

VILLAGE OF FRESNOY IS RE-CAPTURED BY THE GERMAN FORCES

Wood Adjacent to It is Also Wrested From Canadians After Five Days' Fight

ENEMY LOSSES ARE HEAVY

Berlin Claims the Capture of Two Hundred Prisoners and Six Machine Guns

GAINS SCORED BY FRENCH

German Attack at Berry-au-Bac Sanguinarily Repulsed

After five days of extraordinarily hard fighting between the Canadians and the Germans, the little village of Fresnoy, lying southeast of Lens, and the adjacent wood are again in German hands. In the re-taking of these positions, where the Canadians had stood for days holding the most advanced salient in the British line, projecting toward Douai, the Germans evidently paid a terrible price. Preceded by a heavy artillery fire in which asphyxiating gas shells also were used in large numbers, the counter attack was launched in the early morning.

Changes Hands Twice. The machine gun and rifle fire of the defenders met the Germans as they threw themselves forward, but they would not be denied and finally penetrated the trenches northeast of the village and even entered the outskirts of the village itself. Their tenure of the position, however, was short-lived, for the Canadians soon afterward returned to the fray, drove out the Germans and again held full sway.

Reforming later, and reinforced by two fresh divisions, the Germans again made a bid for victory along the entire front before the village and wood. The right wing of the defenders held steadfastly and inflicted heavy losses on the Germans. The left wing, however, notwithstanding its stubborn resistance, was compelled to give ground and evacuate the village and wood, leaving them in the hands of Germans. Berlin reports that two hundred prisoners and six machine guns fell into the hands of the Germans.

There has been a continuation of the violent fighting southward in the Bullecourt and Roux sectors, but no notable changes in positions have been reported.

German Repulsed by French. Although the latest French official communication reports no infantry action during Tuesday along the line held by the French in France. The Associated Press correspondent with the French army tells of a desperate German attack south of Berry-au-Bac, which was sanguinarily repulsed. Germans leaving behind numerous dead on the battlefield and prisoners.

Violent Activity in Macedonia. The artillery activity along the entire Macedonian front continues violent, indicating possibly the near approach of a general offensive. Small engagements between entente forces and Austrian and Turkish troops between Lake Ochrida and Lake Presba and between Entente and Teutonic allied troops along the Cerna are reported.

Notwithstanding the fact that in Germany's arbitration continues intense for the imperial chancellor to come into the open and state Germany's peace terms are, an unofficial dispatch from Copenhagen would indicate that the peace required by the German people is not in sight. Dr. Karl Helfferich, the German vice-chancellor, is quoted as having said in a speech in the Reichstag with regard to peace: "We are still not yet able to obtain it. We must still fight for it."

GERMAN LOSSES ENORMOUS SINCE PRESENT DRIVE BEGAN. From a Staff Correspondent of The Associated Press, Great Headquarters of the French Army in France, May 8.—The Germans today desperately normed the positions captured by the French to the south of Berry-au-Bac, but they made no impression. What was feared of the strong attacking waves "many dead to retire, leaving behind thousands of the French. Further groups of prisoners fell into the French net, other points as a result of various raids, bringing the total of unwounded German taken prisoner to 2,000 between 23,000 and 26,000 since April 15. A German wireless message, dated May 8, declares: "The total number of Germans unaccounted for in the battles between April 8 and 9, including dead and wounded left on the field and prisoners, reached 7,500."

The prisoners captured by the French between the 16th and 20th of April, 1917, numbered 1,500. (Continued on Page Two).

EMBARGO SECTION IS STILL DEBATED

Senate Unable to Reach Agreement as to Terms After Four Hours' Discussion

EXECUTIVE SESSION HELD

Two Proposals by Senator Cummins Are Voted Down—LaFollette's Amendment is Still to be Passed Upon.

