

NEXT LIBERTY LOAN IS THREE BILLIONS

THE INTEREST RATE WILL BE FOUR AND A QUARTER PER CENT.

TO BE NON-CONVERTABLE

Secretary McAdoo Announces That Expenditures of America and the Allies Are Much Below Estimates.

Washington.—Secretary McAdoo announced that the amount of the third liberty loan would be three billion dollars at four and one-quarter per cent and that all over-subscriptions would be accepted.

The new bonds will be non-convertible but bonds of the first and second liberty loans may be convertible into the new 4 1/4 per cent securities.

Mr. McAdoo said expenditures of the United States and the allied government had been much below estimates, and that consequently it was not necessary to make the loan larger than three billion dollars.

Congress will be asked for authority to make additional loans to the allies during the coming summer. The decision to make the new bonds non-convertible, the secretary announced, was reached in order to put an end to the expectation of higher interest rates.

Secretary McAdoo issued this statement:

McAdoo's Statement.

"The secretary of the treasury in a conference with Mr. Kitchin, chairman of the ways and means committee, outlined his plan for the third liberty loan. Actual expenditures of the United States government and of the allied governments having been much less than had been indicated by the estimates, the amount of the next loan will be only 3,000,000,000, the right being reserved to allot over-subscriptions.

"The secretary will ask authority from congress to issue bonds bearing interest at the rate of 4 1/4 per cent per annum, acceptable at par and accrued interest in payment of United States inheritance taxes and having the benefit of a sinking fund of 5 per cent per annum during the period of the war and for one year thereafter.

"It is the belief of the secretary that the rate now proposed is sufficient and that, by restricting unnecessary capital issues, and by inducing the people who subscribe for liberty bonds to save and to keep them for investment, and by purchases with the sinking fund from those who find themselves compelled to sell, future increases of interest rate may be avoided. In order to put an end to the expectation of higher interest rates, it is proposed that the conversion privilege shall be eliminated from the new bonds, but the holders of liberty bonds of all existing issues will be given an opportunity to convert their bonds into the new 4 1/4 per cent bonds."

BIG DRIVE APPEARS TO BE SLOWING UP

Is Opinion of Allied and American Officers at Washington.

Washington.—The German drive at the British lines appeared to be slowing under the policy of elastic defense pursued by Field Marshal Haig, according to the opinion of allied and American army officers here, based on the official statements from London, Paris and Berlin. The greatest battle of the war, thus far, they believe, is entering its second stage with the German forces facing an increasingly stubborn resistance. The outcome may not be discernible for several days.

The attitude of American military authorities was officially stated by Major General March, acting chief of staff. He said:

"The war department sees no cause for alarm on the part of the people of the United States. Sir Douglas Haig has announced that the British withdrawal was in accordance with a definite plan. That announcement is to be accepted."

NEW YORK PLANNING AGAINST AN AIR RAID

New York.—Relief work which might be required in the event of an air raid on New York was planned at a meeting of doctors, nurses and police officials held here at the headquarters of the health department. Police Commissioner Enright announced that several units of surgeons, nurses and helpers had been formed in case of emergency and that bomb shelters would soon be provided in school-houses and other places.

R. C. LEFFINGWELL



R. C. Leffingwell of New York, who was a neighbor of William G. McAdoo when the latter lived in Yonkers, N. Y., has been appointed to fill one of the new positions of assistant secretary of the treasury. Since the beginning of the war he has been assisting the government as special counsel in Liberty loan matters, having spent his time in Washington without compensation. Secretary McAdoo has characterized his work as invaluable.

NO ATTACK ON AMERICANS

TERRIFIC STORM OF ARTILLERY FIRE OVER FRONT OF 50 MILES.

Senior Law Says Attack Had Been Expected and Great Preparations Made to Meet It—French at Verdun Also Assaulted.

Exactly 25 months after the Germans began the historic battle of Verdun, the thunder of their guns deepened into a tempest of fire along the British front in Northern France and they began what may be the greatest battle of the war, a struggle which may lead to results which will shape the destinies of millions of people over coming centuries.

The attack was made on a scale hitherto unknown during this war of major offensives. It was over a front of 50 miles. Official reports are very brief, but correspondents at the scene tell of the terrific storm of artillery fire that burst over the lines held by Field Marshal Haig's men.

