

LAND AND SEA DRIVE BY GERMANS AGAINST RIGA A POSSIBILITY

Destroyers and Other War Craft Operating in Waters Adjacent to Gulf of Riga

AERIAL ATTACKS ARE MADE

Italians Continue Advance North of Gorizia—Renew Drive in Carso Plateau Region

600 MORE PRISONERS TAKEN

Violent Artillery Duels Occur in Belgium and France

(Associated Press War Summary.)

Having failed in all their direct attacks by land to break the Russian front and capture Riga, Russian's principal naval base and arsenal on the Baltic, the possibility that the Germans are now preparing for an offensive by land and sea is forecast in the maneuvers of their torpedo-boat destroyers, submarines and mine sweeping trawlers in adjacent waters and in aerial attacks in the Gulf of Riga itself.

Russian Harbor Raided. Forty airplanes of the enemy have winged their flight over the waters of the gulf, dropping bombs. Ninety of these missiles were loosed Thursday upon Russian warships and harbor works and raids were also carried out against islands in the gulf. What damage, if any, resulted, is not stated in the Russian official communication.

Neither the Russian nor Berlin war office has announced the commencement of infantry activity in the marshy district west of Riga, where recently the Germans made advances, although Berlin says that northwest of Dvinsk, in the region of Bluket, the Russians have taken a costly and a crushing raiding operation, and are carrying out other operations. The situation on the other sectors of the Russian front has not changed materially.

Italians Continue Gains. The Italians are still making gains on the Bainsizza plateau, north of Gorizia, and also have renewed their offensive on the Carso plateau. More than 600 additional Austrian prisoners and five machine guns have been captured in the Bainsizza region. South of this region, on the dominating peak of Monte Sangabriele, more ground has been taken.

On the Carso the big Caproni airplanes are aiding in the attack. Aside from artillery duels which are frequent at various points along the front, the British and French troops in Belgium and France only minor operations are taking place.

There has been a return of rather heavy fighting on several sectors of the front in Macedonia, where the French have repulsed Bulgarian attacks in the region of Srka di Legen and west of Monastir.

RENEW FIGHT FOR WAR EXPENDITURES BOARD

Republicans to Try again For Congressional Committee—Bond and Certificate Bill Approved.

Washington, August 30.—Coincident with the voting of a favorable report today on the \$11,528,945,000 war bond and certificate bill in virtually the form Secretary McAdoo wrote it, Republicans in the House announced today that they would renew their fight for the creation of a congressional war expenditures committee.

The proposed expenditures committee was offered by Representative Moore, of Pennsylvania, was voted down along party lines in committee, but several Democrats expressed their approval of it, and Republicans are hopeful that when it reaches the floor some Democratic support will develop.

An effort has been made in drafting the amendment to meet the objection of President Wilson that a similar provision proposed during the food control bill debate would embarrass the conduct of the war.

Instead of authorizing a committee to study problems arising from the war, the former proposal, the latter draft would provide for a committee to cooperate with the President in procuring efficiency and preventing waste and extravagance in the conduct of the war. As indicating the attitude of such a committee is needed the Republicans plan to point to reports of waste and extravagance which have appeared in the newspapers. A provision designed for forestalling charges that the move is political, permits seven Democrats and six Republicans to compose the committee.

The committee would hold hearings and investigations and be given an initial appropriation of \$100,000.

GERMAN WARSHIPS IN THE VICINITY OF GULF OF RIGA

Petersburg, Aug. 31.—German torpedo boats, submarines and trawlers have been observed in the vicinity of the Gulf of Riga, says today's official communication. Forty airplanes have bombed islands in the Gulf.

WILL PUT POLISH TROOPS IN FIELD

This Move of Central Powers is Prompted by the Vigorous Attacks of Allies

VIENNA REPORTS DECISION

Dispatch Says Negotiations For the Establishment of Polish Government Are Approaching a Conclusion.

Amsterdam, August 31.—The Central Powers have decided to put Polish troops in the field against the Entente, according to a dispatch from Vienna received here today. The move was prompted by the vigorous allied attacks. The dispatch reads:

"In view of the general offensive of their enemies, Austria-Hungary and Germany have decided to utilize the Polish auxiliary corps under Austrian command. As soon as the war situation permits this corps will again form the kernel of the Polish army. Meanwhile, the necessary training and recruiting staff, consisting of Austrians and Polish subjects, will remain in Poland.