Washington, May 8.—Four hours of debate behind closed doors today failed to change the Senate's opinion of how the export embargo section of the administration espionage bill should be written, and adjournment was taken with the provision still in the broad terms adopted last night, understood to be satisfactory to the executive branch of the government.

There will be further efforts to modify the provision before the bill reaches the Senate's final vote. Senator LaFollette's amendment to prohibit an embargo to nations consuming the exports and forbidding its use for coercion is pending. An amendment by Senator Cummins providing that the embargo should not operate in violation of any treaty with a neutral was beaten just before adjournment.

Most of the time was taken up with a discussion of another motion by the Iowa senator that the doors be opened and the whole question be debated in the open. After much debate in which there were references to "invisible government" and intimations that the Senate proposed to put through the whole measure, including the press censorship section, in secret session, the motion was beaten.

There was speculation as to how the newspapers get reports of proceedings behind closed doors and some talk on the part of conservative members of how the Senate could prevent information of the kind getting into print. Much of the criticism was leveled at publication of information from the White House about reasons for an embargo which yesterday led the Senate to reverse itself on the language of the embargo section.

BELIEVE DERAILMENT WAS CAUSED BY A BROKEN RAIL

Decatur, Ill., May 8.—That a broken rail caused the derailment of the French commission's special train at Arcola, Ill., southeast of here Monday evening is the opinion of the officials of the Pennsylvania, who have investigated the accident. The superintendent of the Peoria division expressed the belief that the two engines pulling the train broke the rail.

Embezzled \$18,000 From Bank.

Jackson, Miss., May 8.—Arthur Muh, formerly receiving teller of the Jackson State National Bank, today plead guilty in Federal court to embezzlement of approximately \$18,000 from the bank. Restitution of the embezzled money later was made. Sentence was deferred.

ALLIANCE CEMENTED BY WAR CONFERENCES

Balfour Delivers Epochal Address in the Senate

Declares That Germany's Greatest Blunder Was Failure to Comprehend That England and America Would Fight.

Washington, May 8.—Foreign Secretary Balfour declared in an epochal address in the Senate chamber today that the war conferences here had cemented an alliance of "three great democracies destined to crush the greatest world menace of all time and to save civilization and liberty. Though severe trials still must be faced, he said, free peoples now had been aroused and fired with a determination insuring the ultimate triumph of free institutions.

"This war is to be settled by hard fighting," said the British statesman, "and when it comes to hard fighting neither America nor Britain nor France need fear measuring themselves at any moment against those who have risen up against all that we hold dear for the future. "It requires every man and woman on this side of the Atlantic as on the other side to throw their efforts into the scale of right, but that effort unquestionably will be made. I speak with confidence about the issue of this great struggle—a confidence which is (Continued on Page Two).

DETAILS OF LOAN ABOUT COMPLETED

Minimum Denomination of Liberty Bond Issue Placed at \$100, Maximum \$100,000

WILL MATURE IN 15 YEARS

Secretary McAdoo Transfers to Ambassador Jusserand the \$100,000,000 Which Has Been Loaned to France.

Washington, May 8.—Details of the \$2,000,000,000 Liberty bond issue as to maturity, denominations and terms of payment neared completion today at an all-day conference of Treasury and Federal Reserve Board officials. While the entire programme is subject of revision, indications were tonight that the conferees had agreed upon the following features:

Maturity.—The bonds to be redeemable by the government, at its option, in fifteen years and due in thirty years.

Denominations.—The minimum denomination to be \$100, the maximum \$100,000.

Terms of payment.—A small percentage, ranging from two to five per cent and probably two and a half per cent, to be payable at the time the subscription is offered, the balance to be paid in installments.

There probably will be at least four installments, possibly six. Installments may be called for every two weeks or every thirty days.

Formal announcement of the details will be made by Secretary McAdoo tomorrow. The conference among officials is to be resumed tomorrow morning to consider details before placing the whole program before the secretary for his approval.

