DEMOCRATS CAUCUS ON REVENUE BILL

Propose to Reduce the Income Tax Exemption on the Incomes of Moderate Size.

REVISE WINE SCHEDULE

Washington, Aug. 10.—Senate democrats will meet in caucus tonight to consider finance committee amendments to the house revenue bill, including the proposal to reduce the income tax exemption, the proposed increase in the tax on the large inheritances ranging up to 10 per cent on estates of $5,000,000 and a proposal agreed to last night to continue in effect many of the present stamp taxes.

The finance committee democrats yesterday voted approval of the stamp tax proposal and added to the house bill the following stamp taxes:

Bonds, debentures and certificates of indebtedness, a tax of 5 cents on each $100 of face value; express and freight receipts, 1 cent each; telegraph and telephone messages, 1 cent each for each message for which a charge of 15 cents or more is made; custom house entries not exceeding $100 in value, 25 cents each; succeeding $100 and not exceeding $500, 50 cents each; exceeding $500, $1; insurance policies, 1 cent on each $1 or fraction amount of premium charged; foreign steamship tickets, if not costing to exceed $30, $1; not exceeding $60, $3; more than $60, $5; all tickets costing $10 or less to be exempt from taxation; Pullman car tickets 2 cents each, an increase from 1 cent in existing law.

The committee also decided to restore the existing tax of $5 for each bowling alley or billiard table and amended it so that it will apply to clubs and private places, instead of exclusively to public places.

Revision of the wine tax schedule was determined upon, the committee increasing the proposed tax of 2 cents a gallon on grape brandy or wine spirits used in fortification of wines to 55 cents a gallon. A tax of 8 cents a gallon upon all still wines was proposed as a substitute for house rates ranging from 4 to 25 cents a gallon on wines containing from 14 to 24 per cent alcohol.

On champagne and sparkling wines the committee retained the house proposal of a 3-cent tax on each half pint, but increased the proposed tax of 1 cent to 2½ cents on each half pint of artificially carbonated wine.

The committee was unable to reach a conclusion on munitions statistics and will resume deliberation on that subject today.

Aged Farmer Dies As Street Car Hits Wagon on Corner

Fred Davis, an elderly farmer and a pioneer of Douglas county, living near Florence, died last evening at the Lord Lister hospital as the result of injuries received when a northbound Sherman avenue car struck the wagon in which he was riding at Capitol avenue and Fourteenth street at 3:30 o'clock, throwing him to the pavement and causing concussion of the brain and severe lacerations of the scalp, which, together with his advanced age of 74 years, made it impossible for him to withstand the shock.

Conductor H. W. Schulz and Motorman R. E. Abbott were in charge of the car, which did not stop to see what damage had been done.

Mr. Davis is survived by a wife and six children, four sons and two daughters. The wife and youngest son, Harry, live at the old home north of Florence; where Mr. Davis settled thirty-five years ago. The other children are George of Kearney, Fred of Lyman, Colo.; Frank of Los Angeles, Cal.; Mrs. Alice Peterson of Kennard, Neb., and Mrs. Emma Taylor of Kearney.

Texas Will Break Away From Wilson

"Wilson has a very poor chance to carry Texas this fall," said C. B. Bechtold, who has just finished his enlistment period in the Third Wisconsin regiment of the National Guard, and who passed through Omaha on his way home. "The Texans are thoroughly dissatisfied with the handling of the Mexican situation, and from all I heard in Texas, Hughes has more than an even chance of breaking the solid south this fall."

War Summary

NEWS FROM THE ISONZO front indicates that the army of the duke of Aosta is rapidly following up the notable success won by the Italians in the capture of the Austrian stronghold of Gorizia, with some 20,000 prisoners.

ITALIAN TROOPS are reported in force over the Isonzo, vigorously pursuing the retreating Austrians, whose big seaport of Triest, twenty-two miles to the southwest, is threatened.

