

If Raleigh Fails On War Savings Stamp Allotment Will YOU Be Responsible? Have YOU Done Your Best?

The News and Observer

WEATHER

Fair Thursday and probably Friday.

SECTION ONE
PAGES 1 to 8

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AMERICANS REPULSE GERMAN COUNTER ATTACK

Hold Every Foot of Ground They Gained in Attack Monday Night

ENEMY MOWED DOWN BY MACHINE GUN FIRE

German Prisoners Say That Their Orders Were To Drive The Americans Back at All Costs; They Paid The Highest Possible Price and Failed

With the American Army in France, July 3.—(By The Associated Press.)—A heavy German counter-attack against the American positions at Vaux, launched at one o'clock this morning, was repulsed, the enemy losing very heavily. Not a foot of the ground won by the Americans in their attack on Monday night was lost.

The counter-attack developed after the Germans had heavily bombarded Vaux and Bois de La Roche. When the German infantry leaped from their trenches the troops came over in close formation. In some cases whole companies were allowed to approach close to the American line, then the American machine gunners, from their hidden nests, let loose a perfect hail of bullets, mowing down the enemy ranks and piling the dead over the ground where the Germans were trying to advance.

The American artillery lent efficient aid in completely breaking up the enemy attack, which was launched with fresh regiments of storm troops. The number of prisoners taken by the Americans in the operations near Chateau Thierry was increased today without the American infantry operating except as skirmishers.

German shells have been raining on the new American positions and the enemy fire has been answered by the American guns. The American line was the target of projectiles of all calibres, gas shells being mixed with high explosive missiles. The shells have been falling heavily in the areas behind the battle line. The enemy fire, particularly on the right flank of the new positions at Vaux, was most intense for hours.

At last reports, the American machine gunners were holding their ground and repulsing small but desperate efforts of the Germans to regain the ground wrested from them. The Americans are reported to be well protected by their temporary trenches and are not exposing themselves needlessly to the storm of flying steel from the bursting German shells.

The German loss in killed is unknown, but prisoners say that their orders were to drive back the Americans at all costs. They have paid the highest cost possible, but have failed to perform the task entrusted to them.

From the general conditions along the battle line, it appears that further attacks by the Germans are likely to develop. The Americans, however, are just as ready for what is coming as they were for what has passed, and are just as confident as to the outcome.

Men Who Got Crosses.

Washington, July 3.—General Pershing's communique for yesterday announces that one German regiment practically was annihilated in the heavy losses inflicted by the Americans when they stormed and held the village of Vaux, the Bois de la Roche and neighboring woods, advancing the American positions a thousand yards on a mile and a half front.

War material captured included some trench mortars, and over sixty machine guns. Three American aviators are reported missing from squadrons which

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ARTILLERY FIRE OF INTENSEST KIND

With the American Army in France, July 3.—The enemy artillery this afternoon increased the intensity of its fire in the Vaux region. The crash of exploding shells swelled to a roar, while the ground and air thrummed with the concussion of shells. But the American guns answered the German challenge shot for shot.

The American gunners, stripped to the waist, stood in the gun pits and on gun emplacements, feeding shells as fast as they could handle them into the guns, and a steady stream of steel explosives swept through space onto the enemy lines. At 5 o'clock this evening the gun-fire showed no signs of abating, the enemy artillery work, if anything, evidencing more ferocity than ever. The American aviators, keeping vigil over the fighting zone, found the ground completely obscured at places by the smoke of guns and shells.

Among the captured material thus far counted are six heavy machine guns, eighteen light machine guns, six trench mortars, two grenade throwers, two hundred rifles, one motorcycle machine gun and large quantities of ammunition and equipment.

WAR NEWS IS BRIEF

(By The Associated Press.)

American troops standing at Vaux, northwest of Chateau Thierry, have completely smashed repeated and determined counter-attacks by the Germans, who sought to oust the Americans from their new positions. That the Germans have tried desperately to reverse the decision in the battle is an indication that the occupation of Vaux is viewed as important by the enemy commanders.

Over the lines held by General Pershing's men there has been bursting a storm of steel from the German cannon, high explosive and gas shells being intermingled in the projectiles hurled by the foe's cannon. The Americans, however, have not yielded a foot of ground, and when the enemy has attacked, he has been permitted to approach close to the American lines before a storm of bullets has cut through his ranks and broke his attack.