In considering the question of maturities the conferees were guided largely by the suggestions of representatives of the entire government, to which a part of proceeds will be loaned. These representatives have expressed a willingness to have the maturities set at any date that will be most expedient for the government. At the same time treasury officials have considered carefully the present financial condition of the governments to be benefitted with a view to making the maturity according with their convenience.

In the case of Great Britain, it is felt to be comparatively easy for her to meet a thirty-year bond, easier perhaps, than it would for France or Russia. Suggestions have been under consideration to fix the life of the bond at fifty years, but these, it is believed, have been disapproved.

The minimum denomination of the so-called "baby bonds," it seemed certain tonight, will be \$100. Secretary McAdoo personally would like to see the denominations made smaller, but the tremendous amount of physical work involved in issuing huge blocks of small bonds and the resultant clerical work in distributing them militates against the proposal to bring the minimum to \$20.

Mr. McAdoo today transferred to Ambassador Jusserand, of France, the \$100,000,000 loaned by American government to meet French needs in the United States during May. At the time the Treasury warrant was transferred, it was discovered there was a balance of only \$98,000,000 in the general fund of the Treasury out of which such payments are made. The fund will be replenished shortly by proceeds of the sale of Treasury certificates and current receipts of taxes. The full amount of the warrant was not desired, however, for immediate use and was placed to the credit of the French government in Reserve banks to be withdrawn as needed.

SOUTHEASTERN ROADS PRESENT THEIR SIDE

Point Out Necessity of General Increase in Rates

Fifteen Per Cent Advance Will Narrow But Not Close the Breach Between Net Revenues and Expenses.

Washington, May 8.—Executives of southeastern railroads told the Interstate Commerce Commission today that a general increase in freight rates is absolutely necessary if the systems are to meet an "endless chain of advancing costs, both of labor and material." Nearly all agreed that a 15 per cent advance, tentatively ordered by the commission, would narrow but not close the breach between net revenues and expenses.

W. J. Harahan, president of the Seaboard Air Line, asserted that his system needed an increase of more than 15 per cent in intrastate as well as interstate rates to cover increased operating costs and the cost of needed improvements. Several of the executives made known their intention of taking up with the states through which their roads pass the question of securing advances in the intrastate rates proportionate with any advances allowed in the interstate tariffs. Spokesmen for the southeastern lines are expected to conclude their testimony tomorrow morning, and then report. (Continued on Page Two).

THUNDERSTORM NO MATCH FOR GUNS

Would Have Been Swallowed Up Amidst Din and Roar of Cannon in Fresnoy Battle

A NIGHT MADE FOR TERROR

Associated Press Correspondent Graphically Describes One of Most Marvelous Artillery Duels Ever Recorded.

From a Staff Correspondent of the Associated Press, British Headquarters in France, May 8 (via London).—The laconic statements in this morning's British communication that the enemy's artillery was active at intervals throughout the night at a number of places along the battle front, "particularly in the sector between Fresnoy and Loos" and that "our artillery replied," dismisses in cold official language one of the most marvelous spectacles of night firing the world has ever seen.

It was a night made for terror. Great angry clouds scudded across the sky, successfully masking all attempts of the full moon to break through the cumulus barrage. Eventually the heavens opened and poured forth a torrent of rain upon the hot cannon and the flames raging along the blood-red line of battle.

Thunderstorm No Match. A thunderstorm in its greatest fury could have broken above this appalling artillery duel, however, and been completely swallowed up. Its electric flashes lost in the blinding coruscation of the guns, its thunder peals drowned in the reverberating waves of the crashing munition which came from bellowing cannon and bursting shells.

For the most part it was a duel with what the soldiers call "big stuff"—a giant test of strength among the "heavies." But always above the roar of the big guns could be heard the crack of the bursting shrapnel and the petulant whine of leaden bullets sent in shower from the shells. It was a beautiful day yesterday, but menacing clouds had hidden the setting sun. In the twilight, scores of British airplanes were winging their homeward way from far over the German line, and bringing with them the wonderful stories that make up each day's history in the titanic struggle for mastery of the air.

