

PETROGRAD ADMITS RUSSIAN DEFEAT; AUSTRIANS LOSE

They Are Being Swept Westward by Russian Attack--Fighting Resumed With Montenegro After Long Delay

NO IMPORTANT CHANGE IN WEST

Both Sides Capture Some Trenches---Interest in England Centers in Proposed German Blockade of Ports

London, Feb. 15.—The sustained Austro-German attack in the East, with Petrograd's admission that the Russians plan to assume defensive on their own territory, is the important feature of the military situation. The Germans claim progress in Bukovina. Unofficial advices from Budapest even say the Austrians have been swept as far west as Czernowitz. The Austrians also claim to have occupied Nadwerna, south eastern Galicia.

There is no noteworthy change in the west. Both the Germans and Allies have captured some of their opponents' trenches, but the gains are not considered important as yet.

The British public is centering interest just now in the outcome of the German blockade of British water, due to begin Thursday, with special reference to its effect upon neutral shipping.

After a long period of inactivity fighting between Austria and Montenegro has been resumed. An Austrian fleet has bombarded the Montenegrin port of Antivari, and two Austrian aeroplanes attacked with machine guns the palace in which were King Nicholas and the other members of the Montenegrin royal family.

Of the great struggle in Poland, Galicia and Bukovina, there is little new information. A decisive battle in northern Poland is looked for when the retreating Russians reach positions on which they decide to make a stand.

In Bukovina another important contest is in progress. The long drawn struggle in the Carpathians shows no sign of approaching an end. Both the Austrian and Russian war offices claim victories along this front.

Some German newspapers commenting on the American notes, take the stand that this country's representations to Great Britain are less vigorous than those to Germany. It is asserted that the fault is England's on account of her use of the American flag.

A Rome newspaper states that Prince von Buxlow, German ambassador to Italy, shortly will make proposals for Italy's intervention in the war on territorial concessions.

David Lloyd George, British chancellor of the exchequer, today estimated the cost of war to the Allies at \$10,000,000,000. He said Great Britain could finance the war for five years out of her investments abroad.

German troops are advancing rapidly everywhere in East Prussia, Berlin declares. In northern Poland, also, considerable gains are reported. Petrograd military commentators assert that Russia will gain an advantage in falling back to her own territory, by depriving Germany of the use of the railroads which she employed effectively in transporting troops along the front when the fighting was on German soil.

Higgins Widow Gets \$3,000,000 Estate



Lexington, Ky., Feb. 15.—Mrs. Pearl Voochies Higgins, youthful widow of James B. Higgins, millmillaire tycoon, will get his Elmendorf estate, valued at \$3,000,000, under the terms of his will. The estate comprises 780 acres of blue grass and a string of noted race horses.

RENEWED EARTH SHOCKS IN ITALY

People Are Buried Under Buildings in Central Italy

Rome, Feb. 15.—Renewed earth shocks occurred today in the parts of central Italy visited by seismic disturbances several weeks ago. At Rocca, Simbaldi, the bellry of the convent of Santa Maria, fell upon several houses burying ten persons. The Cittaducale was wrecked. Several houses were made uninhabitable at Veroli. One person was killed and six were injured at Nazahano.

SENATE WILL INVESTIGATE ALLEGED LOBBY AGAINST THE SHIP PURCHASE MEASURE

Charges and Counter Charges Are Flung Back and Forth by Republicans and Democrats in Washington—Hope of Passing the Bill is About Given up by Leaders

Washington, Feb. 15.—Charges and counter charges from Democratic and Republican sources concerning the ship purchase bill were made the subject of a special investigation today by the Senate.

The decision to inquire into the alleged lobby by agents of the "shipping trust" against the measure and into the intimations of negotiations for options on belligerent ships to sell the government was unanimous.

With this decision departed the last hope of some of the most earnest champions of the shipping measure that it would be passed in the Senate by March 4.

Even some of the Administration Senators are inclined to the view that the appropriation measure should now be taken up and rushed through before the session ends.

ROCKEFELLER IS CONDEMNED AS A MONEY TYRANT

Chairman of Industrial Relations Commission Hits Oil King Hard

TURNS HIS POWER IN ANY DIRECTION

WALSH DECLARES ROCKEFELLER, SR., DOMINATES FOUNDATION AND WIELDS ENORMOUS POWER ANYWHERE HE PLEASES—HE IS A SMART MAN, BUT COULDN'T ANSWER

Kansas City, Feb. 15.—Frank P. Walsh, chairman of the Federal Industrial Relations Commission, which has been investigating the great philanthropic foundations, in a statement today declared that John D. Rockefeller, Sr., dominates the Rockefeller foundation, which Walsh said can apply the enormous power of the money it controls to almost any purpose it chooses.