GERMAN GOVERNMENT IS GIVEN FURTHER WARNING

Majority Parties Will Be Forced to Take Steps Unless Demands For Reforms Are Met.

Copenhagen, Aug. 31.—A warning that unless the German government heeds demands of the reichstag for reforming the majority parties will take measures was given before the reichstag main committee on Wednesday. Resolutions of the majority, introduced by Dr. Karl Heine, socialist, demanding the fourth or fifth time abolition of the political censorship, and limitation of the military censorship to facts connected with the conduct of the war and criticism thereof. This was held to be necessary because it is notorious that the military authorities exercise a sweeping political censorship of the German press on the pretense that publications of a political nature may affect the military spirit of the people.

Dr. Heine gave the government four weeks until the assembling of the reichstag, to mend its ways. Otherwise, he said, the reichstag majority would be forced to take steps. The speaker also received some half dozen earlier warnings of a similar nature and its response in the present instance will not be an unfair test of the influence of the present majority in the reichstag.

A formal pronouncement of Emperor William were criticised in the debate on the censorship.

OFFICIALS CONFIDENT THE DECISION WILL BE REVERSED

Washington, August 31.—Federal officials regard the decision of Judge Boyd holding the child labor law unconstitutional as a question before the supreme court, where they are entirely confident the action of Congress will be sustained. It had been assumed when the law was passed that the military districts would not permit its enforcement without a vigorous fight.

The law becomes effective tomorrow and the decree at Greensboro affects only the North Carolina district. Except where the courts interfere it will be enforced. Under the statute's provisions no child under 14 may be employed in any factory, mill, workshop, or cannery whose products are shipped interstate commerce, and no child under 16 may work in any mine or quarry. Children under 15 are not permitted to work longer than eight hours a day.

USE OF GIANT AIRPLANES AGAINST U-BOATS URGED.

Newport, R. I., Aug. 31.—The use of gigantic airplanes which the Italians are now building as the best means of attacking the submarine menace, was urged today by Major R. Perfiti, head of the special Italian aeronautic mission to the United States, at a benefit theatrical performance for American aviators here tonight.

Major Perfiti said that aircraft carrying 25 or more men could be built in large numbers in this country where materials are abundant, flown across the Atlantic and used on the other side against Germany and her allies.

Germany Re-Occupies Ground. Berlin, Aug. 31. (via London).—A portion of the ground recently gained by the British south of Le Catiet has been re-occupied by the Germans, the war office announced.

HOLLIS READY TO TAKE NEARLY ALL OF WAR PROFITS

Says They Are a Trust Fund and Government Should Not Hesitate to Take Them

FIGHT WILL BEGIN TODAY

Johnson Proposal Providing Gross Levy of 80 Per Cent Will Come Up First

Washington, August 31.—Voting probably will begin in the Senate tomorrow on the war profits section of the war tax bill.

The situation clarified so rapidly today following yesterday's abandonment of cloture plans and agreement for final disposition of the measure, that just before suspending today all was ready for a vote on the first of the amendments to the war profits section—the proposal of Senator Johnson, of California, providing a gross levy of eighty per cent. Absence of a score of senators prevented an immediate test of strength.

Senator LaFollette expects to make tomorrow a lengthy war profits speech on which he has been working for several days, but Senator Borah, a leader of the group demanding higher taxation, said tonight this would not interfere with prompt action on the Johnson amendment.

Spokesmen for those favoring and opposing higher profits rates divided today's debate. Senators Harding and Smoot urged retention of the finance committee's provision while Senators Hollis and Gronna urged greater levies.

Senators Harding and Smoot warned that much higher taxation of war profits probably would result seriously to business. Senators Hollis and Gronna contended that the bulk of the war's expenses should be obtained from war profits. Senator Hollis opposed taxes proposed, and insisted that the bill be increased to \$3,000,000,000 by levying upon war profits.

"I am ready to take practically all war profits," he declared. "They are a trust fund in the hands of those that make them and the government should have no compunction in reaching out and taking them."