The bombardment began at 5 o'clock just before the early spring dawn was breaking over eastern France. Shells of large and small calibers were rained upon the lines held by the British for about five hours. Then German infantry stormed out to make the first great assault. The Germans, favored by the wind, moved forward under cover of a pall of smoke which hid the assaulting columns from the eyes of the British holding the front lines.

Describing the battle, Andrew Bonar Law informed the house of commons that lightly held portions of the British line had been withdrawn, but said that there was no need for alarm on the part of the country. The correspondent at the British front reports that an attack there had been expected and that great preparations had been made to meet it. The Berlin official report says that the Germans have penetrated into some British positions.

Nor were the German efforts concentrated on the front held by the British. The Germans assaulted the French lines near the village of Ornes, to the northeast of Verdun, and claim to have penetrated a considerable distance. Near Rheims, too, the French were subjected to an assault; but here the artillery fire bore the burden of the fighting.

The attacks at Verdun and Rheims, however, may be considered for the time being as mere diversions to the principal attack, which has been loosed against the British. They would serve to keep French forces at Verdun and Rheims from being transferred to the British sector, if that part of the battle line should show any signs of bending back.

Nothing has been reported as to attacks on the lines held by the Americans. It had been expected that the Germans would make an assault on the American-held trenches in the Lorraine and Toul sectors, acting on the theory that troops which have not had experience in engagements of the first degree might be found to yield easier than veterans. That such an attack may be launched, and with only slight artillery preparation, is within the possibilities.

GERMANS CROSS THE SOMME RIVER

TERRIBLE SLAUGHTER WROUGHT AMONG TEUTON INFANTRY BY MACHINE GUNS.

FRENCH CAPITAL BOMBARDED

Main Body of British Falling Back Deliberately and Without Confusion—French Are Optimistic.

London.—"Fresh hostile attacks developed have great strength on the whole battle front," says Field Marshal Haig's report from headquarters, "and they have continued throughout the day.

"South of Peronne the enemy succeeded, after heavy fighting, in crossing the Somme at certain points. These are being dealt with.

Berlin (via London).—Paris has been bombarded by German long-distance guns, according to the German official communication.

The statements add that the British in their retirement are burning French towns and villages and that between the Somme and the Oise the Germans are still going forward.

Enormous quantities of booty have been taken by the Germans, according to the statement which follows:

"Between the Somme and the Oise our corps are fighting their way forward." Chauny has been taken.

"Our booty in war material is enormous. The British, in their retirement, are burning French towns and villages.

"We have bombarded the fortress of Paris with long-distance guns.

"A gigantic struggle is taking place for Bapaume. A battle is in progress on the Transloy-Combes-Maurepas line.

"The Somme has been crossed at many points in our attack between Peronne and Ham."

The withdrawal of the British forces along the battle front in France was long ago planned in the event of the Germans attacking in great force. This announcement comes from the British front through the Associated Press correspondent, who describes the operation of the British army as a masterly withdrawal, made possible by gallant shock troops in the front lines, who checked the advance of the Germans, while artillery, machine gun and rifle fire worked appalling slaughter among the masses of German infantry as they were sent forward, thus enabling the main body of the British to fall back deliberately and without confusion.

"This army, it is declared, has been conserved, and up to the present very few counter-attacks have been made against the Germans. Where the British have stormed the Germans' newly acquired positions they have driven them back. But each mile of advance makes the bringing up of supplies to the German artillery and infantry more and more difficult, and unquestionably the British strategy, as demonstrated since the beginning of the great attack, is to let the enemy, so far as he may, wear himself out against a powerful defense.

Both British and French forces, where their lines meet south of St. Quentin, are watching events with optimistic eyes.

Paris.—The German "monster cannon" which has been bombarding Paris has been located in the forest of St. Gobain, west of Laon, and exactly 122 kilometers (approximately 76 miles) from Paris city hall. The gun bombarded Paris during the greater part of Sunday.

The day was ushered in by loud explosions from the 10-inch shells, and immediately the alarm to take cover was sounded. This occurred at 6:55 o'clock and many persons sought shelter, but greater numbers of them appeared in the streets on their way to the churches, which were almost as well filled as usual. The women who sell palm leaves on Palm Sundays, did their usual business.

LIBERTY LOAN PROBLEMS ARE UP TO CONGRESS

Washington.—Liberty loan legislation and the controversy over war machinery reorganization are the engrossing topics before Congress.

Announcement by Secretary McAdoo of the size and terms of the billions of new war bonds to be followed by house consideration of the bill, whose passage is desired within the fortnight intervening before the new Liberty loan campaign. The fight over war organization will open in senate.

