

CONSCRIPTION AGAIN DEBATED

House of Commons Discussing Measure on Second Reading—Greater Vote For It Is Expected.

SERIOUS CONFLICTS ON VARIOUS BATTLE FRONTS

Austrians Pushing Advance Against Montenegrins—Russians Inflicted Heavy Losses in Galicia.

London, Jan. 11.—The debate on the second reading of the compulsory military service bill began in the house of commons today. The opinion was generally expressed that the vote in favor of the bill on the second reading would be even greater than that on the first. It is believed that a small number of the radical party will follow the leadership of Sir John Simon in resisting the passage of the bill to the end. Some members have already been requested to resign by their constituents.

Cernowitz is still in the possession of the Austrians and is filled with wounded. But the Russians apparently are directing their main attack against Sadgora.

In the Balkans reports persist that the Germans are concentrating at Monastir preparatory to an attack on Saloniki, but the interest in the Macedonian campaign has become secondary to the operations of the Austrians in Montenegro. A determined attack is being made on Mount Lovcen, a Montenegrin stronghold overlooking Cattaro bay by the gorges of the Austrian fortress at Cattaro and Austrian warships lying in the Adriatic. The formidable Austrian forces invading Montenegro extend over a wide front from the River Tara in the west to the Ipek district in the east.

It can not be disguised that the invasion is causing great uneasiness among the entente powers and especially Italy, which sees in its success an end to Italy's dream of dominating the Albanian littoral of the Adriatic. The Italian newspapers in expressing the opinion that an Austrian success against Montenegro would give the invader an incalculable political, maritime, commercial and strategic advantage, admit the fear that Italy's intervention in the Balkan campaign has come too late.

The Russian's offensive against the Teuton in Galicia and Volhynia has come almost to a standstill. The Russians there are consolidating the positions they won and are meeting with little resistance from their antagonists.

After the Germans had taken about seven hundred yards of French trenches in Champagne in an offensive launched with large numbers of men with the intention of obtaining important results, the French troops, according to Paris, stopped the attack short and in vicious counter-attacks re-occupied successively nearly all the terrain lost. In addition, on the heights of the Meuse, a heavy French bombardment did great damage to German trenches.

The Montenegrins are valiantly fighting everywhere inside their kingdom against the Austrians. While admitting the occupation by the invaders of a position near Berane, the Montenegrins assert that near Lepenc in the north, and Ipek in the south, Austrian attacks were repulsed. The Austrian fortress at Cattaro is still bombarding the Montenegrin base at Lovcen, near the Adriatic.

The situation in Mesopotamia, where the Turks and British are engaged along the Tigris river, is still not clear owing to the divergent reports of Constantinople and London. While the British say that the Turk around Kut El Amara are in retreat, a Turkish communication declares that it is the British who are falling back and that a force of 10,000 British left in Kut El Amara is surrounded.

Along the Austro-Italian front the usual bombardments are in progress. A squadron of French aeroplanes has dropped bombs on Sofia, the capital of Bulgaria.

ALLIES PERMIT RED CROSS SUPPLIES TO GO
Washington, Jan. 11.—Great Britain and her allies have announced that they will give their consent to the American Red Cross to ship the present accumulation of hospital supplies gathered for Germany and her allies. The permit, however, applies only to the present accumulation of supplies.

DEFENDS CHILD LABOR IN SOUTH

Former Governor Kitchin Appears Before House Committee in Opposition to Keating Child Labor Bill.

HEADS DELEGATION OF SOUTHERN MEN

Declares People of South Are Just as Humane as Any Member of the House Labor Committee.

Washington, Jan. 11.—Child labor in southern cotton mills was defended before the house labor committee by a delegation from the south headed by former Governor W. W. Kitchin of North Carolina. David Clark, editor of the Southern Textile Review of Charlotte, was also in the delegation.

The committee had before it for consideration the Keating-Owen bill which would prevent the interstate shipment of goods manufactured with the aid of child labor.

Mr. Kitchin attacked the bill from an economic standpoint, declaring that it was both unconstitutional and unwise.

"We of the south," said Mr. Kitchin, "oppose this measure because we believe that our people who have to work should be permitted to do so. We have many people of this class and the mills afford them a good opportunity to earn a good living."

"I think it cruel to drive a 15-year-old boy out of the mills if he has anyone to support. The conditions in the mills is improving constantly. The people in North and South Carolina and other parts of the south are just as humane as any member of this committee. They are making rapid progress to better conditions in the mills. Let them do it."

Mr. Keating asked Mr. Kitchin if he did not think the poor could be aided by other means, such as a mother's pensions which are in operation in some of the northern states.