By a strategic move the senators making the fight for a higher rate on war profits got Senator Johnson's amendment placed in position for the first vote. Both sides expressed confidence tonight, but the plan of the high tax group is to offer Senator Johnson's maximum levy provision first and if that is defeated, to follow with other propositions to secure acceptance of the highest possible rate.

WILL DISCUSS POLITICAL UNION OF FIVE NATIONS

Prospects Appear Bright for Gathering of Conference of Central American Republics.

La Libertad, Salvador, Aug. 31.—Prospects appear bright for the gathering of the conference of the Central American republics to discuss the political union of the five states. The Honduran government, when the project came up at assembly of the National Master Bakers' Association who returned today from Washington. As a member of the bread commission of the national defense council, he attended the conference of the committee with Herbert Hoover.

President Melendez, of Salvador, has announced himself as heartily in favor of the project, declaring that he would resign from the presidency of the republic if it were necessary to bring the unification project into being. His action was enthusiastically acclaimed in Honduras where a demonstration in his honor took place in front of the Salvadoran legation at Tegucigalpa.

THIRD N. C. ENGINEER HAS ARRIVED AT CAMP SEVIER

Troops Beginning to Pour in by Thousands Now.

(Special Star Telegram.) Greenville, S. C., Aug. 31.—Practically the entire Third regiment of infantry, North Carolina National Guard, and a part of the First regiment and several companies of the Tennessee National Guard arrived at Camp Sevier late this afternoon and tonight. There was considerable confusion incident to the detachment and a hard rain made the first night in camp disagreeable and wet for several hundred who were forced to sleep under their dog tents. Troops are beginning to pour in by the thousands now instead of filing in singly by companies. Fifteen hundred from Tennessee are scheduled to arrive here tomorrow.

Plots Against Conscripted. Montreal, Aug. 31.—The finding of 1,600 rifles, thousands of cartridges and some sticks of dynamite in a house on Chateau-Briand street, was announced today by the police. The discovery is associated by the authorities with threats made recently to organize resistance to the conscription bill.

CAN BE BUT VERY SMALL REDUCTION IN BREAD PRICES

The Best the Public May Expect is a 16-Ounce Loaf for 10 or Possibly 8 Cents

ANNOUNCEMENT BY HOOVER

New Wheat Price Makes It Possible to Reduce Family Flour \$2 to \$3 a Barrel

Washington, Aug. 31.—Prospects for an early and radical reduction in bread prices apparently vanished tonight when Herbert Hoover, the food administrator, announced that the best the public may expect is a 16-ounce loaf for ten cents or possibly eight cents.

The eight-cent loaf of 16 ounces is possible, Mr. Hoover said, only if bakers, retailers and consumers unite to eliminate wasteful distribution methods and co-operate to obtain a standardized loaf.

The price of family flour, Mr. Hoover said, should be reduced at the present price of wheat at least two or three dollars a barrel. Bakers' flour will sell little cheaper than at present.

C. I. Corby, who is serving for the bakers of the country as a voluntary aide to Mr. Hoover, said tonight that a 16-ounce loaf for ten cents would require a slight reduction in present prices. Standardization, he said, would be hard to bring about, since varying costs in ingredients that go into bread have made it necessary to increase or reduce the size of the loaf.

No move will be made towards price reduction, Mr. Corby said, until the food administration has announced its plans for dealing with the baking industry. It may be a month before the program is ready, it was learned tonight.

Members of the wheat price committee which recommended the price of wheat fixed by President Wilson for wheat declared after their work was ended that the committee was convinced it was possible to make and sell a 14-ounce loaf of bread for five cents. The country's millers have agreed to hold their profits on flour to 25 cents a barrel. Under this agreement, Mr. Hoover said, flour should retail in New York at from \$11.75 to \$12.75 a barrel. The price of bakers' patent flour to small bakers and retailers, he said, should be from \$10.35 to \$11.25. The average retail price of family patent flour in New York from April to August has been \$15.38. At present bakers' patent is selling in New York to jobbers at \$10.65, which would make it cost small bakers and retailers about \$11.00.

Mr. Hoover made it clear that under the food control act, except in isolated instances the food administration has no control of prices from the time flour reaches the wholesaler to the flour sold by bakers and retailers as bread. A price reduction can be accomplished only by voluntary action by bakers and retailers and by the assistance of the public in eliminating waste.

