

BUCHAREST FALLS IN O HANDS OF THE TEUTONS; IS FOURTH ALLIED CAPITAL TAKEN SINCE WAR BEGAN

Central Powers Now Are in Control of About Half of the Kingdom of Rumania.

AFTER 100 DAYS' CAMPAIGN Ploechti, Important Railway Junction North of Bucharest, Has Also Been Captured.

NEW CAPITAL THREATENED? Serbs Capture Additional Fortification From Bulgars.

Bucharest, the capital of Rumania, is in the hands of the forces of the Central Powers. Exactly one hundred days after the declaration of war by Rumania against them finds the Teutonic Allies in control of about 50,000 square miles of Rumanian territory—virtually one-half of the kingdom—running from the Transylvanian Alps northwest of the capital to the Danube south of it, and a large part of Dobruja, and probably still on the heels of these retreating Russian and Rumanian armies, which have been endeavoring to hold them back.

Ploechti Also Captured. Simultaneously with the announcement of the fall of Bucharest came the news of the capture of the important railroad junction of Ploechti north of the capital, the conquest of which places in the hands of the invaders the last railroad in the west and gives to them the head of the line running northward to Jassy, where the capital of Rumania is now situated.

No details have as yet come through concerning the climax to the great drive of the armies of General Von Falkenhayn and Field Marshal Von Mackensen or whether the Rumanians and Russians succeeded entirely in making their escape behind the Bucharest line. Previous to the announcement of the capture of Bucharest and Ploechti, unofficially it was indicated that four divisions of the defenders were in a hazardous position in the region due west of Bucharest and in danger of being enveloped.

With the fall of Bucharest the Central Powers are now in possession of four capitals of Entente allied states, the others being Brussels, Belgrade and Cetinje.

Russians Make Little Progress. In the northwest, in the Carpathian region near the Bukovinian frontier and along the Moldavia front, the Russian offensive, begun as a diversion against the Teutonic advance into Rumania, apparently is meeting with little success.

The Carpathians occupied a height but later were shelled off the position by the Germans. To the south they succeeded in penetrating to the second line of the German defenses in the Trotus valley here were held by the defenders from further advance.

North of the Danube passes and southwest of Kedi Varsilly the Austro-Germans took positions from the Russians.

Serbs Make Gains. Additional fortified heights northeast of Budimista, in Serbia, have been captured by the Serbs from the Bulgarians and Germans, according to the Saloniki war office, while the Bulgarians are reported by Berlin to have captured the Serbs from positions near Gradoshnitza. A heavy bombardment is in progress north of Mostar.

Attack East of Hill 904. The Germans have again essayed a somewhat attack in the Verdun sector, launching it on the slopes east of the famous Hill 904 near Avocourt. According to Paris the attack was partly successful, the Germans gaining a footing on some of the advanced French trenches. Otherwise on the French front there have been only bombardments and operations by raiding parties.

In the Austro-Italian and Russian theatres the big guns are still doing the greater portion of the work. The Russians have heavily shelled the Naranska region in Galicia.

FALL OF THE TWO CITIES IS ANNOUNCED BY BERLIN. Berlin, Dec. 6.—Bucharest, capital of Rumania, has been captured. It was officially announced today. Ploechti, the important railway junction, 35 miles northwest of Bucharest, also has been taken.

The capture of Ploechti, on the main railway line running north from Bucharest, cuts the main railway line of the Rumanian armies operating in the Bucharest region. An official statement does not indicate whether the entry of the Teutonic forces into Bucharest and Ploechti was simultaneous. The capture of Ploechti was before that of the capital would be far more serious for the Rumanians. Many military observers looked for the Rumanians not to attempt a defense of the capital to the last, expecting an evacuation (Continued on Page Ten.)

Bryan Lauded In Speeches Made At Dinner Given In His Honor

Takes Advantage of the Occasion to Outline Reforms to Which He Wishes to Commit the Democratic Party—Urges National Prohibition, Federal Suffrage Amendment and Election of President by Direct Popular Vote.

Washington, Dec. 6.—Reforms to which he hopes to commit the Democratic party and to see accomplished within the next four years were outlined tonight by William J. Bryan at a dinner given in his honor by admirers among Democratic officials and members of Congress.

Nation-wide prohibition, he urged as most important, and other causes on his list included woman suffrage by Federal amendment, election of the President by direct popular vote and changes to make the constitution more easily amendable.

In addition to his programme to be advocated, Mr. Bryan gave a prominent place to two things he proposes to do. The effort to give the Federal government exclusive control over railroad regulation, and the "menace of militarism" presented by proposals for universal military service.