"Our state is unable to take care of its poor," replied Mr. Kitchin. Such conditions are not confined to the south either, I believe.

"I recall reading a dispatch sent out from Boston on January 1915 to the effect that an investigation of conditions showed there were 125 people in the city gleaning food from garbage piles. If Boston cannot support its poor how can you expect the south to do it? Nobody eats garbage in the south."

RESERVE PLAN WORKING WELL

Financial Development Under New Banking System, Never Paralleled, Says Report of the Comptroller.

RECOMMENDS LAWS IN REGARD TO USURY

Other Suggestions to Prevent Bank Failures, Include Prohibiting Loans to Officials and Directors.

Washington, Jan. 11.—Development and growth never paralleled in the financial history of any country is the way John Skelton Williams, comptroller of the currency described in his annual report to congress, the operation of the national banks under his charge, during the period from October 1914 to November 1915, the first year under the federal reserve system. The report has just been presented to congress.

Mr. Williams gives a comparative statement of the condition of the national banks to back up his statement. He shows that net resources of the banks increased in the year 1915-16, that deposits increased \$2,081,520,164 and that loans and discounts increased \$917,450,502. Available cash increased in the same period \$862,000,000 and on November 10, 1915, the reporting national banks had excess reserves of \$391,000,000. Tables show the comparative condition of banks in 1895 and 1915. In September 1895 there were 7,172 reporting banks with net deposits of \$1,583,300,000 and loans and discounts of \$2,059,408,462 while in November 1915, there were 7,617 reporting banks with net deposits of \$9,078,471,447, loans and discounts of \$7,233,928,373.

"The reserves held by the national banks November 10, 1915," says the report, "exceeded by \$87,000,000 the greatest reserves ever held at any time prior to the passage of the federal reserve act. Loans and discounts amounted to more than the total loans and discounts of all banks, including national, state, savings and private banks and loan and trust companies—as late as the year 1902."

Mr. Williams says that the "bank capital surplus, circulation deposits, etc.—of all reporting banks, national and otherwise with an estimate of the figures for non-reporting banks, amounted in June 1915, to \$25,397,100,000, an increase in a year of about \$1,057,100,000. Savings bank deposits increased by \$176,256 during the year ending last June with total deposits of \$4,997,706,013 an increase of \$61,114,163. The average deposit, however, increased from \$444.35 to \$442.83 while the number of banks increased from 2,109 to 2,159.

The comptroller's principal recommendation for legislation is for an amendment to the bank law authorizing and directing the department of justice to bring suits against usurers upon information furnished either by the comptroller or through other sources.

To Prevent Bank Failures. Other recommendations given under a heading "To Prevent Bank Failures" propose: To prohibit officers from borrowing from their own banks; to prevent loans to directors except with the approval of the board; to require officers and employees to give surety bonds; to limit direct and indirect loans to one individual, firm or corporation; to prevent or limit overdrafts; to require certificates of deposit to be signed by two directors; to prevent insurance on the books of a bank; to limit interest paid on deposits; to authorize the establishment of branches in the United States; to permit branches in Alaska and insular possessions; to authorize minimum interest charges— which ordinarily might be usurious—on small loans and to authorize the comptroller to bring proceedings against directors for losses sustained by a bank through violation of the bank act.

The report renews the comptroller's recommendations of last year for other legislation, including the giving of authority to the comptroller to remove directors guilty of persistent violations of the bank act.

Flight Against Usury. Mr. Williams shows there were 14 failures during the 12 months ended October 31. In the last 59 years, he says, there were 398 failures attributable to criminal acts while injudicious or careless banking was responsible for 435 others.

JURY VISITS SCENE OF MOHR'S MURDER

Widow and Three Negroes Charged With Death of Providence Doctor.

Providence, R. I., Jan. 11.—Before visiting the scene of the murder of Dr. C. Franklin Mohr, the jury selected to hear the evidence at the trial of his widow, Mrs. Elizabeth Mohr and two negroes charged with responsibility for the crime, went to the court house to listen to a brief preliminary statement by the prosecution. The complete opening statements by the state and defense were reserved until the jury had returned from the scene of the crime.

Dr. Mohr was murdered August 31, last while motoring from Providence to Newport in company with his secretary, Miss Emily Burger, and the state alleges that Mrs. Mohr hired three negroes to commit the crime. One of the negroes has since pleaded guilty to manslaughter and is expected to be a state witness.

The men indicted for murder and Mrs. Mohr as accessory before the fact are being tried jointly.

