

**WEATHER FORECAST.**  
North Carolina—Fair tonight; Fri. day partly cloudy, probably showers west portion; warmer interior.  
South Carolina—Probably showers tonight and Friday.

# THE WILMINGTON DISPATCH

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## SPY REPORTS WOULD STARTLE THE WORLD DECLARE OFFICIALS

**Problem of Grave and Great Magnitude Presented in the United States**  
**LARGE NUMBER OF ALIENS MAKE DANGER**  
Even Strictest Censorship Does Not Eliminate the Menace. All Dispatches From Europe Subject to Censorship—Read First by the War Department.

(By Associated Press.)  
Washington, July 5.—Officials, who for obvious reasons cannot be quoted, declared today that if the government's activities against German spies in the United States could be published, the news would startle the world.

While not admitting they are convinced that the spy system was entirely responsible for the massed submarine attack on the transport of General Pershing's expedition, it was said that the combined forces of the State, War, Navy and Justice Departments were working in cohesion and systematically unearthing information of an amazing character and of great value to the government.

It was pointed out that even with the strictest censorship of mails, cables and press, the European allies have not been able to meet the situation to their complete satisfaction. The problem is of far greater magnitude in this country, with thousands of aliens, its immense border and outside communication.

Secret service operations, necessarily carried on under cover, are given little or no publicity and this fact, officials say, gives rise to a surmise that little has been accomplished.

It was pointed out today that although the Allies have never maintained spy systems as far reaching or effective as Germany, even that country, despite her registration of individuals, her comparatively small border line and her net work of secret police, has been unable to prevent information of her military moves from reaching the outside world.

Germany's realization of this is shown in her complete suppression of all mail and cable communication for a considerable period preceding an important military movement.

Censoring All Dispatches.  
Secretary Baker today issued a statement explaining the operation of the War Department censorship over cable dispatches from France, dealing with the American troops, saying that the present arrangements are temporary and soon will be supplemented by a method that will not delay delivery.

**CHARLOTTE BUSINESS MAN KILLED.**  
(By Associated Press.)  
Charlotte, N. C., July 5.—Karl A. Bicknell, prominent young business man here, was killed in an automobile accident near Rutherfordton today. He was active in securing recruits for the Officers' Training Camp at Fort Oglethorpe and had recently returned from that camp.

**LOANS TO FARMERS BY FARM LOAN BANK**  
Over Eleven Million Dollars Approved—Loans in Southern States.

(By Associated Press.)  
Washington, July 5.—A total of \$11,661,905 in first mortgage loans to farmers at 5 per cent. interest has been asked by the 230 farm loan associations chartered by the Federal Farm Loan Board up to July 1. The loans are being made through the 12 Federal Land banks. Nearly \$100,000,000 more has been applied for by the 12 banks, but not yet approved.

The average amount by each association was slightly in excess of \$50,000 and the average number of farmers in each of the 230 associations chartered was 18, making the average individual loan about \$2,500.

Most of the loans so far made to the associations run for 36 years, and are retired on the partial payment plan by semi-annual payments, a 5 per cent. annual payment by the borrower retiring both the principal and interest.

Farm Loan Board commissioners expressed gratification today that the business was being equally distributed throughout the country. A large volume of the loans is in Indiana, Illinois, Nebraska, Kansas, Minnesota, and Oklahoma.

Loans approved July 1 in Southern States follow: Virginia \$71,200; North Carolina \$90,200; South Carolina \$495,550; Georgia \$70,900; Florida \$130,100; Alabama \$232,625; Mississippi \$365,940; Louisiana not announced; Arkansas \$25,200; Oklahoma \$1,143,275; Texas \$1,348,473; Tennessee \$227,750; and Kentucky \$246,750.

Oklahoma is next and California is third with \$856,000.

**POTATO GROWERS STOP SHIPMENTS**  
Better Prices at Home—Artillery Company Nearly Completed—Auto Accident.

(Special to The Dispatch.)  
New Bern, N. C., July 5.—Death yesterday afternoon claimed a young son of Mr. and Mrs. Duffy Price, who reside a few miles east of New Bern. The lad was taken ill three or four days ago and steadily grew worse. A physician was not called in until yesterday morning and at that time he was beyond human aid and death received a few hours later.