Letter from the President. Speeches lauding Mr. Bryan, and particularly his work for the party during the campaign just won, were made by many of the diners, and a letter was read from President Wilson, with whom the former Secretary and Mrs. Bryan had lunched during the day. The President wrote:

"Will you not be kind enough to convey my very cordial greetings to Mr. Bryan and to those who are assembled to do him honor at the dinner on Wednesday evening? In the recent campaign no one rendered more unselfish service than Mr. Bryan, and I am happy to know that this dinner ex-

presses the genuine admiration of all Democrats for him. May I not by this means convey to him my warmest congratulations and best wishes for his continued health and happiness?"

"I shall take advantage of the opportunity which this dinner affords," said Mr. Bryan, "to point out a few of the issues which seem to me within the range of accomplishment during the next four years. But before talking up the things which should be secured, it is worth while to consider for a moment two things that should be presented."

Two Things He Will Fight. "An effort is now being made by the railroads to secure legislation, and, if necessary, a constitutional amendment, depriving the states of all regulative power over them, and giving to Congress exclusive control over railroad regulation. The consolidation of all railroad legislation at Washington would not only transfer to the National capital an amount of work which would overwhelm the national authorities and therefore decrease the efficiency of Federal supervision, but it would bring a railroad influence into the election of every congressman and every senator, as well as intensify the railroads' interest in presidential campaigns. It would do more than that. It would practically obliterate state lines, and lead to a centralization which would threaten the very existence of our dual form of government."

"We cannot afford to shut our eyes to the menace of militarism, as it is now presented in concrete form. A large increase in the number of army (Continued on Page Three.)

MADDOO'S REPORT SHOWS TREASURY TO HAVE BALANCE

Estimates That Fiscal Year Will Close With \$115,000,000 to General Fund's Credit.

WILL BE DEFICIT IN 1918

Stock of Gold in United States is Greatest in History—Reserve System Praised.

Washington, Dec. 6.—Secretary McAdoo's annual report of the government's finances, presented to Congress today, estimates that the fiscal year ending June 30, 1917, will show a balance of \$115,000,000 in the general fund but that the figures a year later—June 30, 1918—will show a deficit in the general fund of \$185,000,000.

Preliminary estimates place the cost of conducting the government for the coming fiscal year, 1918, exclusive of the postal service which is expected to be self sustaining, and other deductions, at \$1,278,021,000. The ordinary receipts for the fiscal year 1918 he estimates at \$995,550,000, which is \$282,471,000 less than the estimated expense.

Estimates of large expenditures for national defense carry the estimated outlay beyond that of the ordinary receipts for the fiscal year 1918, now drawing to a close, the Secretary reports great prosperity and expresses greatest confidence for the future. "During the year," the Secretary says, "the prosperity which set in so strongly during the fiscal year 1915, has grown in strength and volume and is now widely diffused throughout the United States. Fundamental economic conditions have never been more sound. In all lines of industry efficiency of organization and production have reached the highest point in the country's history. General confidence in the future, healthful enterprise and development have been marked characteristics of the year."

Gold Stock Greatest in History. "The financial strength of the United States—the greatest in our history—gives us a commanding position in world finance. We have been transformed from a debtor into a creditor nation. On November 1, 1916, the stock of gold coin and bullion in the United States was estimated at \$2,700,135,976, an increase of \$714,597,804 in the past 18 months. This is the largest stock of gold ever held in the United States or in any other country in the world. Through the operations of the Federal Reserve System and with our abundant supply of gold as a basis, the credit resources of the United States have become more than sufficient for home demand, and we have been able to finance our great domestic and foreign trade without strain and to extend vast amounts of credit to other nations throughout the world."

Value of Reserve System. "The experience of the past two years has brought us strong relief (Continued on Page Three.)

LOYD-GEORGE IS THE NEW PREMIER OF GREAT BRITAIN

Has Overthrown Asquith Cabinet and Will Create Another Coalition Government.

COUNCIL HELD AT PALACE

Representatives of Four Political Factions in Long Conference With the King.

London, Dec. 6.—David Lloyd-George has overthrown the Asquith cabinet and will become prime minister himself. The new government will be coalition, like the old one, but probably without the same measure of harmonious support which attended the formation of the first coalition government, because its birth has created additional factional differences.

This result has emerged from another day of active and hurried party conferences and a day of intense suspense and interest throughout the country.