POLICE SEARCHING FOR PAUL KOENIG

Warrant Issued for Alleged Plotter in Connection With Case of F. Scheindl.

New York, Jan. 11.—Police today are searching for Paul Koenig, the so-called chief of the Hamburg-American line's secret service, who is at liberty on \$50,000 bail on a federal indictment charging him with conspiring to blow up the Welland canal. A warrant for his arrest was issued yesterday by a magistrate charging him with exerting a corrupting influence in Frederick Scheindl, formerly a clerk in the National City bank, who is alleged to have delivered certain letters and telegrams to Koenig. Scheindl was arrested some time ago but was released on bail.

The new charge against Koenig is a misdemeanor, the maximum penalty of which is three years in the penitentiary.

The federal grand jury is continuing its investigation into the alleged alien plot. It is said that only the edge of the conspiracy has as yet been touched by the federal authorities. Other indictments may be returned against persons whose names have not yet been made public.

BANKERS RESIGN ANTICIPATING LAW

Restricting Interest Because of Clayton Act Against Interlocking Directorates.

New York, Jan. 11.—The resignations of many prominent bankers from directorates of leading banks all over the country is expected at the annual bankers' sessions which are being held today. The charges are made to anticipate the prohibition against interlocking directorates contained in the Clayton law. Many Wall street banks are understood to have officers who are directors in other banking institutions.

The Clayton act specifies that no person shall at the same time be a director of more than one bank organized for operation under the laws of the United States, either of which has deposits, capital, surplus and undivided profits aggregating more than \$5,000,000.

In many cases the readjustment made necessary will not take place for some months although today's meetings are the last regular stockholders meetings before the requirements of the law must be met.

NOT SATISFIED WITH N. C. RATE

Governor Contends N. C. Cities' Advantage in Mileage Should Be at Least 20 Percent in Their Favor.

SEEKS ADVANTAGES VIRGINIA CITIES ENJOY

Declares Differential of Seven Cents is Insignificant—Solicitor Norris "Sued"; Makes Statement.

(By W. T. Bost.)
Raleigh, Jan. 11.—"Is this a sop to Cerberus?" Governor Craig asked not "very pleasing like" when protesting against the recent increase of freight rates in the southeastern territory, an increase of which he learned too late to make the fight for the state.

The governor worked upon his statement before leaving yesterday for Asheville. Without directing attention of the people to the two utterances of the corporation commission upon the subject, his quotation from the interview of Chairman Travis in Washington would indicate that the governor thinks more seriously of the situation than the commission now does. Likewise it looked more alarming as a prospect than as a retrospect.

"This differential of seven cents to a limited territory which includes Atlanta," is insignificant," Governor Craig says. He shows that an enormous advantage the cities of North Carolina have in mileage, an advantage which Governor Craig thinks should be at least 20 per cent in North Carolina's favor. He contends that North Carolina should have the southern geographical advantage as Virginia does in the north.

Quoting from Chairman Travis in Washington that this proposed advance would be substantial and unreasonable and put "North Carolina at an unjust disadvantage in competition in said territory," Governor Craig declares that this is not an overstatement of the case. He wishes Virginia well but does not desire her to profit over "North Carolina by an arbitrary and unjust agreement." He seeks the same advantages of geography for his state as Virginia enjoys.

Judge Connor's First Court. Judge George W. Connor began yesterday his first court in Wake county and he will remain hereabout a good portion of the first six months.

Wake and Franklin constitute a district and Judge Connor will be able to spend a few weeks among the multitude of courts, at his home in Wilson. In this district he will be almost constantly busy, however, Wake alone having about fifteen terms of court annually.

Judge Connor charged the jury briefly and among his recommendations to the grand jurors told them that if there is anything wrong about the conduct of the public officers and they hear about it is their duty to investigate. Whether the judge had heard anything about the Norris-Holding controversy involving nearly all the county officers is not known. Solicitor Norris declares that he has not at any time suggested that anything criminal may be attributed to the course of these officers.

LUSTANIA CASE IS NEARING END

Indications Are That But One More Exchange Between Berlin and Washington Will Be Necessary.

PHRASES CHIEFLY LAYING SETTLEMENT

Believed Some Form of Disavowal Has Been Found Which Will Prove Satisfactory to Both Sides.

Washington, Jan. 11.—Count von Bernstorff, the German ambassador and Secretary Lansing had another conference yesterday on the Lusitania negotiations which both agreed should be described as confidential. Count von Bernstorff expected to confer with Secretary Lansing again this week and after that not again on this subject.