As the result of these assaults the Germans have lost very heavily, the ground being covered with their dead and wounded. They have, in addition, lost many prisoners. The battle is still being fiercely waged. French units are said to be engaged in the region of Vaux, but it is probable that they are not very numerous. The battle at Vaux has seemingly absorbed the most of the activity on the western side of the salient running north from the Marne, but far up toward the Oise river, at Moulin-Sous-Toutvent, a little village east of the De Laigue forest, the French have struck the German line over a front of nearly two miles and have penetrated to a depth of approximately half a mile. Prisoners to the number of 457 have been reported captured.

The British were unable to retain the positions they seized on Sunday near Bousincourt, north of Albert. After a terrific bombardment the Germans succeeded in recapturing the ground. On the north side of the Picardy sector, at Boyelles and Moyenneville, and in the Lys sector, at Merris, the British have taken prisoners in raiding operations.

The Italians have again shifted their attacks and this time have chosen the Piave front for a demonstration of their strength. After a bombardment which reached dramatic intensity, the Italians crossed the Piave northeast of Capo Sile. In spite of the flooded areas before them, they made some progress, which is admitted by Vienna, and captured 1,000 prisoners as well as taking valuable war material. Austrian counter-attacks in the Grappa region, east of the Brenia, have been repulsed.

American air fighters have participated in combats during the fighting at Vaux and are credited unofficially with destroying seven German machines. In the fighting on Tuesday, the British destroyed thirteen enemy airplanes and forced nine more to descend out of control.

The Ukraine government, which was set up by the German military authorities, there is tottering to its fall, it is reported. The alleged attitude of the government toward the peasants is said to be the cause of the impending crisis.

TWO AEROPLANE PLANT EMPLOYEES INDICTED

Charged With Wilfully Making War Material in Defective Manner

Rochester, N. Y., July 3.—Lewis Longwell and Hector Borden, foremen at the plant of the Curtiss Aeroplane and Motor Corporation at Hammondsport, were indicted this afternoon by the Federal grand jury, charged with sabotage in wilfully making war materials in a defective manner. Judge John B. Hazel held the two in \$10,000 bail each for arraignment at Jamestown, next Tuesday.

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HUN DIPLOMAT



Admiral von Hintze, retired, is said to be slated to succeed Foreign Minister von Kuehlmann.

LEADERS MAKING PLANS FOR RECESS

Report On Telegraph Resolution Will Be Submitted To House Today

SUBSTITUTE FOR THE ASWELL RESOLUTION

Resolution Will Go Over Until After Recess Unless Wilson Requests Action at Once

Washington, July 3.—Although the House Interstate Commerce Committee late today ordered a favorable report on a resolution authorizing, if the President deems necessary, government control of telegraph, telephone, cable and radio systems as a war measure, congressional leaders continued tonight to make plans looking to a recess of both Houses through July and part of August. They expected to dispose of pending appropriation measures late this week or early next week and recess immediately afterwards.

Chairman Sims of the House committee, announced that he would submit a report on the telegraph resolution at a brief holiday session tomorrow and would endeavor to bring it before the House as early as possible. Conferees on the \$12,000,000,000 army appropriation bill worked through today and when adjournment was taken, Senator Chamberlain, chairman of the Senate Managers, said he expected a final agreement would be reached tomorrow. Efforts to have the report ready for submission when the Senate reconvenes next Friday will be made.

Conferees on the \$950,000,000 general deficiency bill have practically reached an agreement and expect to complete consideration of final details Friday. Despite this, however, leaders declared that final action on the resolution would go over until after the recess unless President Wilson asked for its adoption before that time.

In reaching an agreement on the proposal, the House committee adopted as a substitute for the Aswell resolution, which was approved by the President, one proposed by Representative Sanders, of Louisiana. This is similar to the resolution under which control of the railroads was taken over with a provision for "just compensation" to be paid the companies for the use of their wires.

As originally offered the Sanders' resolution provided for relinquishing of government control one year after the war ends, but in spite of protests from some members, the committee

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CZECHO-SLOVAK BANDS IN SIBERIA SHOW STRENGTH

Farm Nucleus For Various Elements To Fight Bolsheviks and German Influence

REGARDED AS VALUABLE ASSET BY THE ALLIES

Czecho-Slovaks Have Taken Over Administration of The Pacific Port of Vladivostok After Overcoming Armed Opposition By The Bolsheviks in Battle

(By The Associated Press.)

Washington, July 3.—Unexpected development of strength by the Czecho-Slovak bands which are making their way across the Siberian plains from European Russia, has arrested the attention of officials here and formed the basis of earnest conferences among the diplomatic representatives of the entente powers.