There was a prospect this afternoon that the personal offices of the king might solve the situation, and many thought that the Asquith regime might be continued. The king called the party leaders to Buckingham palace and conferred with them for more than an hour. Mr. Asquith and Mr. Lloyd-George, of the Liberals; Mr. Bonar-Law and Mr. Balfour, of the Unionists, and Mr. Henderson, of the Labor party, were present. It is many years since a British ruler assembled the representatives of the different factions face to face when they had shown themselves unable to settle their difficulties.

What passed in council is held secret, but the inference that the king tried to arrange a reconciliation appears a most natural one. The five statesmen departed separately, four in their motor cars and the working men's spokesman afoot.

Afterwards the king gave an audience to Mr. Bonar-Law, who declined to undertake the formation of a new ministry, and to Mr. Lloyd-George, who accepted the responsibility as every one anticipated he would if the opportunity came to him.

The official announcement tonight that Mr. Lloyd-George had undertaken the task with the co-operation of Mr. Henderson was a notification that the new government would be coalition. Any party government would be impossible because neither the Unionists nor the Liberals have a majority in the house of commons, either one must attach the Irish nationalists or the laborites to itself to command a majority. The nationalists have refused to participate in the government until home rule is established. The laborites are sworn enemies of Mr. Lloyd-George because they resent his accusations that the working men have put their personal interests above their national interests at times during the war.

To Establish Dictatorship. The country awaits the rising of the curtain on the next act of this historical and remarkable crisis with an expectancy which never surrounded the birth throes of any previous government.

The Lloyd-George ministry means the direction of the war by a dictatorship in the form of an inner council of the cabinet and means the scrapping of those elder statesmen, whose supremacy in the councils of the nation until they choose to withdraw from the scene voluntarily, has always heretofore been regarded by the British people as a matter of course.

Mr. Asquith, Mr. Balfour, Viscount Grey and Lord Lansdowne "must go." (Continued on Page Ten.)

SWEEPING PROBE OF SOARING PRICES IS STARTED IN EARNEST

BRITAIN'S NEW PREMIER.



DAVID LOYD-GEORGE.

ABOUT 500 PRESENT AT M. E. CONFERENCE

Bishop Kilgo Makes Impressive Remarks in Opening Annual Session in Durham.

PRESIDING ELDERS HEARD

Characters of All Passed—Standing Committee Named—Dr. McMurray Speaks—Sunday School Board Meets.

(Special Star Telegram.)

Durham, N. C., Dec. 6.—With 500 visitors and delegates in attendance, the 30th session of the North Carolina Conference of the Methodist Episcopal Church, South, was convened in Memorial church this morning at 9:30. Bishop John C. Kilgo was in the chair and opened the services with the reading of the tenth chapter of Hebrews. He commented thus on the Scripture reading:

"The gospel is not a repudiation but a completion and substitution of law. The Lord said he came to fulfill the law. This law is holy, just, and true, but has no flexibility. Therefore, it must not be rudely set aside. The sacrifice of this life is the sacrifice of will. The essence of the atonement is in the expression of the will. The sacrifice purges our whole life and brings us into the consciousness that God has nothing against us and we have nothing against Him."

Preceding the celebration of the sacrament of the Lord's supper, the delegation joined in the singing of "Happy Day, When Jesus Washed My Sins Away." The bishop led in the singing, Rev. A. D. Betts, of Greensboro, the oldest minister of the conference, stood (Continued on Page Two.)

CARRANZA MAY HAVE RATIFIED PROTOCOL

Alberto J. Pani Reported on Way Back to Washington.

If Action Has Been Favorable Joint Commission Will Re-Convene to Discuss Mexican Problems Not Yet Settled.

Washington, Dec. 6.—Unofficial information today that Alberto J. Pani, who carried to General Carranza the border protection protocol agreed to at Atlantic City, was on his way back to the United States from Mexico, was construed at the State Department as an indication that the first chief had ratified the document. The joint committee that drafted the protocol adjourned November 23 to re-assemble December 8, if Carranza's action was favorable.

It is believed Mr. Pani will cross the border at Laredo perhaps tomorrow and make a telegraphic report from there. If he reports the ratification of the protocol, the commission will convene here Friday and adjourn until he can reach Washington.

Luis Cabrera, chairman of the Mexican commission, in an interview credited to him recently in a Mexico City (Continued on Page Three.)

Indications Are That the Inquiry Will Extend to Every Section of the Country.

RESOLUTIONS IN CONGRESS

President Wilson Studying Preliminary Reports and May Recommend Legislation.