Ever-Increasing Fury. In the valleys about Loos, Lievin, Lens, Acheville and Fresnoy the freshening wind was stirring up great clouds of dust. Each night explosive shells breaking on the dry ground also sent up towering columns of chalk-like powder, until a haze gathered over all the lower levels of the immediate battle zone. In Lens and several other villages behind the German lines a pungent fumes could be marked by the British smoke vapors that hung above them. The artillery duel was in full swing long before night set in, but it was not until after the gathering gloom of darkness had reflected each shell bursting in the flaming cannon mouth that the full intensity of the long range fighting could be grasped.

The cloak of night also brought into action many great batteries lying concealed during the day. The effect of light, and ever and anon as the night wore on, new guns would burst into violence from altogether unsuspected places. Some of these were the famous old "grandmother" batteries, the grating noise vibrant with the drum minor rhythm of guns, shivered and shoo kanev from the shock of these mammoth weapons. The heavy overhanging clouds had the effect of intensifying to an almost overwhelming degree the nerve-shattering noises of the battle. When "battery fire" would send four, five or six, or more massive shells simultaneously toward the German lines, the onrushing roar was for all but world alike as if experienced in an expressed train as it dashed into a tunnel.

After what seemed an interminable length of time, the swish of those far-reaching shells ended with a great dull bang on the horizon. One of these flares was a hit home in an ammunition dump and there was an explosion that lighted up the whole countryside, resulting in a fire that burned for an hour or more behind a big clump of trees which stood like gaunt black skeletons against the glow.

The coming of darkness had brought out also one of the most ghastly of all world horrors—the effect of interlarding of the machine guns. Their staccato ripple came along the fighting line, the windings of which could always be traced by glowing rockets and flares sent up by the Germans in long, slow graceful loops.

Germans Flared Their Part. The resounding noises about one, however, were not all from entente guns. The Germans are making lavish use of their artillery nowadays and have been since the first days of the battle of Arras caught them both up prepared, unbelievably that the attack would come so soon after their "great strategic victory" in the retreat from the Somme.

Hope Is Brightening That American Inventive Genius Will Put End To U-Boats

Naval Officials and Members of Naval Consulting Board Hold Conference of Unusual Importance at Home of Secretary Daniels.

Officials Talk With Confidence of Progress Made by the Scientists.

Washington, May 8.—Hope is brightening that American inventive genius has found the road that may lead to freedom of the seas from German submarines.

A conference of unusual importance was held tonight at the home of Secretary Daniels. It was called in order that high officials of the navy might go over with members of the Naval Consulting Board, the experiments already tried and those that are in prospect.

"They believe they are on the right road," Mr. Daniels said. "They believe they are going to turn out something that is worth while. There will be more experiments. Further than that I do not care to say."

Other officials declared the scientists were coming down to "brass tacks"; that the period of reaching out after every suggestion was passing, and that definite crystallization of the work upon which the foremost American experts have concentrated was certain to come soon.

Those at the conference were Secretary Daniels, Admiral Benson, chief of operations; Rear Admiral Taylor, chief instructor; Rear Admiral Griffin, chief engineer; Rear Admiral Earle, chief of ordnance; Rear Admiral Grant, chief of the submarine service, and Captain Wm. Strother Smith, who forms the connecting link between the department line of investigation and other scientific bodies.

W. L. Saunders, chairman of the consulting board, headed the representation of scientists. Reports also were available tonight from Thomas A. Edison, who is at work on a somewhat different line of investigation.

No intimation has been given as to the nature of the experiments.