**LUMBERTON MAN NAMED PRESIDENT STATE BAR ASSN.**

A. W. McLean Unanimously Selected to Head Important North Carolina Body.  
THOMAS W. DAVIS AGAIN ELECTED Solicitor Abernethy Delivered Final Address Before Association Today—Senator Walsh Spoke.

(Special to The Dispatch.)  
Asheville, N. C., July 5.—A. W. McLean, of Lumberton, was elected unanimously as president of the North Carolina Bar Association at the closing session today. Thomas W. Davis, of Wilmington, was unanimously re-elected secretary and treasurer.

Solicitor C. L. Abernethy delivered the final address of the meeting, discussing the principles of democracy and stating that this war is one between autocracy and democracy.

Judge W. P. Bynum, of Greensboro, made the report on uniform legislation, showing the valuable work that has been done by the conference with lawyers. The association will name a standing committee to co-operate with this National body and the legislature of the State will be asked to defray the expenses of representatives at the National meetings.

Last night Senator Thomas J. Walsh delivered a strong address, defending the war legislation of this administration; at least impliedly justified in the constitution, the instrument which created the government. He admitted that some measures had strained the constitution as ordinarily construed.

**MANY APPOINTED WARRANT OFFICERS**  
(By Associated Press.)  
Washington, July 5.—Designation of 496 chief warrant officers for war commissions in the line and staff of the navy was announced last night by Secretary Daniels, who said he expected a large percentage of them to perform their new duties that their promotions could be made permanent after the war. This will be the largest number of men ever commissioned in the American navy at one time.

Temporary rank as warrant officers will be given 345 enlisted men immediately and others will be so designated as the need arises to fill up the places of those given commissions.

The secretary acted under a recent authorization of Congress for expanding the navy's personnel and for issuing temporary commissions, to expire at the end of the war.

**SHIPBUILDERS' STRIKE UNDER NEGOTIATIONS**  
(By Associated Press.)  
New York, July 5.—Negotiations between the striking shipyard workers and 35 shipbuilding companies in and about the port of New York, were under way here today in an effort to avert a strike following the demand of the men for a minimum daily wage of \$4.50. It was estimated that about 3,000 men of the 12,000 employed in the shipyards were on strike. The wage increase asked by the men is about 50 cents above the present scale.

**CIVIL WAR IN CHINA SEEMS IMMINENT**  
(By Associated Press.)  
Tien Tsin, July 5.—A military clash in China is imminent. The troops of Peking are showing signs of opposition to General Chang Hsun's dictatorship under the guise of a monarchy. At the same time the troops of Tsao Kun, military Governor of the province of Chi-Li, are mobilizing and preparing to proceed to Peking.

**THE RACE TROUBLE IN EAST ST. LOUIS HAS RESULT HERE**

Causes Failure in Delivering Automobile Tax Tags to Secretary of State on Time

FIFTY THOUSAND TAGS ORDERED

County Officers Notified of Cause of Delay—Train Operator Held For Manslaughter.

(Special to The Dispatch.)  
Raleigh, July 5.—To East St. Louis and its labor troubles is ascribed the delay in the issuing of the automobile tags in North Carolina, which delay has upset owners not a little and caused Colonel J. Bryan Grimes to send out appeals to the officers asking lenience during the delay.

The East St. Louis manufacturers had the entire North Carolina output. Tags to the number of 50,000 are immediately needed and the manufacturers promised them on time. They declared that with a lead of 15,000 they could furnish the State the numbers at a rate of 3,000 daily, but they have not been able to meet the terms of their contract. A telegram informing the Secretary of State that 28,000 tags have been shipped gave great hope, but the markers have not come.

The Secretary's office is the most business-looking institution in town. A double score of men and women were working themselves to a frazzle when the day closed they had 38,000 numbers on the way. On the whole the people have accepted the situation in good humor. Every vehicle carrying an old number is a target for official suspicion and many running their machines are innocent of any purpose to violate the law.

