to supplement the customs receipts, the reduction of the rate will be made.

Confusion Over Revenues.

Regarding this question of revenue there has been some confusion of ideas.

Senator Aldrich has been repeatedly quoted as saying that the tariff bill, as reported to the senate, would produce all the revenue necessary to carry on the government, but Aldrich qualified his statement by saying that probably for two years there would be a steadily diminishing deficit, after which the surplus would be ample to make up the previous shortage. In the opinion of the president and many members of congress, not only are Mr. Aldrich's calculations extremely optimistic, but it is unwise deliberately to enact a revenue measure which will result in a deficit for the first two years, even if that deficit should be wiped out later. That is one reason why the president considers some form of special taxation highly important. In their estimates of the revenue, which the bill should produce, the conferees will be guided by the view of the president that the bill should produce ample revenue to meet all expenses the first year after its enactment.

Scrutinize Clapp Amendment.

The leaders explain that their purpose in resisting all amendments to the amendment is to avoid any possibility of rendering its unconstitutional. The amendment as introduced has been approved by the president, the attorney general and the secretary of state. Under these circumstances, the senate leaders entertain no doubt whatever regarding the constitutionality of the amendment, and they declare that they purpose to take no chances endangering it by changing its provisions.

OPPOSE CORPORATION TAX.

Minneapolis Commercial Club Say Plan is Unconstitutional.

Minneapolis, June 29.—The board of directors of the Minneapolis Commercial Club has gone on record in opposition to the corporation tax plan which President Taft has fathered in its present form. The following resolution was offered and met unanimous adoption.

"Resolved, that while we approve the principles embodied in the proposed legislation to tax the earnings of corporations we do protest against the plan to apply it to corporations only, as this clearly is class legislation and unconstitutional."

Senator Knute Nelson and Senator Moses E. Clapp will receive a copy of the resolution by wire and the Minnesota representatives in congress will be made acquainted with sentiment here, as reflected in the personnel of the Commercial club's board of directors.

R. F. D. Expansion.

Washington, June 29.—Rural carriers have been appointed as follows: Iowa—At Grinnell, Route 5, Claybourn B. Chambers, carrier; Anna Selle, substitute.

Montana—At Missoula, Route 2, Harry E. Steson, carrier; Frank Hughes, substitute.

Wisconsin—Shawano, Route 2, Adolph G. Tama, carrier; Etta M. Tama, substitute.

LUMBER TRUST IS SPOTTED

GOVERNMENT OFFICIALS THINK THEY HAVE A CLEW TO COMBINE.

Presence of "Gentlemen's Agreement" Is Determined Anyway.—Identical Price Lists One Evidence—Searching for Leaders.

Washington, June 28.—Government officials concerned in the hunt which has been going on for a year or two for the head and front of the lumber trust, are understood to be confident that they are at last on the right trail. Commissioner Herbert Knox Smith, of the bureau of corporations, will not discuss the rumor that has been current here for several days that his investigators have succeeded in fixing the responsibility for the control of lumber prices and lumber operations.

The government authorities actually do believe, however, that they have established facts as to the lumber industry which indicate beyond question the presence of a general understanding and which tend to fix definitely the leadership and controlling forces in that "gentlemen's agreement."

Since the opening of the tariff debates on lumber, the lumber representatives on the floor of both houses have insisted determinedly that there is no trust, never has been a trust, and by the nature of things could not be a trust in the lumber business. Against these assertions Senator Nelson and other members of congress have presented identical price lists of lumber companies situated in widely separated sections of the country, showing that price lists had been printed in St. Louis for lumber companies in many sections.

Whether the facts brought out in the lumber tariff debates have helped the bureau of corporations is not known. Neither is any intimation given as to whether the alleged proof of a lumber trust leads up to the identification as its heads of such men as Frederick Weyerhaeuser, Edward Hines, or other big timber owners.

GOVERNMENT NEEDS CASH.

Finds It Necessary to Have Larger Working Balance.

Washington, June 30.—A call on national depository banks for a return to the treasury of government funds aggregating approximately \$25,000,000, was made yesterday by Secretary of the Treasury McVeagh. Of this amount, \$9,000,000 has been called for July 15, and \$16,000,000 for August 15.