ALONG THE SOMME, the British and French are making slow but reasonably steady progress in their respective thrusts toward Bapaume and Peronne. Last night French troops pushed forward further in the Hem wood sector, where the most telling blows have been struck in the recent fighting.

THE BRITISH PRESSURE continues to be exerted northward from Pozieres, where they are struggling to gain complete command of the bridge overlooking Bapaume. They made a new advance last night.

ANOTHER IMPORTANT advance for the Russians in Galicia is announced today. General Letchitzky's army has pushed west of the Stanislau-Kolomea railway line and cut the Stanislau-Nadverna railway at Kryplin.

Had Bilious Attacks.

"My son nineteen years of age suffered frequently from bilious attacks. My husband brought home a bottle of Chamberlain's Tablets and began giving them to him. They helped him right away. He began to eat heartily and picked up right along," writes Mrs. Thomas Campbell, Kirkville, N. Y. Obtainable everywhere. —Advertisement.

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In Minneapolis Speech Mr. Hughes Straightens Out Secretary Redfield

Minneapolis, Minn., Aug. 10.—In his speech here, Mr. Hughes said in part:

"In my speech at Detroit I took occasion to refer to the fact that in a very important bureau, the Bureau of Census, an eminent statistician, a man of conspicous expertness and fitness for the place, has been retired, and a man has been appointed in his place without qualifications for that important technical work. You must know how important that census bureau is. In the proper collation of those statistics is furnished the opportunity for many investigators to detect important tendencies in our life. It is a work that must be done expertly.

"Now, my statement that E. Dana Durand was retired, as I said, in effect, and his place given to a politician, has been challenged by Secretary Redfield. Secretary Redfield telegraphs me that I was greatly misinformed. He says 'Durand was not removed or retired, but resigned voluntarily, unasked. I was glad to endorse him for present employment.'

"In that same speech I referred to a technical bureau known as the coast and geodetic survey, and to the fact that in place of an eminent scientist there has been appointed a man whom I regarded as without proper qualifications.

After Couple of Years.

"After he had been there a couple of years he was put in charge of the coast and geodetic survey. Now the adiministration say he is a wonderfully competent man.

"Then he goes on to refer to the ensuing year where there were 104 appointments. In twenty approval was not requested; twenty-two met with the approval of the civil service commission and sixty-two without.

"And I have as ummary which gives the matter to a latter date, and they are three or four out of the way in the total because of the difference in date, as I assume, which is furnished by the national civil service reform league. And there it states that in the first three years of this administration—March 4, 1913 to March 4, 1916—the executive issued a total of 239 special exceptions. It is then added, that up to and including June 24, 1916, there have been issued a total of 279. It is then said that out of the 279 the civil service commission has concurred in seventy-one; that the commission has not concurred in 143 and the commission's attitude is not recorded in a total of sixty-five cases.

Special Exemptions.

"In that speech I called attention to the manner in which the principle of our civil service laws had been disregarded, and after going over a number of matters which I shall not now undertake to repeat, I referred to the special exemptions by executive order on the operation of the civil service rules; that is, appointments taken out of the civil service by executive order.

"I stated that in the year ending about April 1916, there had been removed from the operation of the civil service rules by special executive exemption, about 104. That of those 104, twenty were appointed without requesting the opinion of the civil service commission, that in twenty-two cases, the civil service commission was asked for its opinion and approved, and that in sixty-two cases, the executive order was made directly in the teeth of the disapproval of the civil service commission.

Why The Objections?

"Unfortunately in the published report of those remarks, by running two sentences together, that statement was made to refer to the coast and geodetic survey. I had just referred to that bureau in connection with the appointment previously described. I had not intended that this mention should relate to that bureau. And the department very properly objects to that construction being put upon it. This was wholly unintentional.