MANY SPEECHES IN HOUSE

Fifty Picked Investigators Now Working on Problems.

Washington, Dec. 6.—The Federal investigation of the high cost of living began today to take definite form, with indications that it would be one of the most comprehensive ever undertaken and would extend to every section of the United States. Not only is a sweeping inquiry into the causes of the soaring cost of foodstuffs contemplated, but the recent pinch in the coal supply and its resultant price advances also may be made the subject of broad investigation.

From President Wilson down, officials began to cope in earnest with the problems presented by the situation. The President took under consideration preliminary reports which with others yet to come will form the basis for recommendations he may make to Congress.

A dozen speeches on the subject were made in the House and several resolutions, proposing inquiries, were introduced. These were referred to committees without discussion, most of them going to the Interstate and Foreign Commerce committee, of which Representative Adamson, who is opposed to embargoes, is the chairman.

Department of Justice officials conferred with members of the Federal Trade Commission and with District Attorney Anderson, of Boston, in charge of the department's investigation and here to formulate a definite plan of conducting the investigation of the department's Bureau of Investigation were reported to be at work throughout the country gathering data which will determine the Attorney General's course of action.

The Interstate Commerce Commission probably will be called upon to aid by furnishing data relative to shipments of foodstuffs, and Mr. Anderson will confer with commission officials before his departure. Grand jury investigation at New York or Chicago or both is said to be still under consideration.

Considered From Three Angles. With the programme still in process of formation, there were increasing indications that officials were considering the situation from three angles, namely:

- 1—Determination of the actual causes of the rapid rise in foodstuffs and coal, whether it was the natural economic laws, to the unwarranted action of individual dealers and producers in advancing prices or whether there exist agreements among groups of dealers or producers to boost prices.
- 2—Vigorous prosecution of persons or firms, if any, who, by violation of existing laws in making agreements to raise prices or otherwise have contributed to the upward trend of prices.
- 3—Enactment of laws to remedy the present situation and to prevent its recurrence.

The situation now is in the first of these stages. Department of Justice officials have called upon the Federal Trade Commission for co-operation and were promised all data which the commission has bearing on the situation and aid in obtaining additional information.

May Investigate Exchange. Department officials also are understood to be considering the advisability of investigating such organizations as the Chicago board of trade, the Elgin go butter and egg exchange, the Chicago board of trade and the New York produce, sugar and coffee exchanges with a view to ascertaining by what practices the market values of certain foodstuffs are determined.

An inquiry into the amount of foodstuffs held in all the cold storage establishments of the country and possibly as to the volume of grain stored in elevators also is said to be under consideration.

Tried to "Corner" Coal. Complaints have reached the department that coal prices were advanced recently largely because of the activities of certain independent dealers not heretofore in the business, who were reported to have contracted with the chief coal companies for virtually their entire unsold output for the winter. It was charged that these dealers, scent-

FRENCH GUNBOAT SUNK BY U-BOATS

Was Destroyed in Attack by Germans in the Portuguese Port of Funchal, Maderia.

34 OF CREW WERE KILLED

Two Steamers Also Torpedoed and a Few Portuguese Aboard Them Were Killed—Shore Shelled For Two Hours.

London, Dec. 6.—The French gunboat Surprise has been sunk by German submarines at Funchal, Maderia, according to an announcement by the Portuguese minister of marine in a wireless dispatch received here from Lisbon. Thirty-four of the crew of the gunboat perished.

A few Portuguese were also killed aboard the steamers Kangaroo and Dacla, which were torpedoed, according to the dispatch. A dispatch to the Exchange Telegraph from Lisbon says:

"News received from Maderia says that 34 persons were killed in the bombardment of Funchal. The submarines shelled the shore for two hours, especially the English cable station and other public buildings, but only small damage was done. The steamer Kangaroo and Dacla were torpedoed."

The dispatch from the Portuguese minister of marine was dated Monday, showing that the shelling of Funchal occurred prior to that date.

Lloyd's announces that both the Dacla and the Kangaroo were torpedoed Sunday by a German submarine.

The Dacla was a British cable laying steamer of 1,866 tons and was owned in London. The Kangaroo was a French steamer of 2,241 tons. Her home port was Havre.

The gunboat Surprise was a vessel of 636 tons. She was 184 feet long and carried a complement of 100 men. The Surprise was built in 1895.

SCORE OF WOMEN IDENTIFY WAX AS "OLIVER OSBORNE"

Perjury Case Against Rae Tanzer and Her Witnesses to Be Re-Opened.

