

The Weather.

Partly cloudy Thursday, showers east portion; warmer central portion; Friday fair, warmer interior.



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OFFENSIVE SLOWS UP AND GERMANS DO NOT OBJECT TO THE REST

End of Second Week Finds Allied Armies Resting on Soissons-Rheims Front.

GERMANS ARE ALSO QUIET

Reciprocal Bombardment is Only Activity on Part of Either of Contending Forces.

MURDER FIELD MARSHAL

German Dictator to Ukraine and His Adjutant Assassinated.

(By Associated Press).

Whether as a result of weariness after two weeks of incessant fighting or because of the greatly increased strength in manpower and positions of the enemy forces before them, the allied armies on the Soissons-Rheims front have noticeably decreased their efforts to clear the salient of German.

If the pause in the offensive is attributed to weariness, the armies of the German crown prince also must be worn out by the pressure they have been under for the past fortnight, for notwithstanding the fact that huge reinforcements were sent to them in their hour of dire peril, they have lacked the hardiness to endeavor to throw back their antagonists and recapture their losses.

Fourteenth Day of Drive Quiet. The fourteenth day of the great Allied offensive which has resulted in driving back the Germans from the Marne region northward across the Ourcq river and in materially bending in the eastern and western side of the great pocket, with ten German running cross-country 36 miles from Soissons to Rheims, saw little activity on the part of either of the contending forces—except in the nature of reciprocal bombardment.

Germans Repulsed Tuesday Night. Tuesday night witnessed the greatest attempt by the Germans to expel the Americans and French from the valuable positions they hold north of the Ourcq in the region of Fere-en-Tardenois and along the western side of the great pocket, with ten German running cross-country 36 miles from Soissons to Rheims, saw little activity on the part of either of the contending forces—except in the nature of reciprocal bombardment.

Keep Eye on Americans. A week or less ago by the Germans on the Americans standing at the apex of the battle line near Fere-en-Tardenois and the enemy guns are showering their positions with great quantities of high-explosives and shrapnel. The German dictator is busily to guard with huge effective the extreme eastern and western flanks of the salient to ward off possible surprise attacks.

Berlin Claims 4,000 Prisoners. The latest Berlin official communication asserts that more than 4,000 prisoners have been taken by the Germans in the past few days and that since July 15 in excess of 20,000 allied troops have been captured.

Thinks Situation Serious. Whether the Germans have chosen the spot where ultimately they will face about and give battle to the allied forces has not yet become apparent. Likewise whether their retreat is merely a tactical move or a sign of things behind the lines possibly might indicate the destruction of villages which it is intended to evacuate and press on northward to a chosen battle position. With the approach of the summer the German dictator evidently realizes the seriousness of the situation. In a proclamation to the army and navy he tells his men they are facing the hardest struggle of the war and that they will be called on to make the desperate efforts of the enemy.

Dictator to Ukraine Killed. What may result in aggravating the already serious situation between Germany and the Ukrainians is the assassination of Field Marshal Von Eichenhorn, the German dictator in Ukraine, and his adjutant. They were killed by the explosion of a bomb thrown by a native in Kiev.

BERLIN REPORTS QUIET DAY ALL TUESDAY ON FRONT. Berlin, via London, July 31.—"Quiet throughout the day along the battle front," says the official statement from general headquarters this evening.

GERMANS CLAIMING CAPTURE OF OVER 24,000 ALLIES. Berlin, via London, July 31.—German reports in the fighting of the past few days more than 24,000 prisoners from the allied armies, increasing their captures to more than 24,000 since July 15, says the German official communication issued today. The communication adds that on Tuesday the allied armies were shot down and that everywhere attacks on the Rheims-Soissons sector were repulsed, with heavy losses. Admission was made, however, that the British have captured the village of Merris, southwest of Tynes.

Millerand Declares Prussian Militarism Must be Wiped Out

Washington, July 31.—Prussian militarism must be destroyed, declares M. Millerand, former French minister of war in a published article which has been called to Washington. M. Millerand earnestly urges his countrymen to forget everything; to put aside everything which is not to the advantage of the world and he declares "the new world did not enter upon the scene; did not cross the Atlantic; does not accomplish the daily miracles of which we are the astonished and grateful witnesses in order to console itself with a bastard and delusive peace fraught with all danger.

