

PRICE FIVE CENTS.

DANIELS TELLS WHY HE BUYS SHELLS ABOARD

American Makers Failed to Produce Satisfactory Shells.

PREPAREDNESS IN PERIL

"Imperative to Build Projectile Factory and Give Contract to Foreign Bidder."

Washington, Jan. 21.—Secretary Daniels issued a statement today explaining and defending his action in awarding to Hadfields, Limited, a British munitions company, contracts for a large number of Navy armor-piercing projectiles at a price about \$200 each below the lowest American bid. The statement is in reply to a comment upon the contract which, Mr. Daniels says, "convinced me that a concise statement of the experiences of the department in obtaining shells equal in quality to those used by foreign navies at reasonable price is necessary to enable the public to understand what has been going on."

Referring to a report in certain American trade journals that the British Government had urged Hadfields to seek this contract for the purpose of creating a panic in the American steel market and a resultant reduction in the export price of American steel, the Secretary says that "it is patent absurdity" as such an order would have no appreciable effect upon the market.

Mr. Daniels says the Bethlehem Steel Company, which "has been filling the papers with advertisements criticizing the department," admitted in one of those advertisements that it failed to make satisfactory shells on a contract awarded two years ago.

Mr. Daniels declares that the argument used by those who oppose the construction of a Navy projectile plant which would be the result will be to crush American industry, is without value.

COMMISSION FOR RELIEF OF BELGIANS PREPARING FOR ANOTHER YEAR'S WORK

Necessity of Raising \$150,000,000 More Will Be Discussed at Meeting in New York This Week.

New York, Jan. 21.—The American Commission for Relief in Belgium is preparing for at least another year's work and the necessity of raising approximately \$150,000,000 more will be discussed by the officers of the commission here this week, according to Herbert C. Hoover, chairman, who arrived here today from Liverpool.

WELL KNOWN WOMAN PAINTER KILLS SELF

Oakland Physician Held by the Police Has Been Given His Release.

San Francisco, Jan. 21.—Miss Betty de Jong, a painter of wide reputation, died early today from a self-inflicted bullet wound in the head. The police said today they had virtually completed their investigation of the case and examination of Dr. William S. Porter, a well-known physician of Oakland, who was in Miss de Jong's studio when she shot herself.

RAILROAD BONDS ARE NOW SUPPLANTED

Real Estate Mortgage Loans Now Largest Investments of Insurance Companies.

New York, Jan. 21.—Real estate mortgage loans on farm and city property have supplanted railroad bonds as the largest single class of investments held by life insurance companies, according to a report made public here tonight by the Association of Life Insurance Presidents.

GIGANTIC SWINDLE IS UNCOVERED IN FRANCE

Paris, Jan. 21.—An alleged swindle estimated by different newspapers as amounting from three to ten million francs, was disclosed yesterday in the arrest of Philippe Simeoni and Prince Henri de Broglie, Chinese, Goddess of Mercy, who was accused in 1912 of swindling the German Prince Friedrich Carl zu Hohenlohe-Oehringhausen out of 500,000 francs.

BOMB FOUND UNDER MANHATTAN ELEVATED

New York, Jan. 21.—A crude bomb, a tin can containing several pounds of powder, bolts and slugs, was found today under the stairway leading to the Manhattan street elevated station of the subway. The fuse was burning when Francis Jones, a subway porter, saw it.

GERMANS ON DETAINING SEAMEN GIVEN

Official Statement Is Cabled to State Department.

Berlin, Jan. 21.—Via London.—A summary of the German Admiralty official statement on the detention as prisoners of war of neutral sailors aboard armed merchantmen captured by German naval forces, which was cabled to the State Department at Washington by Ambassador Gerard last evening. This is the only information yet available regarding this development in naval procedure.

OTHER LEGISLATION MIGHT BE AFFECTED

If Eight-Hour Law Should Be Held Unconstitutional, Says Adamson.

Boston, Jan. 21.—Belief that the Supreme Court, if it should declare the Adamson eight-hour law unconstitutional, would find it necessary also to declare unconstitutional similar legislation, such as the 16-hour law for towboat employees, was expressed in an address before the Boston Central Labor Union today by Representative William C. Adamson of Georgia, father of the Adamson bill.

PROCLAIMS AMERICA 'JERUSALEM OF FUTURE'

Richmond, Va., Jan. 21.—Allegiance to the "faith that has preserved Israel through 20 centuries of adversity," active participation in the high duties of citizenship and faithfulness to the democratic ideals upon which this Government rests, were the notes stressed in the addresses that marked the opening session here tonight for the forty-third annual convention of Grand Lodge No. 5, Independent Order of B'nai B'rith, Simon Wolf, of Washington, the principal speaker, entered an indirect protest against the Zionist movement, pleading for an unhyphenated American Jewish citizenship in this country.