He declared that the trustees exercised no authority that did not come from Rockefeller. He added that the testimony showed that directors of the foundation also were directors of the industries from which the foundation obtained its funds.

"As an interlocking system it beats anything the railroads and banks ever exhibited," said Walsh.

In his statement he declared the commission was not yet through with the foundation.

"Mr. Rockefeller is a very smart man, perhaps the smartest in this country," Walsh asserted. "But he could not tell the commission why he did not use his profits to pay a living wage, instead of using them in the distribution of charity that constituted a power, which many Americans have come to look upon as a menace."

SON OF LATE GOVERNOR AYCOCK IS GIVEN FEDERAL POSITION

Raleigh, Feb. 15.—Collector of Internal Revenue Bailey appoints Connor Aycock, son of the late Chas. B. Aycock, to the office of deputy collectorship in place of Lee C. Ashcraft, who was transferred to the new desk of division of "Anti-Narcotics". Both places pay \$1,200 yearly.

WHEAT TAKES UPWARD TRAIL

Chicago, Feb. 15.—Renewal of European purchasing ran up wheat prices today with a relativity that was a reminder of Saturday's swift decline.

Before the session was half over, more than five cents a bushel had been added to the final values of last week. May rose to \$1.50 3-8 and July to \$1.33 7-8.

PLAN FURTHER ACTION AGAINST GERMANY

London, Feb. 15.—In a statement to the house of commons today Winston Spencer Churchill, first lord of the admiralty, intimated that further action would be taken by the Allies to prevent the importation of foodstuffs in neutral ships to Germany.

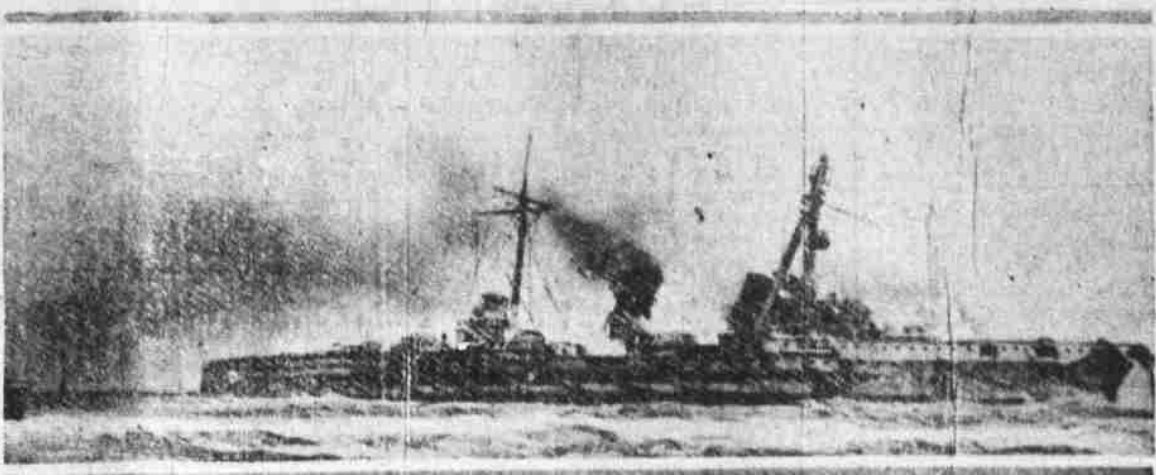
In this case, there will be no extra session, at least for several months.

The efforts of the administration leaders to force the closure rule in the Senate were continued today.

Vice President Marshall appointed Senators Walsh, Simmons and Reed, Democrats, and Burton and Weeks, Republicans, to make the inquiry.

AMERICA TELLS ENGLAND TO PERMIT STEAMER WILHELMINA TO PROCEED TO HER DESTINATION; GERMAN REPLY TO UNITED STATES IS FIRM

German Cruiser Bluecher Sinking in North Sea Battle



Helpless from gunfire of the British battle cruiser, Lion, the German warship, Bluecher, was left to the tender mercies of a British destroyer, which torpedoed her as the flagship pursued the fleeing enemy. The photograph shows the Bluecher rolling over and sinking after a torpedo had wrecked her vitals. She swept round in a circle and picked up survivors of the Bluecher.

Reply is Friendly in Form, However--Great Britain is Obstinate, and Says Wilhelmina Must go to Prize Court

NETHERLANDS ALSO MAKES PROTEST

She Says Dutch Ships Will Proceed by Accustomed Route and Virtually Dares Belligerents to Interfere

THE GERMAN REPLY TO AMERICAN NOTE FIRM

Berlin, Feb. 15.—The German reply to the American note is reported to be firm in tone, though friendly in form, says a statement issued today by the Overseas News Agency in commenting on the United States' communication regarding Germany's intentions toward neutral merchantmen in the new naval war zones.