"But I stand by the statement which I thought I made, which I now make, that there was in that year, ending about April, 1916, 104 of these executive exemptions; that sixty-two of those were made against the advice of the civil service commission, and twenty of them without requesting the judgment of the commission. My authority for that statement is a very excellent review of this particular matter by Representative Gillette of Massachusetts. He reviews first, the two years preceding, and it is said there that in the first two years of the present administration, there were 137 personal appointments authorized by executive order, which waived the requirements of the civil service. In all except eighteen of those 137 the executive requested the judgment of the civil service commission. Forty-one were approved by the commission. Seventy-eight were appointed against the judgment of the civil service commission. Then he goes on to refer to the ensuing year where there were 104 appointments."

Hughes a Party Man.

In his speech at the Auditorium tonight Mr. Hughes said:

"I am a strong party man. I believe in party organization as an essential agency of republican government. But I believe in party organization as the servant of a democratic people; and I stand as the representative of a party in order that through that essential instrumentality I may serve all the men and women of the United States.

"I believe that there is no reasonable man in the progressive party and no devout and strong organization man in the republican party who hold to the great ideals of the honor and prosperity and efficiency of this nation, who cannot with a good conscience support my candidacy.

"We have come from many lands Here in the northwest we know that Americanism is a thing of the spirit and not of the flesh. Wherever a man is born, if he is a naturalized American citizen of the United States he is heartily an American citizen with American ideals; with American hopes, ready to give, live and die for the United States.

For American Sentiment.

"I desire to see a reinforcement of the American sentiment in that consciousness of unity which displaces all possibility of division. We must have that inner feeling of intense loyalty. What is there to divide us?

"We are a united people and only through that dominant sense of unity and of loyalty can we find the force to cope with the problems of the twentieth century.

"There was no excuse for permitting our regular army to remain at so low a point that it could not perform military duty without summoning men unprepared for service from the length and breadth of the land. This is not a spectacle of a prepared nation. That is a condition for which I hold the administration responsible.

"Consider for a moment the facts. It was only about a year and a half ago that certain patriotic citizens were directing attention to the need of preparedness, to the need of the enlargement of our regular army, and the president of the United States formally expressed his opinion that such persons were nervous, excited, that there was no real occasion for alarm; that there were no conditions which made it a matter to be considered as a real exigency.

Torch of Another Leader.

"Then there came the torch of another leader. What a change in sentiment was wrought over night in the councils of the administration; that was a feeling that an exigency did exist and that something should be done; that it was no longer nervousness, but prudence, caution and foresight which required immediate action.

"There was an able secretary of war, and he devoted himself with astuteness to the problem and he worked out a plan. He thought he had pinned the administration so that it would stay put. I don't believe you could pin the administration to any policy that would stay put.

"Well, the matter got so bad that it was presented to congress. Only a few months ago it was formally stated that our present demand called for this forthwith: Raising the regular army from its total on paper —although it was in fact somewhat less—of about 105,000 to 141,000 and a citizen reserve of 400,000 trained by federal authority in the annual installments of 133,000 each.

Did Not Stay Put.

"That was to be regarded as essential. Now, how long did that stay put? Why, within a short time the plan was abandoned; the secretary of war resigned, and in his correspondence with the president he practically pointed out what he regarded as the inexcusable abandonment—I don't use the exact words, but this was the substance of it—of a program deemed to be necessary.

"Now, why was it abandoned? We have had a great deal of talk about executive leadership, not conspicuous then, when American preparedness was in issue. Why was it necessary to go through the land dealing with the subject when congress had its mind open to know the executive will?

"On the contrary, there was what I regard as a backdown; a change of front. It had always seemed to me most regrettable that it was a change of front under a conception of partisan expediency. We had as a result something which is fraught with much mystery.

"In the first place, under the army reorganization bill we have a paper army of 178,000, but an actual army for the fiscal year ending June 30, 1917, of about 110,000 and about 15,000 more in the fiscal year ending June 30, 1918. We have, then, to rely upon the National Guard.

"For the boys who have gone forward uncomplainingly to the duty to which they were called and have been sworn into the regular army overnight for a service that they had not contemplated and which I do not think the National Guard should be called upon to render—for those boys I have unstinted praise. But I condemn the system which brought matters to that pass.

