

AUSTRIANS LOSE 9,000 PRISONERS WHEN THE ITALIANS SMASH LINE

King Emmanuel's Forces, Aided by British Guns, Drive Forward on 10-Mile Front

CAPTURE VANTAGE POINTS

Lines Advanced Appreciably Near Trieste, Only 10 Miles Away at One Point

TWO BIG STEAMERS SUNK

Four German Airships Raid Eastern Counties of England

On a front of nearly 10 miles on the Carso Plateau the Italian troops have smashed the Austrian line and taken prisoners from the town of Castagnavizza to the head of the Gulf of Trieste. In their renewal of their offensive the Italians received valuable aid from some of the nine British batteries that have hauled their big guns down to the Isonzo front to help in the efforts aimed at the conquest of Trieste, Austria's big seaport on the Adriatic.

200 Officers Captured.

Not alone were the Italians successful in capturing numerous points of vantage, but more than 9,000 Austrian prisoners, including officers in excess of 200, were taken. The Austrians are declared to have been taken completely by surprise by the sudden onslaught of the Italians who, to divert attention from the southern end of the Isonzo line, had struck a hard blow to the north. When the Austrians recovered from their surprise they launched heavy counter attacks, but the Italians tenaciously held their ground.

The advance of the Italians brings them appreciably nearer Trieste, which is the lower part of the line less than ten miles away. The ground is rugged and yet to be passed over is difficult for military operations and even with other successful advances such as the last one the objective of the Italians will not be attained except by fighting of a most desperate nature.

Comparative quiet still prevails on the western front in France held by the British, but farther south around the head in the line from Solissons eastward, intensive artillery duels are in progress between the French and the Germans, being most severe in the region of Moulou de Vaclere, the California Plateau and Chevreux.

On some of the other fronts has there been an engagement of any great importance.

The exhortations of the Russian minister of war, M. Kerensky, that the Russian troops cease their attitude of passiveness and go into the fray with the object of bringing about the necessary defeat of Germany, evidently are bearing fruit. The entire garrison of Sebastopol, Russia's big fortress and naval station in the Crimea, has requested unanimously that it be permitted to go to the Riga front and give battle to the Germans.

Two Big Ships Sunk.

German submarines have sent to the bottom two more big steamers and added the loss of 458 lives. The vessels were the British steamer Trevelyan, acting as a transport, which was sunk in the Mediterranean, and the French steamer Sontag, with passengers from Saloniki for Marseilles.

Under cover of the clouds, four German airships, presumably Zeppelins, have carried out a bombing raid on the eastern counties of England. Only one person was killed and the damage done by the explosives was slight. In the thick weather the marauders escaped undamaged, although British airmen arose and tried to locate and engage them.

UNITED STATES ENGINEERS VISIT AMBASSADOR PAGE

American Khaki Very Much in Evidence in London Yesterday.

London, May 24.—The engineers from the American army who have arrived in England made a call early today on Ambassador Page and later separated for a series of conferences with war office officials in regard to their various specialties. They were entertained at luncheon by the Earl of Derby, secretary for war.

American khaki was very much in evidence in London today. A number of additional officers and hospital units have arrived and are especially of the Cleveland and Harvard units. In their blue uniforms, with white arm bands labelled with the insignia of the American Red Cross, already has become familiar sight to the London public. More than 1,000 persons belonging to the American army are now in Great Britain.

Instructions to Postmasters.

Washington, May 24.—Postmasters were instructed today by the Postmaster General to permit the display in their offices of notices of laborers wanted, or of work wanted by laborers.

HENRY WALTERS OF A. C. L. TESTIFIES

Answers Questions of Shippers' Counsel Concerning the Railroad's Finances

HAS \$35,000,000 SURPLUS

Officials of Other Roads Appear Before Commerce Commission in Hearing on Proposed 15 Per cent. Rate Increase.

Washington, May 24.—Railroad executives from widely separated sections of the country appeared today at the Interstate Commerce Commission hearings on the carriers' petition for a 15 per cent advance in freight rates and submitted to vigorous cross examination by counsel for shippers.