These tags are beauties and Colonel Grimes bought them at something like half the price that the majority of States have paid. The license tax from this industry will run about \$2,500,000.

G. S. Jacobs, young telegraph operator in charge of the office at Frankfort, and against whom is a charge of manslaughter, in the Seaboard wreck of Saturday morning, wherein four were killed, will stand his trial and resist a verdict.

Jacobs, through Victor Bryant, of Durham, and W. B. Jones, of Raleigh, declines to make any statement. The lawyers have made it impossible to get any statement. During the investigation which ended here yesterday, J. N. Stanton of Franklin, admitted giving the boy one drink of whiskey Thursday morning about 2 o'clock. The accident occurred about three and a half hours after.

The coroner's verdict holds Jacobs responsible. It is alleged that he allowed the northbound freight to pass the station at which the two trains were to have met.

Mrs. Josephine Sallinger, wife of the Norfolk Southern conductor who was killed in November of 1916, near Wendell, has started suit against the road and will ask a verdict of \$60,000.

The North Carolina Orphanage Association, with Rev. Zadok Paris, of Lincoln as president, has been called to meet in Raleigh, July 17, for its annual meeting.

**WEEKLY REPORT ON COTTON CROP**  
Improvement in Condition From Seasonable Temperature and Good Rains.  
(By Associated Press.)  
Washington, July 5.—With temperatures above normal and fairly well distributed rain fall, the weather of the week caused a general improvement in the condition of cotton throughout most of the region, says the weekly weather and crop bulletin, issued today by the Department of Agriculture. Cotton is in all stages of development in South Carolina; is unusually clean and well cultivated and is fruiting well in Georgia; early planted is opening in Suwanee county in Florida, and is fair to good and forming squares in Tennessee. Cotton is growing well in northern Mississippi, but continues small in the southern portion of the State; it is clean and fruiting well in some sections. Plants are small in Alabama also, but the crop is in fair condition and squares are forming as far north as the Tennessee valley.

The drought was relieved locally in southeastern and south central Louisiana, benefitting cotton, and although it is small, fruiting is more general. In Oklahoma, it is mostly chopped to a stand and well cultivated, and squares are setting on early planted. Cotton is standing the drought well in Texas, but the plants are small and growth slow, though fruiting well in the southern part of that State. Boll weevils are reported in central and southeastern Arkansas and as active locally in Alabama and Texas, but there is little damage in Mississippi.

**SIGNS OF DISCORD ARE IN EVIDENCE AMONG GERMANS**

Debates in Saxon Diet and German Reichstag Committee Show Great Unrest.

SERIOUS WARNING TO GOVERNMENT

Unpopularity of Bureaucracy—The Peace Question—Necessity of Internal Reform.

(By Associated Press.)  
Copenhagen, July 5.—Lieutenant-General von Stein, Russian Minister of War and State, told a committee according to dispatches reaching here, that a further British offensive was expected north of Arras where General Haig apparently is preparing actions on a large scale. The Minister said the abandonment of the Saloniki campaign was improbable, but he regarded the Italian offensive on the Isonzo and in the Tyrol as shattered. The views on the Russian offensive are unreported if expressed.

The ministerial declarations regarding the work of the submarine campaign about which the official Wolf News Bureau cables ample reports to the neutral press, were not the only matters before yesterday's meeting of the Reichstag committee. The Socialist organ, Vorwaerts, in its independent report of the proceedings in the "little Reichstag," says Herr Ebert, the Socialist, devoted considerable attention to the unsatisfactory conditions in the nutrition of the people and the prospect of an adequate supply of fuel for the fourth war winter which the Germans probably will be called on to face.

Herr Erzberger, the clerical leader, and Herr von Payer, Radical, supported General Herr Ebert's view of conditions and criticized the government inefficient measures for dealing with the problem.

Representatives of various parties expressed divergent views on the peace question, which was also discussed by the committee. Herr Ebert said the government could have peace this summer if it would only offer peace without annexations and indemnities to all opponents, and abandon separate overtures to Russia.