WILL BEGIN TO BUY AND DISTRIBUTE SEPTEMBER 4

New York, August 31.—The food administration grain corporation on September 4 will begin to buy and distribute the wheat crop of the United States, at the base price fixed Thursday night by President Wilson—\$2.20 a bushel for No. 1 northern at Chicago. This was officially announced tonight at the headquarters of the corporation here.

SAYS NO REDUCTION WILL BE AVAILABLE FOR 30 DAYS.

Memphis, Aug. 31.—No reduction in the price of bread will be available to the American public as the result of fixing the price for wheat for at least 30 days, according to S. F. McDonald, of this city, president of the National Master Bakers' Association, who returned today from Washington. As a member of the bread commission of the national defense council, he attended the conference of the committee with Herbert Hoover.

WILL OUTLINE POLICY ON COAL CONTROL NEXT WEEK

Dr. Garfield Announces That He Will Issue a Statement.

Washington, Aug. 31.—The government's complete coal control policy will be made public next week, Dr. H. A. Garfield, the fuel administrator, announced today. Dr. Garfield left tonight for Williamstown, Mass., to spend several days and will prepare a statement on the subject while away.

Before leaving Dr. Garfield conferred with Robert S. Lovett, director of priority of transportation for the government, on measures for co-operation to relieve threatened coal shortages in various parts of the country.

One of Dr. Garfield's first moves may be to fix a scale of retail coal prices. Many officials believe there is no chance of bringing down coal costs to the consumer until some step is taken toward controlling retailers.

SECURES RELEASE OF TWO AMERICANS FROM BELGIUM

Washington, Aug. 31.—Persistent efforts of the State Department to secure the release from Belgium of two Americans, C. C. Clayton, of the Western Electric Company, and Joseph Whipple, of the Bell Telephone Company, have been successful, according to a report to the department today from The Hague. The men have arrived there from Antwerp where they have been detained by Germans. Their case was similar to many others; the German government refused to issue passports.

Federal Child Labor Law Is Held Unconstitutional In Decision By Judge Boyd

Enjoins the Government From Enforcing Provisions of the Act in the Western District of North Carolina—Case Will Go to Supreme Court—Suit Was Filed by R. H. Dagenhart and His Two Minor Sons, of Charlotte.

Greensboro, N. C., August 31.—Federal Judge James E. Boyd of the Western District of North Carolina, today held the Keating-Owen child labor law unconstitutional and enjoined the United States district attorney, William C. Hammer, and his successors, assistants, deputies and agents' from enforcing in the district the provisions of the act of Congress which were to become operative tomorrow.

The decision of Judge Boyd came at the conclusion of three days of argument on the constitutionality of the act. The attack on the constitutionality of the Federal child labor law came before Judge Boyd on injunction proceedings brought by Roland H. Dagenhart and his minor sons, Reuben and John, of Charlotte, who sought to restrain the Fidelity Manufacturing Company from discharging the two boys from the company's cotton mills at Charlotte.

Arguments Aily Presented. Preliminary to announcing his decision Judge Boyd said that the arguments by counsel had been ably presented and that he came to the task he had to perform as fully advised and informed as he reasonably could expect to be.

He stated that he was gratified by the candor of Professor Parkerson, of Columbia University, representing the Department of State, who asserted that Congress had used its power over interstate commerce for the object of regulation of local conditions within the State and the discouragement of child labor. Judge Boyd said this admission left the issue clear and brought forward the question: "Can Congress do by indirect action that which it undoubtedly cannot do directly?"

"Congress," he said, "can regulate trade among the states but not the internal conditions of labor." Judge Boyd expressed his approval of laws tending to elevate the condition and moral state of all the people and made it clear that his judgment on the act was based upon his interpretation of the constitutional limitations of Congressional power.

The decree signed by the court is entitled: "Rowland H. Dagenhart and Reuben Dagenhart and John Dagenhart, by Roland H. Dagenhart, Plaintiff vs Fidelity Manufacturing Company, a Company, a Defendant, United States District of North Carolina, Defendants," and after a preliminary recital of the facts that presented in equity and the complaint filed by the Fidelity Company admitting the facts, and the motion to dismiss the suit filed by District Attorney Hammer being denied, says:

"The court being of opinion that the said act of Congress is unconstitutional and without the power of Congress to enact, it is now on motion of counsel for the plaintiffs ordered, adjudged and decreed: That the motion of William C. Hammer, United States district attorney for the Western District of North Carolina, to dismiss this suit be denied." (Continued on Page Two.)