The shippers' representatives probed into the finances of the railroads, trying to get the executives to say that the emergency the railroads claim exists does not affect every line.

T. C. Powell, vice-president of the Queen and Crescent, in response to questioning, said that last week his company declared a regular dividend of three per cent, on the common stock and an extra dividend of three and a half per cent.

Mr. Walters questioned. Henry Walters, chairman of the board of the Atlantic Coast Line, was asked at the opening of his examination how much stock of the Louisville & Nashville his line controlled. He replied that it was more than fifty per cent. It was a fact, he said, that the increase in net revenue of the Atlantic Coast Line was greater during the first three months of this year than in the corresponding period of 1916.

Mr. Walters added that while there was no doubt that the net revenues of the line would be larger this year than last, they would not be sufficient to meet the increased costs.

The witness said the accumulated surplus of the Atlantic Coast Line was about \$35,000,000, of which \$20,000,000 was in cash, and of that sum \$14,000,000 had been appropriated. He agreed with the examiner that the partial purpose of a surplus was to tide railroads over lean years and meet emergencies.

Mr. Walters said that he considered the Atlantic Coast Line was better situated than some of its neighbors. "Then you think the emergency is on the other roads and not on yours?" "It depends upon how long it will last," he said.

ASSEMBLY COMES TO CLOSE AT BIRMINGHAM

Southern Presbyterians to Meet Next Year at Durant, Okla.

Committee Appointed to Confer With Similar Committee From the Northern Branch to Discuss Re-Union.

Birmingham, Ala., May 24.—Having disposed of church union propositions, by appointing a committee to confer with a like number from the Northern branch, and the completion of all other business before it, the fifty-seventh general assembly of the Presbyterian church in the United States was dissolved late this afternoon and an assembly ordered to meet at Durant, Okla., May 16, 1918.

Both sessions of the closing day were crowded with business, just before recess was taken for lunch the assembly had completed its discussion of the appointment of a committee general assembly of the Presbyterian Church in the United States of America, and had adopted the paper of the Rev. Thornton L. Whaling, offered Wednesday, as the action in this matter. The paper had first been submitted for the minority report of the special committee, also presented Wednesday with the majority committee report. When this substitution had been effected, the vote was taken between the majority report and the substitute offered by Rev. Mr. Whaling. (Continued on Page Seven).

FAREWELL SPEECH FROM BALFOUR TO AMERICAN PEOPLE

Expresses Thanks for Kindness and Sympathy His Mission Has Received Here

HE SPEAKS WITH FEELING

Says Preparations for War Within Past Forty Days Have Been Remarkable

Washington, May 24.—In a farewell address to the American people today, Foreign Secretary Balfour warmly expressed thanks for the kindness and sympathy with which the British war mission has been received in this country, declared what the United States has accomplished during the forty days since it entered the war most remarkable, and said he would carry back to the allies across the water his belief that with a little delay as human imperfections allow the full and decisive weight of America would be thrown into the struggle for democracy.

The message was delivered to the Washington correspondents gathered at the National Press Club to hear the last speech of the British statesman's visit. It was spoken with evident feeling.

"Of those who say the war preparations of the United States have proceeded slowly, Mr. Balfour said, they knew very little of the actual way in which public life is and must be carried on in free countries."

"I think what has been accomplished in these forty days most remarkable," he said. "It is quite true that the executive government has been delayed by the fact that certain measures placed before Congress took time to pass, some of them have not yet passed. But who is it that supposes that representative assemblies are going to make great and new departures in public policy solely at the waving of a wand?"

He added that he felt confident Congress would give the President the great powers necessary to successful conduct of the war.

In expressing the mission's gratitude for the reception given them, the foreign minister spoke with regret of their inability to visit many sections of the United States, and of the hope that it might be done at a later and happier time. To the correspondents themselves and to the American Press generally, he paid a tribute for their accuracy and patriotic principles.

"Gentlemen," said Mr. Balfour, "I came to the United States conscious, of course, of the importance of the mission with which I have been entrusted by my government, conscious that the mission from the very nature of the case, was one of the most important in which either of our two countries has ever concerned itself; conscious that the very condition of the world in which we live gave weight and importance to every action, to every word, and to every report of every word which might take place during its existence."