N. CAROLINA GETS MORE THAN 200,000 INTERMENT CAMP MEN HAVE APPLIED

Will Be Established on 500-Acre Tract in Mountains in Western Part of State

FIRST ARRIVALS THIS WEEK

German Officers and Sailors From Selected Ships to Be in First Detachment—Will Be Given Work at Fair Pay.

Washington, May 8.—Arrangements for placing all interned alien enemies in permanent detention camps, where they will be housed and given work at fair pay, have been completed by Secretary Wilson, of the Labor Department. An official announcement today said the first camp will be established on a 500-acre tract of agricultural land in the mountains of North Carolina, and that the 1,800 officers and sailors taken from German merchant vessels in American harbors will be the first aliens to go there.

The statement adds that Secretary Wilson expects the necessity will soon arise for the establishment of additional camps. In addition to enemy aliens the department plans to care for other aliens who cannot be admitted to this country under the immigration laws and whose deportation is impossible on account of the war, as well as for feeble-minded immigrants. Those placed in camps will be segregated in three classes—enemies, other aliens and the feeble-minded.

The first detachments of German sailors will go to North Carolina this (Continued on Page Two).

WAR REVENUE BILL FINALLY APPROVED

Will be Reported in House Today and Brought Up for Consideration Tomorrow

TARIFF DUTIES INCREASED

Measure Proposes Advances in the Postal Rates, Taxes on Amusements and a Stamp Tax of Wide Scope.

Washington, May 8.—A war revenue bill designed to raise \$1,500,000,000 by taxation during the coming year was approved finally in the House ways and means committee late today by a unanimous vote. The measure will be reported to the House tomorrow to be brought up for consideration Thursday. The Senate finance committee will begin public hearings on the bill Friday.

To bring the amount to be raised up to the desired total, the House committee at today's session wrote into the bill a flat increase of ten per cent in all existing tariff duties and ten per cent duties on all articles now free, all coming to bring in \$240,000,000, this more than doubling the present tariff revenues. In addition, it was decided to make all income tax duties retroactive, beginning with the present calendar year. Other taxes provided for are materially increased.

The income tax increases applying to both personal and corporation incomes are designed to produce \$733,000,000 more than the present income receipts. Most of the increase will come from the income, excess profits and inheritance taxes and additional tariff duties, but the levies of the bill would reach into many other sources. Letter mail rate will be increased from 2 to 3 cents an ounce and postal cards from 1 to 2 cents, while \$18,000 would be added to charges against newspapers under a new system, based upon the present parcel post zones. Internal revenue taxes upon liquor and tobacco would be materially increased and taxes on amusement, and stamp taxes of wide scope.

The war income tax section would double the present normal tax of two per cent of individuals and three per cent on corporations. It would lower the exemption for individual incomes from \$4,000 to \$2,000 in the case of married, and from \$5,000 to \$1,000 for the unmarried. In addition beginning with incomes of \$5,000 graduating super-taxes would be imposed. In addition, the normal four per cent, bringing up to 33 per cent on all incomes over half a million dollars a year.

Surtax Schedule. The surtax schedule follows: One per cent on \$5,000 to \$7,500; 2 per cent on \$7,500 to \$10,000; three per cent on \$10,000 to \$15,000; four per cent on \$15,000 to \$20,000; five per cent on \$20,000 to \$30,000; six per cent on \$30,000 to \$40,000; eight per cent on \$40,000 to \$50,000; 11 per cent on \$50,000 to \$80,000; 15 per cent on \$80,000 to \$100,000; 17 per cent on \$100,000 to \$150,000; 20 per cent on \$150,000 to \$200,000; 24 per cent on \$200,000 to \$250,000; 27 per cent on \$250,000 to \$300,000; 30 per cent on \$300,000 to \$500,000; 33 per cent on all exceeding \$500,000.