PLANS LAID FOR SECOND WAR LOAN

Opening of Next Liberty Loan Campaign Tentatively Set to Start October 1st

Government is Considering Whether or Not to Advertise the Loan by the Extensive Use of Newspaper Space.

Washington, Aug. 31.—The opening of the next Liberty Loan campaign has been set tentatively by the Treasury Department for October 1. Subscription books will close November 1, unless the program is altered.

The amount, the interest rate, the denominations of the bonds and other details will be announced after Congress disposes of the pending bond bill. Indications are that the next offering will approximate \$3,000,000,000. Whether it will be advertised by the government through paid newspaper space is under consideration, but Secretary McAdoo said tonight the cost of such an undertaking would exceed the appropriation now available for the purpose. He added that there could be no action until more light had been received as to the cost of an effective advertising campaign and until Congress had decided what amount will be allowed for advertising for future issues.

Under the war revenue bill passed last April, \$7,000,000,000 was made available for the purpose of floating \$5,000,000,000 in bonds and \$2,000,000,000 in short time certificates of indebtedness. It is reported that about half already has been dispersed in connection with the flotation of the \$2,000,000,000 Liberty bonds first offered and the certificates of indebtedness put out in advance of the loan.

In announcing the tentative program for the second campaign, Mr. McAdoo appealed to the Liberty Loan committee to perfect their organization and prepare for the next campaign by getting in touch with the various Federal Reserve banks.

HARDWICK ANTI-DRAFT BILL MEETS ITS DOOM

Senate Military Committee Renders Adverse Report, Which Was Adopted Unanimously.

Washington, Aug. 31.—Senator Hardwick's bill to prohibit the sending of American drafted troops abroad without their consent was reported adversely today by the Senate Military Affairs committee.

Favorable recommendation was given by Senator Fletcher's bill providing that enlistment of Americans with forces of nations at war against Germany shall not cause loss of American citizenship.

Senator Hardwick made a lengthy statement in favor of his bill. The committee declined to hear any other witnesses. The Georgia Senator declared that it was unconstitutional and improper to send drafted troops abroad except voluntarily. The vote against the bill was unanimous.

POPE IS TOUCHED BY WILSON'S NOTE

Remarks as to Kindly Sentiment Expressed and Humane Manner Used by President

Had Hoped First Reply Would Be More Receptive to His Proposal—Is Evident He Is Not Content to Cease Efforts.

Rome, Aug. 30. (Delayed).—After President Wilson's answer to Pope Benedict's peace proposals was presented at 12:30 P. M. yesterday by the British minister at the Vatican, Monsignor Ceretti, newly appointed assistant secretary of state, immediately took the document to the Pope. The Pontiff does not read English, but he had a rapid verbal translation made and he was much touched by its wording. The Pope remarked as to the "lofty sentiments expressed and also the kindly, humane spirit and manner" used by the President in rejecting the Vatican's proposals, but as this was the first answer received he was unable to express his disappointment that his efforts as yet were unsuccessful to check the war.

This afternoon Monsignor Ceretti translated the document and the Pope will consider it at his leisure. It is not yet known whether he will make immediate answer to certain points in the note or wait until all the powers have replied and then give the same general answer to all.

The point emphasized in President Wilson's note that no one can have faith in the honor of the German rulers or accept their signatures to a peace treaty is a problem that has focused the attention of the Pontiff. Tonight it was evident that he was content to cease his peace efforts but would continue their discussion in further notes.

12,490,000 BALES FORECAST

Cotton Production Prospects Improved 450,000 Bales in August.

Washington, August 31.—Cotton production prospects improved to the extent of 450,000 bales during August and brought the estimate of final output to 12,490,000 equivalent 500-pound bales. That quantity was forecast today by the Department of Agriculture on the condition of the crop August 25, which showed a decline of 2.5 points compared with a ten year average of 5.6 points decline. Acre yield was forecast at 174.6 pounds compared with 166.9 pounds forecast from July 25 conditions.