"The kindness with which we were received, the warmth of the welcome which reached us from all parts of the country, soon made it plain the strictly and narrowly business side of our mission was not the only one which was important at the present juncture. For my own part I have felt more deeply."

BE GRADUATED IN JUNE

CADET CLASS OF 1918 TO BE GRADUATED IN JUNE

Those Passing Examination Will Be Commissioned at Once.

Washington, May 24.—The present first-class of the Naval Academy will be graduated June 28, a year ahead of their time, in order to provide additional officers for the fleet of submarine chasers.

Captain Eberle, commandant at Annapolis, and the entire faculty of the academy approved the early graduation. There are 203 men in the class and all who pass the required examination will be commissioned immediately as ensigns. They have been doing double work for some months to prepare for early graduation.

The class which ordinarily would have finished in June of this year was graduated last March. At that time it was announced that the Navy Department that the next class probably would be graduated in September, but the need of officers for the mosquito fleet led to the decision to set up the date still further.

SHIP BEARING THE FRENCH MISSION CHANGED COURSE

Presence of German Submarines Was Reported Near Home Port.

Paris, May 24.—The steamer on which Marshal Joffre, former Premier, Wyllan and the other members of the French mission to the United States returned to France changed her course shortly before reaching port owing to the reported presence of German submarines in the vicinity, according to the Temps today.

The warning, says the newspaper, was received off Ushant, when the wireless reported that one or two German submarines had succeeded in sinking three cargo steamers in the same day in that locality.

LES DARCY, THE AUSTRALIAN PUGILIST, DIES AT MEMPHIS

Memphis, Tenn., May 24.—Les Darcy, the Australian pugilist, died at a hospital here this afternoon from pneumonia. He had been ill more than a month.

PHILIPPINES ARE BARREN SOIL FOR GERMAN PLOTTERS

Seeds of Insurrection Sown by Former German Consul at Cebu Fail to Sprout

HE AND ANOTHER IN JAIL

Promise of German Support and Money to Gain Independence Bears No Weight

Manila, April 15 (Correspondence of Associated Press)—The war has gripped Manila and the Philippines. Wherever one turns he sees on guard a soldier of the regular army, a sailor of the navy, or a Filipino guard taken from the Philippine scouts. At the various military posts throughout the islands, guards have been redoubled.

Already two Germans are under arrest as a "precautionary measure," so the government explains. One of them apparently has been guilty of only the indiscretion of having talked too much. He had not concealed his intentions at the tense days that preceded the declaration of war, of blowing up every piece of American government property he could reach. So when war broke out, he was promptly clapped into jail.

The other arrest is a more serious matter. Conrad Andre, former German consul at the important southern city of Cebu, for months has been the center of rumors that connected him with a plot to stir up insurrection among the Filipinos to open revolt. These rumors accused him of having kept lists of men who had figured in insurrections against the United States here. He was supposed to have offered \$5 to each insurgent who would sign a document pledging his support to this revolt.

His agents worked in every part of the islands and they attained considerable success in getting signatures and finding men to accept the \$5 bribe. But the government has never beyond that. There has never been a time in the Philippine islands when the seeds of an insurrection were sown on more barren soil. Prosperity among the people, gratitude to the United States for concessions of autonomy, fear of an independent future at a time when the world was torn asunder by war, and loyalty to the present administration of the islands for a consistently pro-Filipino policy—all these facts have conspired to keep every element of the population from joining in the Andre movement. Even the promise of German support and German money in a fight to gain independence seemingly had no weight. The most hardy enemies of American rule saw in the plan the project of a madman and it never had a chance of success.

There are nearly 1,500 Germans in the Philippines. Many of them are temporary guests, persons who sought refuge in the islands after they were driven from the neighboring British colonies, or members of the crews of 23 interned German steamers, which are now in the custody of the insular government. The remainder are members of the permanent German colony of the country. Of the latter, there is little fear, but the war visitors are watched carefully. Every German in the Philippines has been compelled to register with the Manila police or the constabulary in the provinces.