CALDWELL COUNTY TO VOTE ON BONDS FOR GOOD ROADS

Special to The Observer. Lenoir, Jan. 21.—Under an act passed by the Legislature now in session, the citizens of Caldwell County, will vote on a \$250,000 bond issue for the purposes of improving the roads of the county. The election will be held the second Tuesday in May.

SERIOUSLY BURNED WHEN SKIRT CATCHES ON FIRE

Special to The Observer. Fock Hill, S. C., Jan. 21.—Mrs. William Wright, wife of William Wright, well-known banker in this city, lies in a critical condition as a result of burns received last Saturday. Mrs. Wright was standing in front of an open fire when her skirt began to blaze. She was severely burned before the flames were extinguished.

SUM OF \$200,000 PAID FOR CHINESE IMAGE

New York, Jan. 21.—A stone image of Kwai-Yin, Chinese, Goddess of Mercy, has been purchased from Paul Poirot, of Paris, by a firm of Fifth avenue art dealers, for a sum said to have been close to \$200,000. It was learned tonight. Poirot was declared the image was his original model for the style known in this country as "the debutaute slouch." The image is seven feet tall and weighs more than a ton.

BRITISH AND TURKS IN HEAVY FIGHTING IN MESOPOTAMIA

Both London and Constantinople Claim Successes — Hand-to-Hand Encounter in Rumania.

The British and Turks in Mesopotamia have been engaged in vigorous fighting along the Tigris River in the vicinity of Kut-el-Amara. Both the London and Constantinople War Offices make claims of successes for their troops in this region.

NUDE IN THE MOVIES IS PLACED UNDER BAN

Danger of Over-Production of Sex Problem Plays Also Recognized by Censors.

New York, Jan. 21.—The nude in motion picture art has come under the ban of the National Board of Review. It was announced here tonight that the board has decided to prohibit the production of pictures which are considered to be "indecent."

CZAR ISSUES RESCRIPT TO HIS NEW PREMIER

London, Jan. 21.—An Imperial Rescript has been addressed by Emperor Nicholas to the new Russian Premier, Prince Golitzine, calling him among other things, to see that the Government devote its first attention to the question of supplies for the army of Russia and concentrate itself on the development on a large scale of the measures recently taken in this connection.

GERMANY ANNOUNCES POLICY OF REPRISAL

London, Jan. 21.—A Reuter dispatch from Berlin says the German Government announces it will make reprisals against France in the matter of prisoners. It is explained that France, having failed to reply within the specified time to Germany's demand for the removal of German prisoners from the French fire zone, Germany will place French prisoners in the German fire zone until France fulfills the German demand.

JO-JO SAYS



Rain, followed by clearing and much colder, cold wave Tuesday. A woman with a secret is just about as eager to keep it herself as a man with a plugged dime.

FIRST CAROLINA REGIMENT WILL BE SENT HOME

Among Those Designated by Funston for Withdrawal.

Washington, Jan. 21.—More than 25,000 National Guardsmen, now on the Mexican border, have been designated by Major General Funston for withdrawal from the border under the order issued yesterday by the War Department.

SWITZERLAND STIRRED BY GERMAN ORDER

Remonstrances to Berlin Against Importation Prohibition Will Be Made.

Berne, Switzerland, Jan. 21.—The German measure prohibiting all importations, new or old, of Swiss goods here unexpectedly, caused considerable comment throughout Switzerland. The Government will make remonstrances to Berlin as the entire economic situation of the country is affected by this species of blockade.

SIX N. C. COUNTIES HAVE VAST WOOD PULP SUPPLY

Special to The Observer. Fayetteville, Jan. 21.—Cumberland and the five counties adjoining it, can supply the raw material for a paper mill using 40,000 cords of wood annually for 433 years, according to the announced result of a survey made by the Fayetteville Chamber of Commerce in these six counties—Cumberland, Hoke, Harnett, Sampson, Bladen and Robeson. These figures show the supply of long and short length pine and gum in this territory suitable for pulp making, as disclosed by the investigation.

WRIGHTVILLE BEACH HOTEL TO BE IMPROVED

Wilmington, Jan. 21.—Announcement is made that \$15,000 is to be spent in the improvement of the Seashore Hotel, Wrightsville Beach, before the opening of next season. Chief among the improvements will be the enlargement of the already spacious dining room. The portions of the porch, both front and rear, adjacent to the dining room, will be enclosed and made into a part of the hall. It will be made exceptionally attractive by enclosing the sides in glass, thus affording an excellent view of the ocean and sound.