The provisions requiring the normal tax of individuals to be deducted and withheld at the source of income would not apply to the normal tax described in this bill until after January 1, 1918, and thereafter only to incomes exceeding \$3,000. In addition to the inheritance tax now in force, the bill imposes a tax equal to the following percentage of its value: Transfer of each estate. One-half per cent of amount not in excess of \$50,000; one per cent between \$50,000 and \$100,000; one and one-half per cent between \$100,000 and \$250,000; two per cent between \$250,000 and \$500,000; two and one-half per cent between \$500,000 and \$1,000,000; three per cent between one million and two million dollars; three and one-half per cent between two million and three million dollars; four per cent between three million and four million dollars; 4 1/2 per cent between four million and five million dollars; 5 per cent between five million and eight million dollars; 7 per cent between eight million and ten million dollars; 10 per cent between eleven million and fifteen million dollars; 15 per cent on \$15,000,000 and over.

The exemption is lowered from \$250,000 to \$25,000 and a new tax of 1 per cent levied on estates between \$25,000 and \$50,000.

The bill proposes to bring in \$200,000,000 by doubling the present 3 per cent tax on excess profits.

On distilled spirits the present tax of \$1.10 per gallon is doubled to the rectifiers tax, 15 cents a gallon is added, and fermented liquors are assessed \$2.75 per barrel, instead of \$1.50.

The tobacco tax is doubled, except as to cigars, which are graduated from 50 cents to \$10 a thousand, according to retail value. Cigarettes, made in or imported into the United States, would be taxed an additional \$1.25 per pound, and if weighing less than three pounds per thousand and \$3.60 per thousand if more than three pounds. Newspapers would be required to pay 5 per cent on all advertising collections.

The second class postage section says: "After June 1, next, the zone system applicable to parcel post shall apply to second class mail matter, with rates of postage two cents a pound or fraction thereof for delivery within the first or second zones; four cents within fourth or fifth; five cents within sixth or seventh; six cents for delivery within the eighth zone. It is provided, however, (Continued on Page Two).

WAR PROGRAM TO BE ISSUED TO CHURCHES

Federal Council Will Embody It in Address Today

Virtually All Protestant Denominations Included—Prohibition Urged As War Measure—Other Activities.

Washington, May 8.—A special war program of action for virtually all Protestant churches in the United States was formulated today by the Federal Council of the Churches of Christ in America and will be embodied in an address to the churches to be issued tomorrow. President Wilson, Mr. Balfour, of the British commission; Marshal Joffre and M. Viviani, of the French mission, and Vice-President Marshall, have been invited to speak before the council.

The commission on temperance today reported a suggestion to raise one million dollars as a publicity fund to carry on the fight against liquor traffic. The report of the temperance committee, investigating prohibition as a war measure, was presented through Governor Miliken, of Maine, the chairman.

Ramond Robbins, of Chicago, speaking at the afternoon session declared that the church should assume the leadership in the nation and the world through service to others. He urged the appointment of a committee to advocate enactment of laws conscripting (Continued on Page Two).

BILLION DOLLARS IN TWO YEARS FOR SHIPS

Amount Called For Under Shipping Board's Program

Is Proposed to Build Fleet of 5,000,000 to 6,000,000 Tons—Bill Would Diversify Steel Mill Products to Government Use.

Washington, May 8.—The Shipping Board program to combat the submarine menace will call for \$1,000,000,000 for the construction of a great American merchant fleet of 5,000,000 to 6,000,000 tons of steel and wooden vessels during the next two years. Congress will be asked to furnish the money and the plan contemplates the diversion to government uses of the products of every steel mill in the country, cancellation of existing contracts between those mills and private consumers and where necessary damages to be paid by the government to the parties whose contracts are cancelled.

The administration has prepared bills for introduction in Congress and hopes to get them under way so promptly that the first shipbuilding operations may be in motion within two weeks. Co-operation of labor already has been pledged.

The only exception to the general cancellation of private contracts with steel mills will be those of railroads. Steel mills, it is contemplated, will be permitted to supply them with the minimum amount of steel products (Continued on Page Two).