Washington, May 24.—Another effort to get Americans to participate in peace parleys at Stockholm failed today when President Gompers, of the American Federation of Labor, declined an invitation to send delegates to a Stockholm trade union congress to discuss the claims of labor in connection with peace negotiations.

The congress will meet simultaneously with the socialist peace conference on which the State Department has put its stamp of disapproval by refusing passports to Americans expecting to participate, and by warning citizens that such participation would be in violation of the law.

The Federation of Labor's invitation came in a cablegram from President Oudegeest, of the Dutch federation of trade unions. Mr. Gompers cabled this reply: "Long before the United States entered the war, American Federation of Labor proposed an international conference after the war and at the time and place where the representatives of each government went to meet to determine the treaties and international relations. That preparation was rejected. Now, after the United States"

GOMPERS SENDS CURT REPLY TO OUDEGEEST

American Labor Leaders to Take No Part in Peace Parley

President of Dutch Federation Informed by Mr. Gompers That He Does Not See How Any Good Can Be Accomplished.

Washington, May 24.—Conferees of the Senate and House on the espionage bill will resume their conferences tomorrow, prepared to respond to President Wilson's desire for a further effort to have Congress authorize censorship of the press.

Formal agreement on a compromise censorship provision, a modified substitute for the original administration and House proposals, is regarded certain, and it also is predicted that the conferees will agree promptly upon the export embargo, mail censorship, search warrants and other disputed sections of the measure.

An addition to the substitute, proposing that jurisdiction shall determine whether publication of prohibited matter was with deliberate intent to aid the enemy, also may be accepted. The House conferees are insistent that such a provision, a part of the Gardner amendment, shall be included.

Although the conferees and administration leaders have sounded sentiment in the Senate and House since the President reiterated his desire for censorship authority, the ultimate outcome in Congress still is regarded as doubtful. (Continued on Page Seven).

CONFEREES TO MAKE ANOTHER EFFORT AT PRESIDENT'S REQUEST

Compromise Modified Amendment to Spy Bill Regarded Certain in Conference, But Final Outcome is Still Debatable.

COMMITTEE TOMORROW HOPES TO VOTE ON THE QUESTION OF REDUCING THE AGGREGATE TAX LEVY OF THE BILL. THE COMMITTEE SENTIMENT GENERALLY IS IN FAVOR OF HAVING THE PRESENT GENERATION LARGELY BEAR THE COST OF THE WAR, BUT AGAINST IMPOSING UNNECESSARY BURDENS UPON THE FUTURE.

CONSIDERATION IS BEING GIVEN A TAX UPON PARCEL POST PACKAGES, SMALLER THAN THAT ON EXPRESS SHIPMENTS. A PARCEL POST TAX, SENATORS SAY, WOULD BE CONSIDERED A FREIGHT RATHER THAN A POSTAL TAX. IN DECIDING TO STRIKE OUT THE SECOND-CLASS POSTAGE ZONE INCREASE, THE COMMITTEE BELIEVED THIS IS MORE A MATTER OF POSTAL ADMINISTRATION THAN OF TAXATION.

FURTHER CHANGES IN THE INHERITANCE, TARIFF, FREIGHT, PASSENGER AND LIQUOR TAXES ALSO ARE BEING CONSIDERED BY THE COMMITTEE.

The committee tomorrow hopes to vote on the question of reducing the aggregate tax levy of the bill. The committee sentiment generally is in favor of having the present generation largely bear the cost of the war, but against imposing unnecessary burdens upon the future.

EVEN CONVICTS AND ENEMY ALIENS Will Be Required To Register

Washington, May 24.—Emphasis is laid by Provost Marshal General Crowder on the fact that no man within the prescribed age limit, except those already in the regular army or navy, the National Guard in Federal service, or the reserve divisions of the naval service, are excused from registration for military service.

"Even convicts and alien enemies are required to register," says a statement issued today, adding, however, that those liable should not confuse registration with actual drafting for service in the army.

The statement points out also that the application for the draft and calling selected men to the colors will furnish the opportunity for those who believe they should be exempted to submit their claims. The process of selection will be carried out, it adds, by lot, "by the fairest system that can be devised."