"Then what a spectacle was presented. They were not properly equipped when they started; supplies were not ready for them and some of them suffered in the mode in which they were transported to discharge therr new duties. Why, it was a spectacle showing inefficiency of the first magnitude.

"The rights about which there has been so much discussion are in the main plain rights, generally recognized. But we live in a world in arms. It would be the rankest folly for us to invite insult, for us to invite the disregard of our word by having an obvious condition of unpreparedness.

"Preparedness that is reasonable and adequate is not militarism. There is no militarism is this country. But adequate and reasonable preparedness is an assurance of our peace. It is the very buttress of our self-respect. It is for us to say what we mean and have our word regarded. It means that when such a situation arises as there is on the border of Mexico that we are ready to discharge our duty without calling men from their peaceful occupations, from the shops and the factories and offices all over this land.

Preparedness a Duty.

"Reasonable, adequate preparedness is a primary and national duty, and if I am elected I propose to see so far as in me lies the power, that duty will be discharged to the credit of the American people. And I am not talking simply or even primarily of numbers. Efficiency is only a matter of numbers to a certain extent; thoroughness, the absence of waste, up-to-date methods, the availing of scientific investigation, the determination to go forward sensibly and expertly with the very advice, cutting out dry rot, insisting upon men equal to their jobs.

"This is the kind of preparedness I believe in which will make our appropriations for military purposes properly spent so that the public will get the benefit of the dollars it gives."

Mr. Hughes then reviewed the administration's Mexican policy from the days of Huerta and continued:

"We had a wonderful speech the other day in the senate from a spokesman of the administration. He did not like what I said in my answer to the notification. It distressed him. I am glad of it. That was the intention. But there was not a word in it that he or anybody else could answer. He said—I am not attempting to quote him, but I am sure I am doing him no violence—that we ought to have supported the executive in establishing Villa on a throne, a government founded on principles of American liberty and justice. Think of that. Then the learned senator condemned the republicans because they had not rushed to the support of the administration in making a liberator out of this desperado, Villa.

"I want to refer for a moment to the embargo on arms. I do not know that it is a rash statement. I think it is well warranted by the facts to say that any American soldier killed in Mexico is killed by American bullets that we have let pass over the border."

Harding Becomes Head of Federal Reserve Board

Washington, Aug. 10.—W. P. G. Harding was designated today by President Wilson as governor of the Federal Reserve board, to succeed Charles S. Hamlin, and Paul Warburg was named vice governor, to succeed Frederick Delano. The designations are for one year.

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DANISH TREATY IS GIVEN TO PUBLIC

Senator Stone Demands Inquiry as to How Confidential Information Leaked.

WILL RATIFY IT SOON

Washington, Aug. 10.—Investigation of the means by which a confidential copy of the treaty under which the United States would acquire the Danish West Indies for $25,000,000 became public, was demanded in the senate today by Senator Stone, chairman of the foreign relations committee.

An abstract of the treaty published this morning is believed to have been made from one of twenty-five numbered copies sent to the senate Tuesday by the State department, with a letter transmitting a request of the Danish government that the terms of the convention be withheld until the two governments agreed to promulgate them.

The department's communication reached the senate in executive session Tuesday and was referred to the foreign relations committee. The treaty probably will be considered by the committee early next week and the administration is confident that it will be ratified before the end of this session of congress.

"It is hard for me to believe," said Senator Stone, "that any senator of the United States would give this treaty to the public under the circumstances. Every senator has a right to a copy and to go to the executive clerk and get it. If any senator did, he knows where it has gone. But if he exposed it to the public, he did a dishonorable act and ought to be disciplined by the senate."

Senator Stone declared he thought the body of correspondents in the senate press gallery would not resort to dishonorable methods in the acquisition of news.

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Particulars of the Saturday Suit Sale

in tomorrow evening's papers. It is the Worth While Sale of August.

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A sale of advanced fall models. Petticoats that are desirable will go at bargain prices.

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