Official reports received today confirmed and amplified press dispatches that the Czecho-Slovaks had taken over administration of the Pacific port of Vladivostok after overcoming armed opposition by the Bolsheviks in a battle in which there was considerable loss of life. The significance of this event as seen by officials lies in the fact that there is now a real nucleus in Siberia for the gathering of the various elements which have revolted against Bolshevik control and surrender to German influences.

While it is by no means certain that the entente allies or America are disposed at present, at least, to take advantage of the situation thus created to begin a military campaign in that quarter, it is regarded as a valuable asset in the solution of the problem that through this unprovoked action, the Czecho-Slovaks have definitely halted the spread of German control to the eastern coast of Siberia and further assured the safety from German seizure of the vast store of military supplies at Vladivostok and vicinity.

Leadership Is Needed.

Whether the Czecho-Slovaks can take full advantage of the possession of the Pacific port, commanding a great railroad penetrating the interior of Siberia and connecting with the Russian system, would seem to depend on their ability to find common aspirations and gather their strength under one leader. It also is regarded as essential that they effect a junction in purpose, if not physically, with other elements now in revolt in Siberia and European Russia. Once this has been accomplished it is believed that the entente powers and America may be induced to consider the question as to whether there has not been established the representative and stable government in Siberia and Russia as well, which they may recognize and aid.

Various bands of Czecho-Slovaks, well armed and thoroughly organized, occupy many points of strategic value along the Siberian railroad from the Ural mountains to the Pacific in forces numbering from 1,000 to 15,000 with the largest body at Vladivostok. From Irkutsk to Bystran, a distance of nearly 2,500 miles, through the great grain and dairy region of western Siberia, the Czecho-Slovaks are in control. Great stores of grain, butter, eggs and meat are held at various points along this part of the railroad and the Germans are using every endeavor to obtain them for shipment to Germany.

Trying to Effect Union of Bands. The Czecho-Slovaks are trying to effect the launching of nearly 100 ships tomorrow, a declaration of American independence of foreign merchant marines, will be attended with words of appreciation from President Wilson. Chairman Hurley, General Pershing and the President Wilson's message was contained in this letter to Chairman Hurley: "We are all comrades in a great cause," declared the President in a message to be read in every shipyard, in the presence of an army of loyal workmen, second in size only to the fighting army overseas.

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RECORD BREAKING SHIPBUILDING IN UNITED STATES

Gives Country a Merchant Marine of 10,040,659 Gross Tons

NUMBER OF VESSELS IS NEARLY 30,000

In Addition There Are 200,000 Tons of Requisitioned Dutch Ships and 404,700 Tons Operated By The Army and Navy as Transports; Nearly 100 Ships To Be Launched

Washington, July 3.—On the eve of the greatest ship launching day in history, the bureau of navigation of the Department of Commerce announced tonight that the fiscal year just closed exceeded all previous years in new ships built in this country, giving the United States a merchant marine of 10,040,659 gross tons and numbering nearly 30,000 vessels.

In the twelve months ended June 30, there were 1,622 new ships of 1,430,793 gross tons numbered by the bureau, more than double the output of German yards in peace time. Great Britain's production in the same period has not been made public, but in the year ended May 31, amounted to 1,406,838 gross tons, or about 70 per cent of the normal output.

In addition to the merchant ships permanently under the Stars and Stripes, the seagoing fleet of cargo carriers controlled by the United States includes 200,000 tons of requisitioned Dutch ships and 404,700 tons operated by the army and navy as transports, hospital ships, supply transports and other auxiliary craft, besides yachts and similar vessels under the command of the navy and navy reserve.

One-half of the fiscal year's output of ships was completed in the last four months. The total included 253 seagoing steel steamers of 1,034,604 gross tons and 157 seagoing wooden vessels of 213,088 tons, the remainder being vessels for the lakes, rivers and domestic transportation, except one concrete seagoing steamer of 3,427 gross tons.

Better Record Next Year. Even this record production, however, undoubtedly will be eclipsed in the fiscal year just starting, for many new yards are just beginning to get into full operation and the great fabricating yards have not yet begun to add finished ships to the cargo fleets. Losses sustained by the merchant marine included for the last three months were 82,049 tons of seagoing vessels, including ten of 4,707 gross tons sunk by submarines off the Atlantic coast in May and June.

The growth of the shipbuilding industry in this country in the last two years has been a close rival of many businesses which have given America its reputation as a great industrial nation. The records of the bureau of navigation show that in the twelve months ended June 30, 1917, when the renaissance of shipbuilding had just started, there were completed in American yards 1,030 ships of 247,147 gross tons.