Balances in all active depositories are uniformly reduced to the lowest amount which the daily needs of the government will permit.

This call will practically wipe out all of the deposits of government funds in national banks subject to check by the treasury of the United States, except about \$37,000,000, which is held in active account, and necessary to meet checks of government disbursing officers, and \$1,000,000, which will be allowed to remain in \$1,000 lots in such of the one thousand smaller national banks as desired to retain their designation as national bank depositories.

The working balance today is more than \$43,000,000, which will be increased by the call to approximately \$68,000,000. The low state of the government working balance made its strengthening a necessity, and thus augmented, the treasury department will have ample funds for at least some months.

It is confidently expected, however, that before the coming December, an additional issue of Panama bonds or the further issue of treasury receipts of indebtedness will be found necessary. No decision, however, has been reached on this point.

HARRIMAN OFFICIALS CONFER.

Arrange Details of Train Service Between Portland and Puget Sound.

Portland, Ore., June 30.—General Manager J. P. O'Brien, of the Harriman lines, in the Pacific northwest, held a conference yesterday with J. D. Farrell, of Seattle, general manager of the Oregon & Washington railroad, E. E. Ellis, general agent of the Harriman lines in Seattle, Robert Lee, general agent at Tacoma, and Assistant General Passenger Agent Scott, of Portland, at which details of the inauguration of a train service of the Harriman system between Portland and Puget sound were discussed. The subject considered yesterday was in the routing by the Union Pacific of a thru train from Seattle to Chicago. Definite time for the inauguration of the service probably will be considered to day.

Train Hits Auto; 7 Hurt.

Seattle, June 30.—In a collision between an automobile and a Northern Pacific freight train south of Georgetown seven persons, all residents of Seattle, were injured, two probably fatally.

News of Scandinavia

Principal Happenings of the Week in the Scandinavian Countries.

DENMARK.

Sindal, Jylland, is the first rural community in Denmark to have all the meat sold within its limits officially inspected.

Balotti, the foreign anarchist, who killed a farmer named Beck, has been sentenced to death, and it looks as if he is going to forfeit his life.

A woman has confessed that she has started several serious fires in Copenhagen during the past few months. She can give no cogent reason for her action—she must be simply a pyromaniac.

An astronomical observatory is to be erected in Marselisborg Park, near Aarhus, for the use of a German astronomer named Kruger. The city has given a bonus of \$6,750 and free grounds. The plant will revert to the city at the death of Kruger.

The cold weather did not injure the crops so badly as the earlier reports indicated. The winter grain stood the strain well in all parts of the country. The wheat suffered worst, but even that is recovering. The spring grain looks fine. The oat crops are doing well, and weeding is in full swing.

The Aldersville palace at Bagsvard lake, Sjælland, was destroyed by fire. Valuable art collections were lost. The total loss exceeded \$200,000. Two wheelbarrow loads of melted gold and silver were dug out of the ruins the next day. The property was owned by a Danish lady of a highly romantic past. Her fourth and present husband is an English sportsman named Evans.

The Danish rigsdag convened to an extra session June 9. The opening services took place in the Fredrik church, and all the members of the cabinet and a great number of members of the rigsdag, representing the different parties, were in attendance. Bishop Rordam pointed out in his opening sermon that a great responsibility had been placed on this session, and that each member ought to feel this responsibility—they all ought to find inspiration in a common love for their country. This session is expected to agree on a definite plan for the military defense of the Danish capital. No matter what the details of this plan may be, it will surely involve the expenditure of millions of dollars.

SWEDEN.

The Swedish army will soon have a regular balloon service.

The city of Stockholm has floated bonds to the amount of \$8,300,000.

The Mission Covenant has decided to start a national young people's union.

The crown prince and crown princess of Sweden are visiting their relatives in London.

The prices of stock are low in northern Skane, good cows fetching a price of only \$20 to \$25.

Gophers are doing more damage than usual in the fields and gardens of southern Sweden.

About 300 Swedes residing in Kristiania, Norway, have organized a Swedish reading club.