"The United States and we with them, will never rest until our aim be obtained—the destruction of Prussian militarism. To restore Alsace-Lorraine to France; reunite Italy and the Adriatic; free the Slovaks of Rumania and the Czechoslovaks; to restore glorious and unhappy Belgium; raise Serbia and again reconstitute Poland divided as she is between Russia, Austria and Prussia—what is all this if not the destruction of Prussian militarism."

SUPREME TEST NOW KAISES TELLS ARMY

Issues Proclamation Declaring Hardest Struggle of War Is At Hand.

HIS SWORD AND HIS GOD

German People Know Their Cause Is Just and Rely on Their "Hard Sword" and "Trust in God's Gracious Help."

Amsterdam, July 31.—Emperor William has issued a proclamation dated August 1, to the German army and navy, saying that they are facing the hardest struggle of the war and expressing his own and the country's confidence that they will be able to "foil the desperate efforts of the enemy," says a Berlin dispatch received here.

Emperor William's proclamation reads: "Serious years of war lie behind you. The German people convinced of its just cause, resting on its hard sword and trusting in God's gracious help, has with its faithful allies confronted a world of enemies. Your victorious fighting spirit carried the war in the first year into the enemy's country and preserved the home land from the horrors and devastations of war.

"In the second and third years of the war, you by your destructive blows, broke in Rumania and in the enemy's east. Meanwhile your comrades in the west offered a brave and victorious front to enormously superior forces.

"As the fruit of these victories, the fourth year of the war has brought us peace in the east. In the west the enemy was heavily hit by the force of your assault. The battles won in recent months count among the highest deeds of fame in German history.

"You are in the midst of the hardest struggle. The desperate efforts of the enemy will, as hitherto, be foiled by your bravery. Of that I am certain and with me the entire fatherland."

KAISER WANTS DIVISIONS MOVED TO WESTERN FRONT

Paris, July 31.—In well-informed Rumanian circles in Paris it is said the German high command has asked the commander of the German troops stationed in Rumania and in the Russian districts how many divisions can be released to be sent to the western front.

Field Marshal von Mackensen, German commander in Rumania, according to a dispatch to the Havas Agency from Bern, replied it would be unsafe to remove any troops, owing to the excited condition of the Rumanian people. The dispatch adds that von Mackensen has directed the Rumanian government, owing to uprisings to declare a state of siege throughout the country.

AMERICAN HEROISM IN PRESENT FIGHT WINS HIGH PRAISE

No One Can Contemplate It Without Profound Admiration, Says Briton.

FRENCH GENERAL SPEAKS

Satisfied With Progress and Believes Successful Drive Will Go On.

London, July August 1.—"No one can contemplate without profound admiration the vigor and heroism with which the Americans have fought in every stage of the battle," writes the Daily Mail's correspondent with the American army in France.

"If bravery be the only test for winning our affections, then the Americans merit the highest possible esteem. But it is not bravery alone that has given the Americans during the last ten days their repeated successes. Fiercely as they fight, they nevertheless fight intelligently and profitably.

"There are units which have had much more experience in battle than others, but when the battalions which have manned quiet sectors are thrown into the furnace they fight as well as their more experienced comrades.

GENERAL DE GOUTTE PAYS AMERICANS HIGHEST TRIBUTE. With the American Army on the Aisne-Marne Front, July 31.—(By The Associated Press).—General De Goutte, commanding the forces on this front, today expressed to the correspondent his satisfaction at the progress already made and that the advance would continue until the Germans were forced beyond their new position.

It had been a keen satisfaction to him, he said, to have American cooperation in the battle and he was frank in his praise of the manner in which the Americans were carrying out a prolonged discussion today with technical calculations as to what various schemes would yield in the way of revenue as compared with other revenue plans. There was a disposition ultimately to agree on some additional form of tax to reach large corporations making heavy profits that might not be taxed sufficiently under the excess profits and corporation income tax rates.

MOONEY'S ATTORNEY ASKS REVERSAL OF DEATH SENTENCE. San Francisco, July 31.—A petition for a rehearing of the decision of July 22nd denying Thomas J. Mooney the reversal of the judgment of death against him was filed in the state supreme court here today by Mooney's counsel. Mooney is awaiting execution in the gas chamber for the murder in connection with the preparedness day bomb explosion here in July, 1916.

Judgment on the decision becomes final on August 23 and it will be several days before the court can act on today's appeal before that date.