Herr Erzberger said the formula of the Russian council of deputies was impossible and impractical. He warned the government representatives against awakening false optimism by their statements.

Herr von Payer said that further peace proffers were harmful and tend to defeat the German object. The only thing to do, he said, was to hold out, meantime bolstering public sentiment by immediately beginning the work of democratizing the country.

Such sessions of the "little Reichstag" and the debate in the Saxon Diet threatening revolution unless reform is immediately undertaken, are rather unpleasant preliminaries to the Reichstag meeting tomorrow morning.

A measure giving additional representation to a number of overgrown urban industrial Reichstag districts probably will be submitted to the Reichstag. Party leaders during a conference on Monday with Chancellor von Bethmann-Hollweg obtained from the government an agreement that this so-called minor reform program would be immediately taken up. A committee yesterday began preparing a report thereon for immediate presentation to the Reichstag. Other reforms still slumber.

Saxon soldiers are not fighting out of loyalty to the King, but for love of the Fatherland and Monarchical principle. Saxony is suffering sadly from the mistakes of an incompetent bureaucracy and conditions have reached such a state that all parties in the Saxon Parliament are forced seriously to warn the government of the danger of this situation. Such were the disagreeable declarations which the government was forced to hear from all parties except the Conservatives in a debate in the Saxon Diet yesterday, a report of which has reached here.

The discussion was on necessary internal reform. The occasion for the debate was a Socialist resolution demanding that the government make an effort to secure liberal reorganization of the empire.

One Nationalist declared, as a good Royalist, that he could only hope and pray that warnings sent to the government from all parties might reach the King. Another Nationalist said that the vast majority of Saxons were inspired by an utter lack of confidence in the government. Unless the government was able to rise to the emergency with the action demanded he feared for the consequences. After this debate, almost unparalleled in a German legislature since the days of 1848, the diet adopted the Socialist resolution, the Conservatives alone dissenting.

## ANOTHER FURIOUS BLOW EXPECTED ON WESTERN FRONT

**BRITISH LOSES BY SUBMARINES**

Past Week Much Smaller Than For Some Time—Comparative Figures.

(By Associated Press.)  
London, July 5.—The weekly shipping summary issued today shows that 15 British merchant ships of more than 1,600 tons were sunk and 5 vessels of less than that tonnage. Eleven fishing vessels also were lost.

Forecasts that the summary of British shipping losses by submarines and mines covering last week would show the smallest number of sinkings in many weeks were verified by the actual figures. The total of 20 merchant ships sunk compares with 28, the previous week, and 32 for each of the two weeks preceding. The heavy falling off in tonnage sent to the bottom is emphasized by the fact that in contrast with the 15 vessels of more than 1,600 tons now reported sunk, the sinking of 21 vessels in this class was announced last week, 27 the week previous and 22 the week before that.

It is not until the report of June 3 is reached that figures as low as those for the current week are encountered. In the height of the destructive submarine campaign in April, 30 large vessels were sunk in a week, 38 in another, while the total of large and small vessels reached 55 in the week ended April 21.

**CITIZENS OF DUNN VICTIM OF "SHARPERS"**  
(By Associated Press.)  
Washington, July 5.—"Sharps," who infest the union station here, have found another victim in a North Carolinian, same being Baxter McLaughlin, of Dunn. Representative Godwin's home town. McLaughlin's tale of woe to the Washington police was the time-worn story of two strange men getting acquainted with him on the train, pretending to find a \$100 bill on the street near the union station, and giving it to him for \$45 of his hard earned cash. The detectives told McLaughlin it was unnecessary for him to explain that the century note was counterfeit.

The Far Heel is hunting for the men who got his money.