COL. HUGH JOHNSON



Col. Hugh S. Johnson, recently designated by President Wilson to be deputy provost marshal general, will from this time on practically have charge of the operation of the draft law.

AT REORGANIZATION BANQUET

PRESIDENT WILSON URGES DEMOCRATS TO RISE TO TEST OF NEW TIME.

Secretary Tumulty Delivers Message of President to Party Leaders in New Jersey.

Newark, N. J.—New Jersey Democratic leaders assembled here for a reorganization banquet were greeted by a message from President Wilson, as national head of the party, calling upon them to rise to the test of a new time when old party slogans have lost their significance and to commit themselves to disinterested service to humanity.

In a letter presented by Secretary Tumulty, the president said the necessity for his staying "on the job" made it impossible for him to be present at the banquet. He said he believed to be the duty of the Democrats of the state in a great hour of crisis. He reviewed briefly the record of the party while he served as governor, declaring that in every act of legislation "we cut a clear pathway of public service."

"A time of grave crisis has come in the life of the Democratic party in New Jersey," the president wrote, "a time when its friends and supporters must face the facts of the situation of these terrible days of war and revolutionary change, when economic and social forces are being released upon the world whose effect no political seer dare venture to conjecture, bids us search our hearts through and through and make them ready for the birth of a new day, a day we hope and believe of greater opportunity and greater prosperity for the average mass of struggling men and women and of greater safety and opportunity for children.

Lost Their Significance. "The old party slogans have lost their significance and will mean nothing to the voter of the future, for war is certain to change the mind of Europe as well as the mind of America. Men everywhere are searching democratic principles to their hearts in order to determine their soundness, their sincerity, their adaptability to the real needs of their life, and every man with any vision must see that the real test of justice and right action is presently of come as it never came before. The men in the trenches who have been freed from the economic serfdom to which some of them had been accustomed, will, it is likely, return to their homes with a new view and a new impatience of all mere political phrases and will demand real thinking and sincere action.

GERMANY'S BREAD RATION AGAIN HAS BEEN LOWERED

Washington.—Germany's bread ration has again been lowered in the country districts, according to an official dispatch from Switzerland. Many difficulties in transportation are being encountered, the dispatch says, and the news from Ukraine is that there is no surplus of cereals from the last harvest. The German press says that it will be June before shipments of food of any consequence can be received.

16,000 PRISONERS TAKEN BY GERMANS

BRITISH LINE NOWHERE BROKEN ON CAMBRAI SALIENT WHERE FIGHTING IS HOTTEST.

KAISER IS ON THE SCENE

About 400,000 German Troops Engaged in the Fight—Try to Retake Part of Line Captured by Byng.

London.—Sixteen thousand prisoners and 200 guns have been captured by the Germans, according to a German official communication received by wireless. The text of the communication follows:

"The successes in the fighting between Arras and La Fere were extended in the continuation of our attack. "Sixteen thousand prisoners and 200 guns have so far been reported captured. Before Verdun the artillery duel continued. From other theaters of the war there is nothing new to report."

Withstanding Feroocious Onslaught. In a battle that has rivaled in ferocity any that has preceded it during three and a half years of warfare, the British, on a 50-mile front, have withstood the great German offensive in its initial stages. At some points the British line has been bent back, but not as much as had been expected by military experts acquainted with the forces the Germans had brought up and the power of the guns they had upon and behind the line.

As the result of the struggle on that part of the front just west of Cambrai, where the fighting was apparently hottest, the British line has nowhere been broken and Field Marshal Haig's men have inflicted frightful casualties on the enemy.

The first reports of infantry fighting were indicative of an attempt on the part of the Germans to drive wedges into both sides of the Cambrai salient, isolate the British troops farther east and regain the Hindenburg line, from which they were driven on November 22, 1917, by General Byng's sudden blow. Subsequent dispatches have proved that this was, indeed, the plan of the German general staff. The fighting on the rest of the 50 mile front was but a side issue to the terrific onslaught aimed at Gauche wood and Lagnicourt, the south and north bases of the salient.

BRITISH AIRCRAFT PLAYS AN IMPORTANT PART

Kills and Wounds Many Germans With Machine Guns.

London.—British aircraft during the fighting along the front in France aided materially the infantry forces below, killing or wounding many Germans with the machine guns while flying at low altitudes, according to a British official communication issued dealing with aviation.