Washington, Feb. 15.—The evidence submitted by the steamer, Wilhelmina, owners to prove that the vessel carries foodstuffs for non-combatants and is not subject to seizure was forwarded by the State Department today to Ambassador Page, in London, for transmission to the British foreign office.

The ambassador is instructed to suggest that unless Great Britain has sufficient grounds, not yet advanced, for doing otherwise, the ship immediately shall be permitted to proceed on her destination.

The Wilhelmina's cargo is intended for Germany. The proposal of the German ambassador that the submarine attacks on British merchantmen would be abandoned if Great Britain ceased interfering with food supplies for German civilians also was transmitted to Ambassador Page for submission to the foreign office.

The note containing Germany's proposal was submitted to the State Department today. It announced that unless Great Britain agreed to remove the restrictions placed upon shipments of conditional contraband food to the German civilian population, Germany proposes to make effective her original proclamation, adding that also they would stress mines in the waters about England and Ireland.

The alleged arming of British merchant vessels is given by Germany as grounds for attacking the enemy merchant ships without search of previous visit. From the German point of view, the Wilhelmina constitutes a test case, on which revolves the entire question of feeding Germany. It was believed here today that the United States might seek an understanding on the question of foodstuffs with both Germany and Great Britain, with the hope that it might avert submarine dangers to neutral ships.

Britain is Obstinate

London, Feb. 15.—The foreign office announced this afternoon that if the cargo of the American steamer, Wilhelmina, be diverted for relief of distress in Belgium the decision to send her cargo to the British prize court would be reconsidered; otherwise, the cargo must be submitted to that court.

The Hague, Feb. 15.—The Netherlands has presented notes of protest to Germany and Great Britain regarding the acts of these governments respectively in declaring war zones waters around the British Isles and in using neutral flags.

Dutch shipping is menaced more than any other neutral Nation, owing to the large number of Dutch vessels passing through the English channel on their voyage to the Dutch Indies.

SECRETARY MCAODOO TO THE UNIVERSITY

Secretary of the Treasury Will be the Commencement Orator

(By George H. Manning)

Washington, Feb. 15.—Secretary W. G. McAdoo of the Treasury Department will be the commencement orator at the University of North Carolina June 2.

YOUNG DANVILLE MAN AT HOSPITAL

Taken There Last Night After Having Been Almost Asphyxiated

Mr. O. J. Morton narrowly escaped asphyxiation in a room at the Hotel Zinzendorf last night while in an alleged state of intoxication. Twice, he turned on the gas and twice was it cut off, it is said, first by one of the hotel clerks, Mr. W. N. Schultz and again by the night watchman, Mr. A. D. Maynard. Finally, an officer was called, Vogler's ambulance was summoned, and Mr. Morton was taken to the new Winston-Salem city hospital, where he was treated by City Physician V. M. Long.

Mr. Morton is a young man, said to be about 20 years old and registering from Danville, Va. It is said that he was considerably under the influence of drink, and that when found, his clothes were scattered about his room, and the gas was turned on. Mr. Schultz turned it off. Later, Mr. Morton turned it on again, it is said. Nightwatchman Maynard turned it off this time, and an officer was summoned. This happened at about 11:20.

It was stated early this morning that Mr. Morton is getting along nicely, and that he is in no danger at all.

ALL CHILD LABOR PRODUCTS BARRED

Congress Passes the Palmer Bill by a Vote of 232 to 44

Washington, Feb. 15.—The Palmer bill to bar the products of child labor from interstate commerce passed the House tonight, 232 to 44, after the issuance of a writ of arrest for absences to suppress a filibuster. The opposition to the measure, led by Representative Brynes of South Carolina, was based on the contention that it interfered with State's rights.

BRITISH STEAMER HITS MINE

London, Feb. 15.—The British steamer, Wavelet, 1,193 tons, Captain Cole, from Pensacola, Fla., January 15, via Newport News, January 25, for Leith, Scotland, encountered a mine in the British channel and was badly damaged. The skipper by prompt action succeeded in beaching his steamer near Deal.

IN THE HOUSE

The House was convened at 12 o'clock by Speaker New.

New Bills

New bills were introduced as follows: Tucker—Amend the health law of the State.

Williams of Yadkin—Allow the commissioners of Yadkin county to issue bonds.

Hall—Amend the revival relative to building and loan associations.

Etheridge—For the relief of the veterans in the Soldier's Home.

A Solid Foundation

Cast a pebble into a pool of water and it will sink. Keep on adding more pebbles to the first, and eventually they will build up a monument which rises out of the water.

Thus it is with advertising. One little advertisement is soon forgotten—but keep on inserting day after day and month after month, and your business will soon be reared on a substantial foundation.