19 Americans in German Prisons. Washington, July 31.—Names of 19 enlisted men of the American expeditionary forces held in German prison camps as prisoners of war were announced tonight by the war department. Included in the list is Private Chester Darman, Moundsville, W. Va., at Camp Hammelburg.

RUSSIAN PROBLEM NEARING SOLUTION

America's Views on Joint Action Sent Japan.

Burden of Military Expedition of Allies Rests on Japan and China—France and England Send Small Forces. Preparations Made.

Washington, July 31.—Negotiations between the Entente powers, Japan and the United States regarding the extension of aid to the Czech-Slovaks in Siberia and Russia have advanced another step. Information sought by the Japanese government upon certain points of the American proposal looking to a definition of the aims and scope of any joint action, now has been furnished by the state department.

PROPOSE GRADUATED TAX ON USE OF ALL KINDS AUTOMOBILES

Fliiver Would Pay \$10 and a Fancy Vehicle \$60 or More, According to Cost.

TAX GAS AND MOTORCYCLE

Two Cents the Gallon on Gasoline Production Is Agreed On by the Committee.

Washington, July 31.—A federal graduated excise tax on the use of automobiles, running from \$10 a year on cars originally retailed at not exceeding \$500 to \$60 tax on \$3,000 cars and \$20 additional for each \$500 above \$3,000 was agreed to today by the house ways and means committee which is framing the new \$8,000,000,000 revenue bill.

The tax applies directly to the owners, while the tax of 10 per cent on gross sales of automobiles and five per cent on gross sales of auto trucks, agreed to yesterday, applies to the manufacturers, producers and importers of cars. The tax on use of cars is based on the original retail listed price of the cars regardless of the year of manufacture.

The committee also agreed to a tax of two cents per gallon on the production of gasoline and a federal excise tax of \$5 a year on the use of motorcycles. Members of the committee stated that while the manufacturers' tax and the owners' tax are differentiated, it is generally believed that the owners ultimately will have to pay all the tax, the manufacturers passing on the tax in increased prices. The automobile and motorcycle excise tax is expected to yield approximately \$125,000,000 and the gasoline tax \$45,000,000.

War profiteering was the subject of a prolonged discussion today with technical calculations as to what various schemes would yield in the way of revenue as compared with other revenue plans. There was a disposition ultimately to agree on some additional form of tax to reach large corporations making heavy profits that might not be taxed sufficiently under the excess profits and corporation income tax rates.

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JULY WAR EXPENSES WERE SLIGHTLY LESS

However, Uncle Sam Spent Nearly Billion and Half.

During June and July Government Expended An Average of 48 Millions Daily—W. S. Has Passed Half Billion Mark.

Washington, July 31.—War expenses for July were somewhat less than for June and May, amounting to about \$1,482,000,000 as compared with \$1,512,000,000, the record for June and \$1,508,000,000 for May, the treasury department tonight announced. The outlay for July, however, was approximately the amount estimated in advance by the treasury and expenses for August probably will be higher, it was said.

During June and July the government's daily outlay was about \$48,000,000, an average of \$88,000,000 daily for ordinary expenses of the army, navy, shipping board and other agencies and \$10,000,000 daily in loans to the allies. Ordinary expenditures for the month were about \$1,187,000,000 and loans to allies \$325,000,000. Receipts from the sale of war savings stamps today passed the half billion dollar mark, which \$200,000,000 came in this month as a result of the campaign on Thrift day, June 23.

CONTROL OF WIRES HAS NOW PASSED TO HANDS OF BURLESON

Government Assumed Supervision of Telephone and Telegraph Lines at Midnight.

NO CHANGE IN OFFICERS

Companies Will Continue to Operate as Previously Under Same Management.

Washington, July 31.—Control of telephone and telegraph lines was taken over at midnight tonight by the postoffice department and their operation placed under the general supervision of a special committee created for the purpose by Postmaster General Burleson.

Mr. Burleson announced that until further notice the companies will continue operation in the ordinary course through the regular channels and that all officers and employees will continue in the performance of their present duties on the same terms of employment. The plan is, however, to co-ordinate the facilities of the various companies for the best interest of the public and the stockholders.

Investigations into wire conditions being conducted by the special committee, composed of First Assistant Postmaster General, Postmaster J. Lewis, former member of the tariff commission, and Wm. H. Lamar, solicitor of the postoffice department, will be continued so that all possible information can be secured before any changes are undertaken.