ITALIAN MISSION WILSON'S GUESTS

President Entertained Visitors at State Dinner at White House Last Night

MEET LEADING STATESMEN

Prince of Udine Calls on Daniels and Baker—Delivers Personal Letter From the King to the President.

Washington, May 24.—The Prince of Udine and other members of the Italian war mission were the guests of President Wilson at a state dinner at the White House tonight, closing a day spent by the visitors in receiving honors similar to those conferred on their British and French predecessors, and in making the acquaintance of American officials with whom they will negotiate during the coming month.

The White House dinner brought to meet the Italians many of the leading officials of the American government, in addition to the President and Mrs. Wilson, the members of the cabinet and their wives, Chief Justice White, Senator Salsbury, president pro-tem of the Senate; Speaker Clark, of the House; Senators Gallinger and Martin, Representatives Mann, Fitzgerald and Rainey; Counselor Folck and Assistant Secretary Phillips, of the State Department.

The Prince of Udine started his first day in the American capital with an official call on Secretary Lansing at the State Department, accompanied by the other main figures of the mission. Then, as a captain of the Royal Italian navy, he called on Secretary Daniels, and later on Secretary Baker. Secretary Lansing escorted him to the White House, where he handed President Wilson a personal letter from King Victor Emmanuel of Italy. In a short address he expressed his joy at being in this country as the representative of an allied nation, and the President responded with a warm welcome.

The organization of the mission was discussed at a meeting of its members at the Italian embassy in the afternoon. The mission is a body of experts and technical men qualified to deal with every phase of the war and is anxious to come in contact as soon as possible with the corresponding American officials. Needs very different from those of the other allies will be discussed, as is seen in the fact that nearly one-third of Italy's imports from this country (Continued on Page Two).

5,000 MEN NEEDED FOR ARMY MEDICAL CORPS

Ten Thousand More Will Be Required by End of the Year

At Least Three and Possibly Four New Army Medical Schools to Be Established for Training the Doctors.

Washington, May 24.—New army medical schools will be established at Fort Riley, Kas.; Fort Benj. Harrison, Ind.; Fort Oglethorpe, Ga., and possibly Leon Springs, Tex., for training the thousands of doctors who will be needed when the war armies are mobilized.

An official statement issued today says that 5,000 men are needed now and that the services of 10,000 more will be required by the end of the year.

To decentralize the educational work and train doctors for special branches of the profession, three new divisions of the army medical corps have been created. They are the division of sanitary inspection, under Col. Frederick F. Reynolds; the division of hospitals and hospital construction, under Col. James B. Glendon; and the division of medical military instruction, under Col. Edw. L. Munson, all three divisions being under the general supervision of Col. Henry R. Birmingham.

Each of the camps will accommodate 600 doctors during the training course and the three in Kansas, Georgia and Indiana will be ready June 1st. The first four weeks will be devoted to instructing the doctors as to duties of emergency. (Continued on Page Seven).

STUDYING ALLIES NEEDS FOR JUNE

Treasury Will Probably Advance \$400,000,000, Bringing Grand Total to One Billion

GERMAN BANK SUBSCRIBES

Nashville, Tenn., Institution With Only \$50,000 Capital Takes \$23,750 Worth of the Liberty Loan Bonds.

Washington, May 26.—Treasury officials have turned their attention to the financial requirements of the Allies for June and are engaged in formulating a more or less elastic program designed to stand for several months. Indications are that approximately \$400,000,000 will be advanced the Allies in June, bringing the total up to more than \$1,000,000,000. The Italian commission has yet to submit a program to meet Italian financial needs.

British and French needs have been passed this stage and are now proposed on a basis of the payment, at stated periods, of fixed sums, all of which will be spent in the United States.

Officials today allotted among the banks of the Federal Reserve six days the \$200,000,000 offering of Treasury certificates of indebtedness which was closed yesterday. The allotment was made on the basis of 72 per cent of the subscriptions, the offering having been over-subscribed about forty per cent.