TAX ASSESSMENT MEASURE IS ADOPTED BY COMMITTEE; MAY INCREASE INTEREST RATE

A Bill is Presented in the Senate Making Eight Per Cent Interest Lawful, Provided Both Parties to Contract Agree--Revenue Bill Passes Second Reading

Raleigh, Feb. 15.—The joint finance committee this afternoon adopted the final draft of the tax assessment section of the machinery bill, which provides for the appointment by the State of tax commission of county assessors this year only for the quadrennial assessment, one in each county and the county commissioners shall appoint one list taker and assessor for each township, and the county board of equalization shall consist of the county commissioners, township list takers and the county assessors.

Revenue Bill

The House went in to committee of the whole on the revenue bill at noon today to complete the consideration by sections. The Mintz amendment for section 57 was adopted that changes the tax proposed for newspapers circulation contests from 850 per weeklies to \$10 and from \$150 for dailies to \$25. This amendment was adopted.

Mr. Williams of Cabarrus, minority leader, undertook to have section 58 as to the tax on oils in connection with the oil inspection system changed so that there could be some tax on the oil companies composed by the counties on the ground that the heavy oil wagons greatly wear the public roads and they should be subject to tax on this score at least. Representative Doughton, in charge of the bill, said that there was a danger that if this privilege for county taxation were allowed it would bring about resistance to the scheme of tax and inspection and might cost the loss of the whole source of revenue. There was \$47,000 from this source to the State last year. The Williams amendment was not adopted.

The bill was amended under section 99 so that the State Treasurer shall have a fund of \$2,500 for use in enforcing collection of taxes and the State auditor a fund of \$6,000 for enforcing the machinery act. He has heretofore had only \$2,500. This was opposed by Williams of Cabarrus on the ground that the \$6,000 was excessive, but the House thought otherwise. Mr. Doughton and others expressing the view that active effort and attention to the enforcement of the machinery and revenue acts would easily increase the revenue \$40,000 or \$50,000.

The committee of the whole was then dissolved and the House passed the revenue bill on second reading, the roll call showing unanimous "aye" vote until Representative Bryan of Wilkes at the finish asked that the record of his "aye" vote be stricken out and he be recorded as not voting as there were features he could not endorse.

JUDGE BOYD WON'T QUIT THE BENCH

Though Entitled to Retire This Federal Judge Will Hold on

Greensboro, Feb. 15.—Judge James E. Boyd, of the Federal Court, who was seventy years old yesterday and entitled to retire, will not do so for many months yet to come, according to the opinion of his friends. The judge is in the best of health and apparently much younger than the records make him.

John Walker, a negro driver, was killed by a shifting train of cars at Davis street crossing late this afternoon, while handling scenery of the "Beauty shop" which appeared here tonight. His body was cut in two and death was instantaneous.

MR. CHATHAM SAYS HE IS NOT A CANDIDATE FOR CONGRESS

The following letter was received last night from Hon. H. G. Chatham, Fourth State Senator, who is now "on the job" in Raleigh:

"The Morning Journal,"
"Winston-Salem, N. C."
"Dear Mr. Editor:"
"I notice in the Journal of yesterday a suggestion from your Washington correspondent that I might become a candidate for Congress as urged Major Stedman. Inasmuch as this is not the first time some good friend has considered me worthy to be mentioned in the list of eligibles, I feel it is but fair to those who may seriously consider contesting for this honor, that I make public announcement of the fact that I am in no sense a candidate and cannot imagine any reason or excuse that would permit me to accept a nomination if it were in my reach. My ad-

(Continued on Page Six)

CANADA FEARS A GERMAN AIR RAID

Parliament Meets Behind Darkened Windows and Troops Watch Outside

Ottawa, Ontario, Feb. 15.—Despite the report from Brookville today that the Dominion police there believed two toy fire balloons sent up from Morris town, New York, last night had been mistaken for searchlights of aeroplanes flying into Canada, every precaution was taken here tonight against an aerial raid. Canadian parliament met with the windows darkened and the tower light out. The parliament grounds were in darkness. The troops were held in readiness to fire at any aircraft sighted.

ALLIES HAVE ONLY ONE-THIRD OF THEIR FORCES IN THE FIELD

London, Feb. 15.—The countries fighting against Germany, Austria and Turkey thus far have thrown only a third of their strength into the field. To maintain this force, and bring the remaining two thirds into action will cost ten billion dollars, during the current year.

This announcement was made in the House of Commons today by David Lloyd George, Chancellor of the Exchequer.

Winston Spencer Churchill, first lord of the admiralty, also spoke. Churchill declared that Great Britain finally had decided to clamp on every ounce of sea pressure to stop Germany's food supply in retaliation for the German submarine policy. The statement was cheered.

Lloyd George also drew cheers when he spoke of loans to countries expected to join allies. He did not name the countries.