"Pursuant to the proclamation of the United States," said Mr. Burleson's statement, "I have assumed possession, control and supervision of the telegraph and telephone systems of the United States.

"Until further notice the telegraph and telephone companies will continue operation in the ordinary course of business through regular channels. Regular dividends heretofore declared and maturing interest on bonds, debentures and other obligations may be paid in due course and the companies may renew or extend their maturing obligations unless otherwise ordered by the postmaster general.

"All officers and employees of the telegraph and telephone companies will continue in the performance of their present duties, reporting to the same officers as heretofore and on the same terms of employment. Should any officer, or employee, desire to leave the service he should give notice as heretofore to the proper officer.

"I earnestly request the loyal cooperation of all officers, operators and employees and the public in order that the service rendered shall be not only maintained at a high standard, but improved wherever possible. It is the purpose of my office to coordinate the various services so they may be operated as a national system with due regard to the interests of the public and the owners of the properties.

No changes will be made until after the most careful consideration of all the facts. When deemed advisable to make changes, announcement will be made."

SHIPYARD WORKERS NOT TO BE EXEMPT

Only Essential Workmen in Deferred Classes.

Employees Called Upon to Report Status in Order to Secure Emergency Fleet Listing—Skilled Men Favored.

Washington, July 31.—Only employees whose loss would retard shipping production will be allowed emergency fleet deferred classification in the selective draft, it was announced tonight by the emergency fleet corporation. All applications of employees for such deferred classification must be approved by division heads and finally passed on by Howard Conley, vice-president.

AISNE-MARNE BATTLE HAS BECOME A FIGHT FOR COMPLETE DEFEAT

General Diaz Welcomes American Soldiers in Name of Italian Army

Italian Headquarters in Northern Italy, July 31.—(By the Associated Press).—In an order of the day, announcing to the Italian army the arrival of American forces, General Diaz, commander-in-chief, says: "The sea, instead of dividing, has united our two nations. Italy for years has sent to the United States millions of her sons, workers exemplary for industry, application and sobriety, who learned through personal experience the meaning of America's power and her unswerving faith in the rights of free men.

"Many of these workers are among you, soldiers of Italy. They have replied to the call of that great country. You all know the glory the young army of the United States has won on the battlefields of France.

"These fine troops come today to fight by our side and I in your name welcome them, confident in the mutual success the future will bring to our army of brotherly union."

GOVERNMENT WILL NOW RECRUIT LABOR

Common Labor in Every State Will Be Under Supervision of Bureau of Labor.

13 DISTRICTS ARE NAMED

Country Divided into 13 Sections to Facilitate Recruiting—Aim is to Eliminate Turnover and Increase Production.

New York, July 31.—The federal government will tomorrow take over in every state in the union the recruiting of common labor for the furtherance of the war. Labor requirements for war industries have been apportioned to the various states on a population basis and as men are needed they will move forward to meet the demand, wherever this may be. The aim is to eliminate the wasteful turnover of labor; stabilize wages; increase production of essentials, and give efficient support to the man in the trenches, who needs from six to ten men will be diverted, effective August every day he is in France.

Announcement of this plan was made at a luncheon given in New York today to Secretary of Labor Wilson by Governor B. Clarkson, secretary of the council of national defense to a gathering of newspaper publishers.

Independent recruiting of common labor by plants employing over 100 men will be diverted, effective August 1, to the United States employment service and there will be restrictions upon private advertisement for labor. At the same time the project will be conducted with the least possible injury to labor as a whole.

Under the methods adopted the country has been divided into 13 federal districts, each district in charge of a superintendent of the federal employment service. The states within each district are in turn in charge of a state director, who has full control of the service within his state.

In each community there has been formed a board announced tonight, with jurisdiction over recruiting and distributing labor in its locality. These boards will, if necessary, ask employees of non-war workers to give up labor to meet the needed requirements for war purposes.

While the restrictions against the private employment of labor apply only to common labor at present, these restrictions will be extended as soon as possible to include skilled labor. Meantime recruiting of skilled labor for war production will be subject to federal regulations now being prepared.