**AMERICA'S ACTION AS BRITISH SEE IT**  
Comments of London Press Upon Her Entrance Into The War.

(By Associated Press.)  
London, July 5.—The Times, after gratified general comment on the Fourth of July celebration in London, says there are some Britons "who do not see American belligerency for what it is, one of the miracles of the war and its crowning mercy." It contends that American intervention swept away bickerings such as over the black lists which at one time threatened Anglo-American estrangement. It adds:

"It has stamped the justice of the allied cause with the authority of the most powerful of neutrals and with the prestige of acknowledgement by the leaders of the Western hemisphere. \* \* \* The political balance of the universe shifted when General Pershing's troops landed in France and America in entering the war has also entered the world—to play in it, we are very sure, side by side, with the allied democracies a vigorous and inspiring part."

The Daily Telegraph, which regards the flying of the Stars and Stripes over Parliament as a wonderful thing, expecting all the many marvels of the war, says: "The high compliment and like courtesies paid our flag in America bear witness to the founding of international comradeship which nothing, we trust, will ever disturb and which means much for the world's future." The Chronicle says: "The war has set the final seal upon the rapprochement of the two nations."

**French and British Evidently Intend to Hit During Russian Drive.**

**GERMANS GROWING UNEASY WITH SUSPENSE**  
New Attack Will Probably Fall North of Arras—Russian Artillery Drive Off Teutons. American Transport Joined Attack on Submarine.

With Russia proving that her army, now rehabilitated, can strike telling blows again, the Entente forces apparently are preparing to resume the forward movement on the western front.

Notable activity is developing in Belgium. Germany senses the trend of things there, without question, and extraordinary efforts by her airmen to find out what is going on behind the British lines, are reflected in the official statements.

From all appearances the German fliers are having poor success. London's report last night, for instance, showed 9 German airplanes put out of action to one lost by the British.

That the British blow will fall north of Arras is the German expectation according to General von Stein, the Prussian Minister of War. He told a German Reichstag committee yesterday that General Haig apparently was preparing for an offensive on a large scale in this sector.

In this connection, it is to be noted that the British, in a local operation last night, pushed their lines forward slightly on a 600-yard front southwest of Hollebeke, in Belgium.

General Petain, on the French front, is bending his efforts toward retaining intact all the commanding positions his troops now occupy. The latest German attempt to wrest control of an important sector on the Aisne from him not only came to naught, with exceptionally heavy German losses, but the French in their reaction took a salient near Cerny from the Germans.

Paris dispatches report the American contingent, which paraded in Paris yesterday, as proceeding to the permanent American training camp and announce that the other units of the army now at a French port will leave there shortly for camp of instructions. The entire expedition is expected to be encamped by July 15 under command of Major General Sibert.

In East Galicia the Austro-German forces are evidently in an uncomfortable position at some points as the result of the Russian advance this week. This condition is manifested notably at Brzezany where they have been reported hemmed in on three sides, and an attack was launched upon the Russians there yesterday. Matters were not helped by this move, however, as the Russians promptly broke up the assault by their gunfire.

Attacks on the Russian lines on the south near Lipnicadolina east of the Narayuvka, also were repulsed. Signs of a Russian reawakening appear in today's German official statement. It reports little movement in Galicia, but an increase in the activities along the lines in Western Moldavia and eastward to the Danube.

In Mesopotamia the Russians after having driven the Turks out of Panjwin, attacked them in the positions to which they retired on the heights south and west of the town, where they are offering a tenacious resistance.

Teuton Attacks Repulsed.  
Petrograd, July 5.—Austro-German forces in Galicia yesterday attacked the Russian advanced posts east of Brzezany, but were driven off by the Russian artillery fire, the war office announced today.

Sub. Bombed Azores Port.  
London, July 5.—A German submarine has bombed a port in the Azores. So far as known no damage was done by the gunfire.

American Transport in the Battle.  
Lisbon, July 5.—An American transport joined in the firing at the German submarine which bombed Ponta Delgada, the Azores, yesterday, says an official announcement by the Portuguese minister of marine.

**BRITISH AIRPLANES BOMB ENEMY BASES**  
(By Associated Press.)  
London, July 5.—On Tuesday night bombing attacks were carried out by naval air service machines on the air-dromes at Ghisteltes and Neumunster and also on the seaplane sheds and a train at Zaaren, says an admiralty announcement today.

Several tons of bombs were dropped. All the machines returned safely.