Condition by states include: Virginia, 78; North Carolina, 69; South Carolina, 74.

GOVERNOR PHILIPP WISHES THAT NO MEETING BE HELD

Milwaukee, Wis., Aug. 31.—Governor Philipp tonight wired Sheriff McManis that should delegates of the People's Council of America for Democracy and Peace arrive in Milwaukee they be informed that it is his wish that no meeting be held. The sheriff was told to "telephone for instructions" after this was done.

HOLLWEG DENIES REVELATIONS AS MADE BY GERARD

Thinks Former American Ambassador Has Drawn Too Freely on His Imagination

IN DISCUSSING WAR AIMS

Talks to the Associated Press Concerning Conversations Held Last January

Berlin, Aug. 30 (via London, Aug. 31).—Dr. von Bethmann-Hollweg, the former imperial chancellor, today asserted that it was his impression that James W. Gerard, former ambassador to Germany, in writing his revelations of Germany's war aims, gave a somewhat free rein to his imagination. The statement of the former chancellor was the result of his reading in a London newspaper Mr. Gerard's version of a conversation with him last January in which it was alleged that Germany's peace terms were set forth.

"In his published report of this particular conversation," Dr. von Bethmann-Hollweg told the Associated Press today, "Mr. Gerard attributed utterances to me which may have been made in other quarters in Germany and to which he frequently referred in the progress of our conversation but which were not my own. This applies especially to his reference to Germany's alleged intentions to seize Liege and Namur and of Germany's plans to take possession of the Belgian ports and railways and establish military and commercial dominion over that country.

"I never unfolded such German war aims to Mr. Gerard. In the course of my several conversations with him I stated that Germany would exact positive guarantees that Belgian territory and policies would not in the future be exploited as a menacing factor against us.

"In the progress of our conversation, Mr. Gerard suggested that the realization of far-reaching aspirations in Belgium would give King Albert merely a sham authority and asked whether it would not be better for Germany to forego such plans and instead of them endeavor to acquire Liege, which Mr. Gerard thought possible of achievement.

"Perhaps this suggestion was a bait, intended to provoke a reply from me. If so, the attempt failed.

"Mr. Gerard's memory would seem also to have served him faultily when he wrote down what was said about Russia. He dealt but superficially with Germany's eastern war aims, observing that the United States' interest in this direction was very limited and that Germany undoubtedly would have a free hand there. For Rumania and Serbia he also revealed very slight sympathy. Mr. Gerard did not obtain out of my mouth any statements concerning these countries which he attributes to me."

The former chancellor then touched upon what he regarded as the ethics of Mr. Gerard's disclosures as compared with the European allies. "You Americans are an impetuous people," he said. "You do not seem to permit even your retiring diplomats to observe the traditional silence nor show you the patience to abide the post-mortem publication of their memoirs.

"In Europe, however, it would seem that publication of such matters, by common consent, is postponed to later periods when judgments are both calm and more mature. Mr. Gerard, however, may hold the special license conferred by 'shirt sleeve' diplomacy, as you call it. And I shall not dispute his prerogatives. But he must not give his imagination too free rein."

MAKE PLEA IN BEHALF OF THE NEGRO TROOPS

Committee of Educators Protest Against Segregation or Distinctly Different Treatment.

Washington, August 31.—Protest against segregation or distinctly different treatment of negro troops in training camps was made by President Wilson and Secretary Baker today by a committee of negro and white educators. After the conference at the War Department it was said that a unanimous opinion was manifested and that Secretary Baker shortly would make an announcement concerning treatment of negro soldiers. Members of the committee expressed the belief that the War Department's attitude would be agreeable to them.

The negro leaders promised to cooperate in the training of negro soldiers of race riots near negro concentration camps. They made no definite objection to the movement of negro troops to northern states, where this danger probably would be lessened, than to object generally to different training or treatment of the negroes.

Among the white members of the committee which called on Secretary Baker was Prof. E. C. Branson, of the University of North Carolina.

URUGUAY WOULD SEPARATE THE CHURCH AND STATE.

Montevideo, Uruguay, Aug. 31.—The convention which is revising the federal constitution has adopted a clause separating the church and state. The confederation of church property is provided for. The draft of the instrument will go to congress for final approval before becoming effective.