BAND OF VILLISTAS MEETS WITH DEFEAT

Chihuahua City, Mexico, Jan. 21.—Murguia received a dispatch today from Gen. J. Hernandez, commanding the de facto forces in the Parral district, saying his forces had defeated a band of Villa followers at Rancho El Aguaje, near Parral, killing a number of the Villa followers, including Sibiano Contreras.

GOVERNMENT OF SULTAN HANDS NOTE TO NEUTRALS ON REPLY OF THE ENTENTE

Like All the Others, Turkey "Was Obligated to Take Up Arms for Defense of Liberty and Independence."

Berlin, Jan. 21.—Via Sayville.—A summary of the note handed by the Turkish Government to neutrals in relation to the Entente answer to the peace proposals of the Central Powers was given out today by the Overseas News Agency, as follows: "This note points out that the Central Powers, especially Turkey, not desiring Entente territory, had no reason whatever to begin the war. The Entente, however, as a matter of common knowledge, the note continues, covets territory of the Central Powers. Thus, it continues, France wishes Syria and Alsace-Lorraine; Italy desires southwestern Austrian provinces, Constantinople and the Dardanelles, the Straits, and a large part of Anatolia, and England wants Mesopotamia and Arabia.

ARMY AVIATOR RESCUED FROM DESERT REMOVED TO YUMA HOSPITAL

Wellton, Ariz., Jan. 21.—Lieut. Col. Harry G. Bishop, second of the Army aviators to be rescued from the Sonora desert, who was brought here today by an Army ambulance from the foot of the Gila Mountains, 60 miles south of Wellton, will recover unless complications set in, according to Surgeon Major Orville G. Brown, commander of the Government's relief expedition. Colonel Bishop was taken to Yuma, Ariz., and placed in a hospital.

RUSSIA TO MAKE BIG PURCHASES HERE

New York, Jan. 21.—Purchase in the United States of refrigerating equipment to the value of \$30,000,000 to conserve and develop along economic lines the fresh beef and dairy industry of Russia, has been authorized by the Russian American conservation and industrial stock company, backed by the Russian Government, according to J. H. Gullak, of Moscow, who arrived here today on the steamship Bergenfjord from Bergen.

INDUSTRIAL REPORT ON FRANCE IS MADE

New York, Jan. 21.—The American Industrial Commission to France made public today the first installment of an extensive report it is to make to the American Manufacturers' Export Association dealing with the condition which probably will confront the industries of France at the close of the war.

SUGAR SHORTAGE

Paris, Jan. 21.—Sugar cards are to be instituted in France for the purpose of abolishing the sea transport, reducing purchases abroad and avoiding the export of gold. The Government also has decided that after February 1, all confectionery establishments must close Tuesday and Wednesday of each week except holidays.

CONGRESS WILL TRY TO SPEED UP LEGISLATION

In An Effort to Make an Extra Session Unnecessary.

'LEAK' PROBE TRANSFERRED

Leaders Believe This Will Enable Members to Center Interest in Clogged Program.

Washington, Jan. 21.—With the peace note "leak" investigation transferred to New York, Administration leaders in Congress believe the attention of members generally now can be concentrated upon the clogged legislative program.

REVENUE LEGISLATION

Revenue legislation soon will be before the House for action. The revenue program, shaped by the Ways and Means committee, is expected to be reported to the House after a perfunctory submission of the new bill to the Republican minority of the committee, provided for \$289,000,000 in bond issues to meet preparedness and other expenses and for the raising of \$236,000,000 by an eight per cent tax on excess profits of business and by an increase of approximately fifty per cent in the inheritance tax rate.

WILL CHRISTEN NEW SUPER-DREADNAUGHT

Meridian, Miss., Jan. 21.—Miss Camille McBeath, who will christen the superdreadnaught battleship at the launching ceremonies to be held next Thursday at Newport News, left for that city today, accompanied by her father, J. M. McBeath, National Democratic committee member from Mississippi, and Miss Zella Smith, selected as a maid of honor. Miss Annie Whitehall, also of Meridian, another maid of honor, will join the party at Spartanburg, S. C.

FIRST CONSERVATION FOR NATIVE

Queretaro, Mex., Jan. 21.—The constitutional assembly today approved an article of the Constitution providing that Mexicans shall be given the preference over foreign-born citizens in regard to all classes of concessions and for those posts in the Government employ, the holders of which must be citizens.

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