Another twelve months saw the number increased to 1,546 ships of 812,659 gross tons and in the year just ended the tonnage output was nearly doubled, while the number of ships grew to 1,622. Instead of small craft for domestic transportation the yards now are building great ocean going ships to carry men and supplies to France and later to establish new lines of communication between the United States and Latin America and the Orient.

To Launch 100 Ships Today. The launching of nearly 100 ships tomorrow, a declaration of American independence of foreign merchant marines, will be attended with words of appreciation from President Wilson.

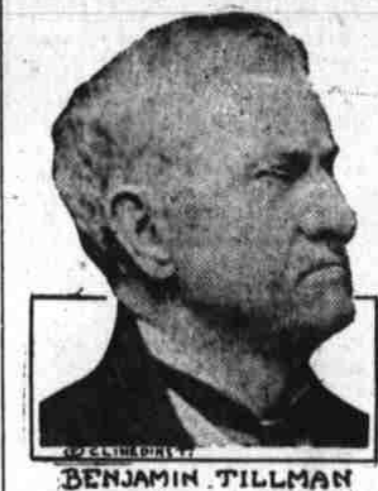
Chairman Hurley, General Pershing and the President Wilson's message was contained in this letter to Chairman Hurley: "We are all comrades in a great cause," declared the President in a message to be read in every shipyard, in the presence of an army of loyal workmen, second in size only to the fighting army overseas. "Your employes will doze the Kaiser" is Mr. Hurley's enthusiastic comment, while General Pershing, whose complete message was made public previously, declared: "With such backing we cannot fail to win. All hail American shipbuilders."

President Wilson's message was contained in this letter to Chairman Hurley: "I am very glad to take part in celebrating the launchings of the Fourth of July and beg that you will make use of the following message: "I join with you in feeling the greatest pride in the diligence and skill and devotion which the men in the shipyards have exhibited in completing the fleet which is to be launched on the fourth of July, and I hope that you will convey to them my congratulations and my pleasure in feeling that we are all comrades in a great cause!"

The appreciation of the shipping board's chairman is contained in this telegram sent the managements of all yards: "Our historic launching today is a new declaration of independence. It is

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VETERAN SENATOR CLAIMED BY DEATH



TILLMAN CROSSES THE GREAT DIVIDE

Noted Senator From Palmetto State Dies Following Cerebral Hemorrhage

ACTIVE PARTICIPANT IN GROWTH-OF THE NAVY

Former Governor of South Carolina and Prominent in Public Life For Many Years

(By The Associated Press.)

Washington, July 3.—Senator Benjamin R. Tillman, a veteran of 24 years' service in Congress and chairman of the Senate Naval Affairs Committee, died at his home here early today as the result of a cerebral hemorrhage suffered last Thursday. The stroke completely paralyzed the left side, and as the right had been partially paralyzed since a similar attack ten years ago, no hope had been held for Senator Tillman's recovery since he lapsed into unconsciousness last Sunday.

As Governor of South Carolina, as a leader in the Southern wing of the Democratic party and as an active participant in the last generation's growth of the American navy, Senator Tillman had been prominently before the public for many years. Senator Swanson, of Virginia, probably will be his successor as head of the Naval Committee, to which Senator Tillman had devoted almost his exclusive interest in congressional legislation for many years. He had been its chairman since 1913 and was one of the most ardent "big navy" advocates, being among the first to urge extension of submarine construction and government manufacture of armor plate.

Senator Tillman had been in failing health for several years. Although he partially recovered from his first stroke of paralysis, his remarkable vitality was unable to withstand the last and more severe attack. His wife and all members of his family except a son suffering from a minor operation in a southern army camp were at the bedside.

Senator Tillman's death promises an upheaval in South Carolina politics, in which he has been a leader for more than a generation. He died in the heat of the senatorial primary campaign in which his long-time political opponent, former Governor Cole L. Blease, was contesting for the nomination to the Senate.

Stating that he desired to continue serving his country and State during his long experience with naval affairs, his long Tillman recently evoked a decision not to be a candidate for re-election, and Representative Lane, of South Carolina, another candidate, withdrew.

Senator Tillman was the eighth member of the Senate to die since the United States entered the war. The others were Senators Lane, of Oregon; Husting, Wis.; Newlands, Nevada; Brady, Idaho; Hughes, New Jersey; Broussard, Louisiana; and Stone, of Missouri.

Senator Smith's Tribute.