This fact is taken by those who are conversant with the status of the case to mean that Germany and the United States have approached the point where only one more exchange between Washington and Berlin is necessary before the long controversy is brought to an end.

American officials describe the situation as very hopeful and reflect the view that a satisfactory settlement is in sight which will include the payment of indemnity for the 115 American lives lost and some expression of regret or disavowal which will be mutually satisfactory to Germany and the United States.

The president, Secretary Lansing and Count von Bernstorff are practically the only officials in the secret of the negotiations, but it is known that the principal points which are delaying the final settlement are matters of phraseology. Germany has been contending that the best disavowal was offered the United States in her orders to submarine commanders not to repeat such incidents and that she could not disavow the incident, although regretting the loss of so many American lives.

The United States has been contending that disavowal should be expressed in some way. It is believed that a form of expression has been found satisfactory to both sides.

Another large committee assignment is to go to North Carolina February 1. At that time Congressman Edwin W. Pou, of the fourth district, will become the head of the house rules committee, one of the biggest and most important committees of the house.

The present chairman, Robert Henry, of Texas, notified Mr. Pou that he will leave Washington the first of next month for Texas where he will conduct his senatorial campaign. He asked Mr. Pou to act as chairman during his absence, and, incidentally told him he did not expect to return.

AFTER-HOLIDAY BUSINESS GOOD

Contrary to Custom American Business Shows No Sign of Slowing Up Since the Christmas Rush.

RETAILERS HURRYING TO BOOK THEIR ORDERS

Public Generally Paying Little Heed to What Termination of Hostilities in Europe May Bring.

Gazette-News Bureau. The Riggs Building, Washington, Jan. 11. Contrary to usual custom, American business is speeding on in the wake of the holidays with no appreciable slowing up.

Confronted with a daily increasing disposition on the part of the public to purchase, and realizing the difficulty experienced in obtaining winter orders placed late, retailers are hurrying into the large markets to book their spring requirements.

"While 'big business' is disposed to harp to a degree on future possibilities the public generally finding that there is no apparent slackening in the prosperous condition of the country and that more money is coming into general circulation through wage increases, is paying little heed to what a termination of hostilities in Europe may bring.

In the estimation of financial interests the United States corporation's December statement of unfilled tonnage, to be announced tomorrow, will show an increase of about 600,000 tons. When the fact is recalled that the corporation already has vast orders on its books and has been compelled in many instances, because of the congestion at its mills, to turn away orders, this outlook is exceptionally satisfactory.

Manufacturers of cotton fabrics start the year under better auspices than they have for a decade. More spindles are in operation, and it has been found advisable to increase the wages of the workers, because there is no superfluity of operatives to be had and the owners of mills are anxious to keep those they have. Workers in such mills would have little difficulty in getting other kinds of employment just now if they wished, and it is the experience of mill men that the good workmen, if they once leave for other occupations, rarely, if ever, come back. The output of the mill is sold, as a rule, quite far ahead. . . . A further evidence of more general prosperity is found in the activity of the stock markets. Odd lot houses trading on the New York stock exchange estimate that the first week of the New Year new purchases of stock under 100 shares exceeded sales by upward of 20 per cent. This means that buyers with small capital are investing.

For several months the railroads of the country have been making wonderful strides. The increase in earning has not been confined to any particular section, but has been general in north, east, south and west.

As an example of this improvement the case of the Northern Pacific railway may be cited. If that company should make no further gains in earnings during the remainder of the fiscal year, it would show on June 30 an increase of about \$10,000,000 over the preceding fiscal year, while if only one-half of the increase reported in December is averaged in the second half of the fiscal year, the increase for the entire period would be approximately \$16,000,000. On this basis there would be a balance for dividends after the addition of other estimated income and estimated deductions equal to more than 13 per cent on the stock, against 7.59 per cent on the fiscal year, 1914-15. In December the company showed an increase in gross operating revenues of \$1,854,000.

BRITT HAS BILL FOR CHEAPER LETTER RATE
Washington, D. C., Jan. 11.—Representative Britt will introduce a bill today for a flat rate of one cent on all drop letters. In connection with the matter, he stated that he favors a general one cent rate for all letters wherever and however delivered but introduces this measure at this time with a view of bringing the matter more directly and impressively to public attention and soon he expects to introduce a bill for general one-cent letter postage.

It is his purpose to ask the postal committee of the house to grant a public hearing on the measure with a view of getting some definite action at this session.

DR. RUPERT BLUE IS APPOINTED AGAIN
Washington, Jan. 19.—Surgeon General Rupert Blue of the public health service has been reappointed for another term by President Wilson. Dr. Blue is from South Carolina.