Farm labor will be protected for the industrial program includes special efforts to keep the farmer supplied with labor. This federal labor program does not at present apply in the following five cases: Labor which is not directly or indirectly solicited; labor for the railroads; farm labor; to be recruited in accordance with existing arrangement with department of agriculture; labor for non-war work; labor for establishment whose maximum force does not exceed one hundred.

General March Says That Each Army Has the Other As Its New Objective.

WAR NOW TO THE DEATH

All Other Objects and Aims of the Opposing Hosts Are Swept Aside.

STRANGE LULL HAS COME

What It Portends Is Not Yet Clear.

Washington, July 31.—An odd calm fell over the Aisne-Marne battle area today with only the thunder of the guns to tell of new and more terrible gusts of the war storm to come. Paris and Berlin both noted it. The infantry had paused for breath, while the artillery pounded new roads of advance for General Foch's victorious armies.

Portent of the Lull. Just what the lull may portend was not apparent. Possibly the enemy already is on the move after the decisive defeat he met in the battle which began Saturday and centered on the American positions on the north banks of the Ourcq. Here the American 2nd division and the now famous 32nd division (the Raritan division), composed of former national guardsmen of many states, have made good their position against the enemy's best fighting units. They have met, outflanked and forced backward by their 22nd, the picked Prussian and Bavarian divisions brought fresh to the field with orders to hold the line of the Ourcq at all costs.

Line Has Been Broken. The American spearhead driven forward again and again finally broke the fighting edge of the enemy. When a supporting column surged across the Ourcq to consolidate the ground so valiantly won and held by the first rush, enemy hopes of clinging to the present position were dashed. Holding the line of the allied line at the center, the Americans had paved the way for the dashing capture of Chalmont Butte to the westward by the Franco-British forces. Allied guns now dominate the enemy's lines from this height, forestalling new inroads to his positions and the strong probability that he will be compelled to fall back to the Vesle line.

Fight to the Death. The victory was given new significance today by General March, chief of staff. Putting aside the strategy which he hitherto has commented on the wider aspect of the battle, General March, told the newspaper men at his mid-week conference today that each army was now committed to a fight to the death; that neither side had any other objective that both are now seeking and there can be no halting short of the goal.

"Whatever the enemy's objective was at the close of the drive, it is now being his words carefully, and whatever our hope was in the counter-offensive on the flank of this salient, it is now perfectly evident that those aims have been set aside.

The objective of each army is the other army; each one of them wants to kill as many of the others as possible.

"The holding back of the jaws (of the salient) by the Germans at Soissons and near Rheims has made it practically impossible for us to expect any success. It is now barely now to withdraw from the dangerous points down near the Marne, and the objective of each army is the other army."

The chief of staff had preferred this new conception of the great struggle with a careful outline of the battle positions showing that since last Saturday another ten miles had been out of the length of the battle line by allied successes. It is now barely 14 miles around the flattened salient in which the enemy has massed virtually a million men as against 74 miles when the counter-offensive was in motion. From Chateau Thierry the Americans have made the maximum advance, covering 14 miles to reach the positions where they rested today preparing for new advances.

Six New Divisions. Discussing the army being trained here to support the men at the front, General March said he had ordered six fighting divisions of the two new army corps of twelve divisions which has been added to the military establishment in the last two weeks. Again two well trained regular regiments will be used as the center on which each division is built.

The chief of staff made it plain that it is a monthly program of increase upon which the war department has embarked. The cycle appears now to be an army corps a month to be shipped abroad, its place to be taken at once by a new corps to be created here. The men, quarters and equipment are available to keep that up for the rest of the year and longer if necessary. Present cantonments will house at least 1,750,000 men. Already two score new general officers are being sought to command the new divisions and brigades. General March announced also that he had decided upon abandonment of every designation for the present except that of "United States Army." All other marks than the plain "U. S." of the regulars will be abolished. For war department purposes, the national army and the

(Continued on Page Two)

BUILD 12,000 TON SHIP IN 24 DAYS AT ALAMEDA, CAL.

Washington, July 31.—Twenty-four days after the laying of the keel, the 12,000-ton fabricated ship, the inevitable, will be ready for launching, the shipping board announced tonight at the Bethlehem Steel corporation plant at Alameda, Cal. August 5. Two days work on the ship were lost by a strike. Forty thousand rivets were driven and more than 157 tons of steel put in place daily in constructing the vessel, which is 457.6 feet long, 56 feet beam and 33 feet depth. The first rivet was driven July 25.