"Live stock" must not be sent by mail in Sweden. But the regulations have been changed so as to admit bees.

Telephone connections have been made between Stockholm and Kohn, Germany, and the service is satisfactory.

During the first five months of this year 6,742 persons emigrated from Sweden from the leading seaports, as against only 2,591 during the same period in 1908.

The crops look much better than they did some time ago, especially in central and southern Sweden. High light ground even promises an extra heavy yield.

At farmer who was called as a witness at a trial in South Roslag became confused and gave contradictory answers. Finally the magistrate became impatient and ordered the witness to tell no more than he knew, punctuating the instruction by rapping the desk with his mallet. This was too much for the witness. He staggered and actually fell to the floor in a faint. He soon came to again and was taken out of the court-room.

At a meeting called at Karlstad for the discussion of the dogma of the devil, two clergymen, H. Hallen and E. Borjeson, rejected the dogma of a personal devil. Some free church people defended the dogma. One of their arguments was that if there were no personification of evil it would be easy to assume that neither is there any personification of good; that is to say, the denial of the devil naturally leads to the denial of God.

The Swedish academy, by vote of 9 to 8, has declared itself in favor of modifying the reformed spelling which has been used in the public schools since 1906.

June sixth, the one-hundredth anniversary of the adoption of the Swedish constitution, was fittingly celebrated in many Swedish cities, and by some Swedish colonies in foreign cities.

A number of teachers at Swedish gymnasia are going to Greece this summer to make archeological studies. Their leader is to be John Borgman, a noted historian. The party will stop at Olympia, Mycenae, Tyrius and Athens.

It is proposed to make a radical change of the sewer system of Stockholm. Several pumping stations will be needed and the sewage will be carried far out into the sea. The cost of the improvements will be about \$1,000,000.

A balloon which ascended at Stockholm, landed near Lappo, in the wilds of Finland, 19 1/2 hours later, having covered a distance of about 375 (English) miles. Only Finns lived in the neighborhood, and the aeronauts do not understand Finnish. Finally two men were found who had been in America, and the English language helped the strangers out of the difficulty.

A German named Grossmann gave an exhibition on water skis at Stockholm, and many people came to the lake shore to see the performance though they had to pay an admission fee of 7c. Mr. Grossman did well. But all of a sudden a Swede named J. Zetterstrom also appeared on skis made by himself, and the German was evidently perplexed. But he soon concluded that peace would serve him better than war, and so he received the competitor with politeness. The two shook hands and divided the honors between them.

Now that the Social Democratic labor unions are losing ground in some of their strongholds, the employers who have been dealing with them are encouraged to speak more freely. In many cases employers who got into trouble with the labor unions prevented their men from striking by paying certain sums of money to the leading officers of the labor unions. An employer in Malmo has published receipts showing that he has paid \$135 to avert a boycott against him, and the files of the organ of the labor organization show that at the same time it was officially announced that the man who paid the money was "in good standing."

NORWAY.

Hallvard Handle, of Slidre, Valdres, produces more sweet peas than any other farmer in Norway, and he is also raising large quantities of ruta бага and cabbage seeds.

Verdens Gang, for thirty years the most popular newspaper in Norway, suddenly dropped the old orthography and the Gothic types and took up the latest orthography and the Latin or English types.

New York.—The announcement that the proposed direct line of mail and passenger steamers between this point and Bergen, Norway, would be established by Norway alone, was made by Consul General Christopher Ravn, of this port. Only Norwegian and Norwegian-American capital will be used. The sum to be raised is \$2,700,000, of which half has already been subscribed in Norway. The Norwegian government has pledged a subsidy of \$135,000, and the prospects for a profitable operation of the line are said to be excellent. Consul E. H. Hobe, of St. Paul, Minn., and R. With, of Kristiania, are in New York to complete arrangements. The proposed line will make possible travel between New York and Norway in less than nine days instead of eleven, at present consumed.