In addition British aircraft bombed important military positions behind the line and aviators accounted for numerous German airmen in battles in the air. The text of the communication follows:

"The mist over the whole front cleared, but at most places the weather was unsuitable for low flying. The enemy's attacking troops and reinforcements on the battle front offered excellent targets to the pilots of our low flying machines, which poured many thousands of rounds into them, causing innumerable casualties.

"Our bombing machines also attacked these targets, in addition to bombing important railway stations on the battle front, over 100 bombs being dropped.

"A great deal of fighting occurred at low altitudes, in which 16 hostile machines were downed and six driven down out of control. A hostile balloon was destroyed by one of our pilots. One of the enemy's low-flying airplanes was shot down in our lines by infantry. Three of our machines are missing."

TURKISH WOMEN TO SERVE IN THE ARMY

New York.—A Wolff bureau dispatch from Constantinople, published in German newspapers received here, says the Ottoman Association for Woman's Service has published an appeal to all Turkish women between the ages of 18 and 30 to enroll in the women's battalion. The Vakfi points out that Turkish women having already been admitted to the field of commerce and public offices, are now enabled to enter the army.

J. F. DEADERECK SHOT AND KILLED

LEXINGTON BANK CASHIER IS SLAIN BY J. GRAHAM HEGE OF LEXINGTON.

IN DEFENSE OF HONOR

Gives Up Self to Sheriff; Says He Shot to Kill and That His Story Will Vindicate Him.

Lexington.—J. Franklin Deaderick, cashier of the Commercial and Savings Bank of this place, was shot and killed by J. Graham Hege. The shooting occurred in the sitting room of Hege's home. Five shots in all are said to have been fired by Hege, two of which pierced Deaderick's body, entering the right side and going entirely through the body. Deaderick rushed from the room and fell from the front porch to the yard and died almost instantly. Hege immediately telephoned the sheriff's office and requested that an officer be sent for him, apprising him of the deed. He refused to make a statement giving the details of the shooting, further than to say that he shot in defense of the honor of his home and said: "I did what any other man would have done."

The slayer said further that he had formerly held the dead man to be the best friend he had in the world and after being placed under arrest said: "Boys, don't ever have good friends. You can't trust them too far."

From facts gathered after the shooting it appears that shortly after Hege arrived home from his work as manager of the Southern Upholstery Company, Deaderick also arrived at the Hege home. Words were passed and the firing began, to cease only when the pistol was emptied. J. T. Hedrick of the bank of which the dead man was cashier, issued a statement this afternoon saying that Hege had invited Deaderick to his home. Hege denies that he had asked Deaderick to come to his home, though saying that an interview was in mind.

Mrs. Hege when interviewed declined to make a statement as to the exact nature of the trouble that led up to the shooting, further than to say that it was of a domestic nature and had occurred at a date previous to the shooting.

Refuses Her Children.

Gastonia.—In the midst of the testimony which was being taken in a habeas corpus proceeding in superior court in which the mother and an uncle were contending for the possession of two children, Vernie Pennington, aged 13, and Lee Pennington, aged 11, Judge B. F. Long stopped the proceedings and placed the children in the hands of the sheriff to remain in his custody until provision could be made to send them to an orphanage or some other institution. Judge Long is in communication with one of the leading orphanages of the state now making an effort to get them placed.

Pitts Boys Found "Not Guilty."

Morganton.—After deliberating an hour the jury in the trial of Garfield and Aaron Pitts for killing Dr. Hennessee rendered a verdict of not guilty.

The entire day was taken up by powerful speeches by Spzinhour for the defense and Solicitor Huffman for the prosecution and by Judge Cline's charge.

It has been generally believed the last day or so that the verdict would be "not guilty," but no one seemed to expect a verdict to be rendered so quickly in a case with so many complications.

Seaboard Flagman Killed.

Raleigh.—John M. Pipkin, Seaboard Air Line flagman of this city, was killed and his body mangled into bits near Moncure, 31 miles south of Raleigh, but it was not until the freight train, upon which he rode had reached Johnston Street yards that he was found missing. The exact manner in which he met his death probably will never be known.

Major Peterson Is Acquitted.

Raleigh.—"Not guilty" was the verdict of the jury in the case of Major George L. Peterson in his trial for embezzlement of \$7,500 of North Carolina national guard funds while serving as property and disbursing officer. The jury took the case at noon and was out something more than an hour. Major Peterson was accompanied by Mrs. Peterson in the courtroom when the verdict was rendered. "made by his counsel and other... look