The Senate soon after it convened adjourned until next Friday over the Fourth of July when Senator Tillman is to be buried, out of respect to their deceased colleague. After a brief eulogy by Senator Smith of South Carolina, the Senate also adopted resolutions for appointment of a committee to attend the funeral. Advising the Senate of Senator Tillman's death, Senator Smith of South Carolina said: "We know the study character of the man, the splendid ruggedness of his nature. We did not always agree with him but we all admired motives with which he backed the position he did take."

"He steadily grew, in rounding out 24 years service in the estimation of his State and his country. They mistook in the beginning the manner of the man for his character and purpose." Later Senator Smith stated memorial services will be held in the Senate for eulogies at length. In his prayer, opening the Senate session, Rev. F. J. Pretymann, its chaplain, referred to Senator Tillman's

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WORLD LIBERTY IS PREVAILING THEME

Voiced Uniformly in Independence Day Sentiments of Prominent People

ULTIMATE TRIUMPH FORECASTED BY ALL

Expressions From Mrs. Wilson, War and Navy Secretaries, Gens. Pershing and March

News and Observer Bureau, 406 District National Bank Building, By S. R. WINTERS. (Special Licensed Wire.)

Washington, July 3.—Contrasting the expression of Mrs. Woodrow Wilson that "a new glory attaches, because we are striving to make the whole world free," with the statement of Secretary of the Navy Josephus Daniels that America will not lay down the sword until the menace of militarism is lifted from mankind, there runs through the July Fourth greetings from the spokesmen of the nation's life the refreshing thought that world independence will triumph when Germany is crushed.

Clothed in choice language the statements from the leaders of the nation vary only in expression inasmuch as through them all runs the vein of hope that America will ultimately triumph in a positive way over the assertions of autocracy. "The aggressions of Imperial Germany have warned us that the world cannot continue half slave and half free," says Secretary of War Baker. The statements from the various officials follow:

By MRS. WOODROW WILSON. The greeting which I am glad to send to the women of our beloved country who are playing so large and so noble a part in this day of our supreme test can have but a single thought for its theme—the thought that is in all our hearts. That thought is that we are sustaining, not a government, but the very principle of our nation's life. The morale of the war is in the thoughts and aspirations and hopes of the women as well as of the men. They stand at the very center of every issue involved as the men do and in that sense the war is theirs. It is a war for what is humane and right. They can put all that is best of them into the struggle. And they are doing so. I deeply admire them and am proud to stand with them. A new glory attaches to the Fourth of July because we are striving to make the whole world free.

By SECRETARY DANIELS. The American people have had a fresh baptism of the spirit of sacrifice for liberty which enabled the men of seventy-six to make the declaration of independence the decree of a powerful nation. They have entered this war to aid in insuring to peaceful peoples freedom from conquest, and they will not lay down the sword until the menace of militarism is lifted from mankind. The men who have given their lives on land and sea in this glorious adventure will forever shine in the republic's firmament and we have highly resolved they shall not have died in vain. Out of the tragedy of war the steady light of peace, guaranteed by a league of all free nations, will illumine the world.

By GEN. JOHN J. PERSHING. On this anniversary of our independence, the officers and men of the American expeditionary force on the battlefields of France renew their pledge of fealty and devotion to our cause and country. The resolve of our forefathers that all men and peoples shall be free is their resolve. It is quickened by sympathy for an invaded people of kindred ideals and the war challenge of an arrogant enemy. It is fortified by the united support of the American people.

By SECRETARY BAKER. When the Imperial German government undertook to dominate the world by the power of military conquest, it brought a new challenge to the United States of America. We have learned, under Lincoln, that this nation could not endure "half slave and half free." The aggressions of Imperial Germany have warned us that the world cannot continue "half slave and half free," that we cannot preserve our peace and freedom unless we help to bring peace and freedom to the other peoples of the earth, that we cannot maintain our own rights and liberties if we allow even little Belgium to be deprived of hers. In that sense this independence day of 1918 is the promise and augury of an independence day for all mankind. We are fighting for our own national life, but the victory in which we share will save the life of democracy in Europe and in Africa and in Asia, no less than in America. We have declared for the self-determination of all peoples, for their freedom and independence. And on this independence-day we celebrate that declaration as much as ours of 1776.

By Gen. Peyton C. March, Chief of Staff. The Fourth of July is a symbol of freedom to all Americans. It represents the establishment on this continent of a government by the people; the outcome of a war where men sacrificed their lives and their fortunes in order that their destinies should not be controlled by autocracy. On this Fourth of July we find the whole nation mobilized for war in order that the freedom gained by our forefathers should not be wrested from us by a ruthless and despotic monarchy. Americans in

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