Norway has explained her position on the question of the jurisdiction of Spitzbergen and Bear Island in a note to Belgium, Denmark, the United States, France, Holland, Russia, England, Sweden and Russia. The note is intended as a program for the diplomatic negotiations which are to take place in Kristiania. The Norwegian government adheres to the principle that the present political status of the islands ought to be maintained, that is, the islands shall not be looked upon as the property of any particular country, but shall be open to citizens of all countries. The time for the conference can not be fixed until the foreign governments have had time to become acquainted with the Norwegian vote. The governments of all the countries mentioned have consented to take part in the conference.

NEWS FROM FATHERLAND

A Brief Resume of the Most Important Happenings in the German Empire.

The steamship George Washington, named in honor of the first president of the United States, and the largest German trans-atlantic liner afloat, is the latest addition to the fleet of the North German Lloyd, and extraordinary efforts have been made by the company to make the new steamship in every way worthy of its great name.

France, the traditional leader of visitors, is waking up to a demand for a general old-age pension system. France is a year or two behind England in this respect. But Germany has enjoyed such a system for twenty years, and so well does it work that German emigration has been cut down to a trifle as compared with many neighboring nations.

With four military airship stations already built on the western frontier, the German war office has decided to erect similar stations on its eastern borders. The first of the eastern stations will be erected at Lyck, close to the Russian frontier. The new aerial station will have a huge shed, capable of accommodating two airships of the Zeppelin type.

It is significant that Kaiser Wilhelm did not take his chancellor with him when he met the Czar of Russia in the Baltic. Despite the national protest last autumn, the kaiser still directs the foreign policy of his empire; and so successfully has he managed in his extrication of Germany from its difficult diplomatic position of nine months ago, that his subjects are willing to let him stay in the game of international politics.

Former Premier Tewfik Pacha came to Berlin to notify Kaiser Wilhelm of the fact that Mehmed V has ascended the throne of Turkey. He stated while in Berlin that Col. General Baron vander Goltz has accepted an offer to come to Turkey to reorganize the Turkish army. He is going to stay in Turkey five months a year for that purpose. Several German officers are going to accompany him as instructors. At the same time many Turkish officers are going to serve in the German army.

Copenhagen, Denmark.—While the European press generally considers the meeting between Nicholas II and Kaiser Wilhelm highly significant, it is, according to a Russian diplomat here, of no political importance. The czar originally thought of creating a new political situation by meeting the kaiser, but his ministers, especially Mr. Iswolsky, made him understand that any alliance with Germany would ruin Russia in the future and that public opinion in the empire was anti-German. This converted the meeting in Finnish waters into an interesting social ceremony merely, and led to no change of any kind in the European concert of powers.

Berlin.—While marked reserve characterizes all official expressions regarding the result, the kaiser's meeting with the czar is viewed with unmistakable satisfaction. Both in and out of government circles, Germany is considered again to have scored an important victory in the work of strengthening of its international position by evoking a demonstrative showing of friendliness on the part of the czar immediately after forcing Russia to undergo a sharp diplomatic reverse. In financial circles the meeting causes particular satisfaction, as one direct result of the conference, it is believed, will be the better protection of German interests in Persia, which lately have been menaced by the arms of Russian and English government for the commercial exploitation of the territory. Hints emanating from official sources here indicate that this question, as well as the Balkan problem, was among the most important subjects discussed at the conference.

The per capita wealth of the little town of Cunnersdorf, in Silesia, has been suddenly increased as a consequence of the visit of a Berlin merchant, who sought to cure a temporary fit of mental depression by throwing away handfuls of money and precious stones. He arrived from a neighboring village in a cab, which he discharged after handing the driver \$25. A 4-cent bridge toll, payable upon entering the town, he discharged with \$12.50. On every person he met he forced a \$2.50 or \$5 gold piece. Among others he distributed his gold watch, his diamond tie pin, his pearl cuff links and other articles of jewelry. Reaching the market square, with several pockets still full of cash, he drew forth handfuls and threw them into the air, with the result that the square soon became the scene of wild scrimmage among the townspeople. At the tavern where the unknown benefactor took lodging for the night, he explained that he was suffering from "soul-storms" in consequence of the death of his wife. He said he had got rid of \$750 in coin and of jewels worth the same amount.