In a statement issued tonight officials made it clear that subscribers to the so-called baby bonds of the Liberty loan—the \$50 and \$100 denominations—are not required to pay their full amount of subscriptions in advance, but will receive the same privileges of paying by instalments as are granted subscribers to larger amounts.

Governor McCord, of the Atlanta Federal Reserve Bank, advised the Treasury today that the German-American (Continued on Page Two).

ENSORSHIP PROVISION MAY YET BE INCLUDED

Conferees to Make Another Effort at President's Request

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MAY REDUCE WAR TAX PROPOSAL BY ABOUT ONE-THIRD

Senate Finance Committee Begins Revision of the Measure Passed by the House

MANY CHANGES AGREED ON

General Sentiment is Against Imposing Unnecessary Burdens During First Year

Washington, May 24.—Revision of the \$1,800,000,000 war revenue bill, passed yesterday by the House, was begun today by the Senate Finance committee. Reduction of the gross tax levy of the bill by about one-third, or to about \$1,250,000,000, is said to be favored by most of the committee.

It is deemed certain, at least, that the aggregate tax burden will not be increased, and that the committee will not consider adding the extra estimates of \$445,000,000, recently submitted by the Treasury Department. Short term bonds to take care of the millions by which the total levy for this year probably will be reduced apparently is generally favored.

Changes Agreed Upon. Chairman Simmons announced after today's meeting that the committee had agreed to the following changes in the House measure:

To strike out the additional retroactive income tax on incomes earned in 1918.

To strike out all provisions for increased second-class mail rates, under the zone system, and substitute a low direct tax probably about two per cent, on all advertising, including that in newspapers and magazines and of bill boards, posters and street cars.

A strike out all the proposed increases in inheritance tax schedules; and

To substitute for the House excess profits tax, on profits over eight per cent of invested capital and excess profits based instead on average profits for a period of years not more than five.

Elimination of the retroactive tax on 1916 incomes, Senator Simmons estimated, alone would result in reduction of the House bill's tax levy by \$108,000,000.

Newspapers and magazines have vigorously fought the proposed zone system increase, declaring they would be ruined by elimination of the section. Mr. Balfour, if not wholly recouped, the committee believes, by the proposed two per cent tax on all advertising.

Would Relieve Tax Burdens. The excess profits tax principle adopted today, the committee men say, would greatly relieve this year's tax burdens upon business interests generally, provide a more equitable basis of taxation and also increase by many millions the net revenue returned.

Some corporations have complained that not until last year or this have they made normal profits. While not finally decided, the committee apparently favors retaining the House measure if not wholly recouped, the committee believes, by the proposed two per cent tax on all advertising.

The committee discussed only briefly the broad question of income tax rates and reached no decision.

Consideration is being given a tax upon parcel post packages, smaller than that on express shipments. A parcel post tax, senators say, would be considered a freight rather than a postal tax. In deciding to strike out the second-class postage zone increase, the committee believed this is more a matter of postal administration than of taxation.

Further changes in the inheritance, tariff, freight, passenger and liquor taxes also are being considered by the committee.

The committee tomorrow hopes to vote on the question of reducing the aggregate tax levy of the bill. The committee sentiment generally is in favor of having the present generation largely bear the cost of the war, but against imposing unnecessary burdens upon the future.

DENIES AMERICANS ARE INTENTIONALLY DETAINED

German Foreign Office Replies to Assertions Emanating in America.

Berlin, May 24 (via London, May 25)—The foreign office today emphatically denied assertions, alleged to have emanated in the United States, that Germany is intentionally holding Americans desirous of leaving the country. Their departure, it was explained, was delayed solely by official routine, which in view of existing circumstances, was naturally slow motion, even subjects of neutral countries as well as Germans desiring to cross the frontier being without exception called on to secure permission from the police and military authorities.

PRESIDENT WILSON AND GENERAL PERSHING CONFER

Washington, May 24.—President Wilson conferred today with Maj.-Gen. J. J. Pershing, who is to command the first American expeditionary force to France. The conference was short and neither General Pershing or Secretary Baker, who introduced him to the President, would discuss it. The time of the departure of the force has not been announced, nor has that of General Pershing, who, with his staff, will go ahead.