New York, Dec. 6.—Positive identification of Charles H. Wax as "Oliver Osborne," elusive swain of a score of young women in this city, was made today by eight persons. He has yet, however, to face Miss Rae Tanzer, the factory worker whose \$250,000 breach of promise suit against James W. Osborne, a prominent attorney whom she accused of courting her as "Oliver," led to a succession of legal proceedings.

DEPARTMENT HEADS PRESENT REPORTS

Work for the Baptist State Convention Placed Squarely Before It Yesterday.

COLLEGES GIVEN HEARING

Addresses by Dr. Mullins Feature of Day's Programme—Great Forward Movement for Biblical Recorder Launched—Funston Episode.

Elizabeth City, N. C., Dec. 6.—The Baptist State Convention in session today appointed a committee to bear in person to President Wilson the protest against what is designated by the convention as the effort of General Frederick Funston to curtail the religious freedom of Baptist ministers in preaching the gospel, as they believe it, to the United States troops along the border.

The resolutions providing for the committee recite that the convention speaks for the 287,000 Baptists of North Carolina. They were enthusiastically adopted. John A. Gates, of Fayetteville, president of the convention, is named chairman of the committee which will call on the President.

Gets in Full Swing. The Baptist State Convention, now in session in this city, got in full swing today. With the presentation of the reports of all the boards of the convention and brief statements from the heads of the various departments the entire work is now squarely before the convention.

The strong resolutions introduced by Dr. Hight C. Moore, of Raleigh, relative to the controversy between General Funston and Dr. J. B. Gamble, noted Texas Baptist minister, in Fayetteville, president of the convention, is named chairman of the committee which will call on the President.

Educational Institutions. President William Louis Potes, spoke of the progress and needs of Wake Forest College, as did also President Chas. E. Brewer, of the interests of Meredith College and Dr. B. W. Spillman those of Chowan College. All these institutions have outgrown their present quarters and stand in great need of increased equipment and endowment.

Dr. R. T. Vann, who has been re-elected corresponding secretary of the Board of Education, made an eloquent appeal for the denominational high schools in the State, most of which are in dire need of financial help.

Rev. J. M. Arnett, of Mebane, was re-elected corresponding secretary of the Ministers' Relief Board.

The addresses of Dr. E. Y. Mullins (Continued on Page Three.)

NEWS FROM ATHENS IS BELIEVED SUPPRESSED

Press Messages Probably Do Not Describe Situation Fully.

British Foreign Office Says There is "Reason to Believe" Very Grave Acts of Violence Have Been Committed.

London, Dec. 6.—The foreign office has issued a statement to the effect that there is reason to believe that press messages do not give an accurate picture of the actual situation at Athens both because the royalists have succeeded in regaining control of the cable and press censorship and because the allied press correspondents at Athens are living under threats of personal violence, in common with all those suspected of Venizelist leanings.

A foreign office adds: "There is unfortunately reason to believe that very grave acts of violence have been committed by royalist forces against the press."

Athen's dispatches to the British authorities have led the foreign office to describe them to the Associated Press and constituting a programme of the royalists against the Venizelists.

The dispatch states that the looting of Venizelos' own house was conducted by Greek regulars under command of superior officers, including one general who wore prominent decorations. The royalists asserted that shots were fired from the house, but the British authorities deny that there is the slightest evidence to support this charge.

After the house was sacked and the articles removed, including the former premier's personal clothing, ten Cretan lodgers there were imprisoned. Their subsequent fate is unknown.

Royalists then attacked the house of M. Kalothakis, translator for the American legation. He took refuge in the American legation where the minister is protecting him.

WESTERN FRONT HELD IN GRASP OF WINTER

Only Artillery Fire Has Been Going on for Over a Week.

For Seven Days Thick Mist Has Hung Over the British-German Battle-Field—Battle in Fog a Weird Affair.

(Copyright 1916 by Associated Press.) With the British Army in France, Dec. 3, via London, Dec. 6. (From a staff correspondent of the Associated Press)—Winter, cold, gray and bleak, has held the western battle fronts in icy grasp for more than a week now and has temporarily checked any attempt on either side at operations, except the usual daily "strafing," or exchange of artillery.

For the past seven days there has been a thick mist, but through this gray murk the guns kept hammering away, harassing post roads and rail heads or any other "registered" place, where the enemy was likely to be busy.

A battle in the fog is a weirdly mysterious and uncanny affair. A roar, a flash of red flame, and out into the leader mist shrieks a shell on its well (Continued on Page Ten.)