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CZERNOWITZ RECAPTURED BY TEUTONS

Improvement Shown in Russian Resistance, But Slavs as Yet Unable to Check Austro-German Drive and Are Being Fast Driven Out of Bukowina—Kimpolung Is Being Evacuated—Retreat Along Dniester Admitted.

Associated Press Summary.

Although Russia's southern armies apparently are now offering determined resistance to the Austro-German advance, the Teutonic drive seems to have attained such an impetus that the Russians are not yet able to cope with it.

The Russian forces are now back on their own soil along a wide section of the front opposite the Galician border, and are fast being driven out of Bukowina. Czernowitz, the capital of the Austrian crownland, yesterday was occupied by Austrian troops, and Kimpolung, in the southern part of Bukowina, has been evacuated by the Russians.

Petrograd today admits that further success for the Austro-German columns operating along the Dniester, chronology the evacuation of the western bank of the Zbrocz, at its confluence with the Dniester near Chotin. The Zbrocz here marks the Russian boundary.

The Teutonic advance in Bukowina threatens to imperil the Russo-Rumanian front down the western Moldavian border, while the drive down the Dniester bids fair, if kept up, to cut a slice off northern Moldavia.

Frequently Changes Hands.

VIENNA, Aug. 3, via Amsterdam.—Austro-Hungarian troops have entered Czernowitz, the capital of the crownland of Bukowina.

Czernowitz has been the scene of some of the most bitter fighting of the war, and the Bukowina capital has changed from Teutonic to Russian hands altogether ten times.

Czernowitz was first captured by the Russians from the Austro-Hungarians on September 4, 1914, only to be evacuated a few weeks later. In November of that year the Russians again occupied the city and held it until February, 1915. In the following month the Russians again returned to the attack, and after a terrific battle stormed the capital and drove the Austrians out. This time the Russians held the position for only two weeks. Twice in January, 1916, the seat of the crownland changed hands, and in June of that year it was again captured by the Russians and held until the present time.

Czernowitz is situated on a hill south of the river Pruth and is about 140 miles southeast of Lemberg, the capital of Galicia. Before the war it had a population of about 70,000.

Russian Official Report.

PETROGRAD, Aug. 3.—Kimpolung, in southern Bukowina, has been evacuated by the Russians, the war office announced today.

The Russians are now engaged with the Austro-German forces on the river Bystrizza.

Between the Dniester and the Pruth the Russian retirement is continuing.

The Russian forces in southeastern Galicia, the official announcement says, after a battle with the Austro-Germans, retired across the river Zbrocz at its confluence with the river Dniester.

RUSSIA AND AUSTRIA NEAR SEPARATE PEACE

LONDON, Aug. 3.—Camille Huysmans, the Belgian secretary of the international socialist conferences, in an interview today with a correspondent of the Dutch newspaper Handelsblad, declared that Russia and Austria-Hungary were on the verge of coming to an understanding according to a dispatch from Copenhagen to the Exchange Telegraph company.

WAR TAXATION BILL STRIKES AT LARGE INCOMES

Senate Finance Committee Finishes Work on Two Billion Dollar Revenue Measure—War Excess Profits Mulcted—One Cent Bank Check Tax—Free Postage for Soldiers.

WASHINGTON, Aug. 3.—The war department tax bill, increased from \$1,672,000,000 to approximately \$2,002,000,000, virtually was completed today by the senate finance committee and will be reported to the senate tomorrow or Monday.

In preparing the final draft for the printer the committee reduced the tax on beer by 25 cents a barrel to \$1.50 a barrel, in addition to the tax under the present taxes increased rates on wines to about double the present taxes and estimated to yield \$17,000,000 additional.

The following new surtax rates on individual incomes of \$15,000 or over were adopted:

New Surtax Rates.

Between \$15,000 and \$20,000, 6 per cent; \$20,000 and \$40,000, 8 per cent; \$40,000 and \$60,000, 10 per cent; \$60,000 and \$80,000, 12 per cent; \$80,000 and \$100,000, 16 per cent; \$100,000 and \$150,000, 20 per cent; \$150,000 and \$200,000, 23 per cent; \$200,000 and \$250,000, 26 per cent; \$250,000 and \$300,000, 29 per cent; \$300,000 and \$500,000, 33 per cent. The new increases range from 1 to 3 per cent on various grades.

Another new provision adopted provides for a flat \$5000 exemption for individuals from the war excess profits taxes.

Of the \$2,002,000,000 proposed new taxes, about \$72,000,000 will be secured from corporate and individual incomes; \$748,000,000 from war excess profits; about \$200,000,000 from rectified and distilled spirits; \$45,000,000 from fermented and malt liquors, and \$23,000,000 from wines. Few other schedules were changed in the final revision.

One Cent Bank Tax.

An important eleventh hour change was to apply the new 1-cent bank check tax to checks of all amounts, raising about \$10,000,000 in all. The bill previously taxed only checks for more than \$5.

The committee also wrote in a new provision exempting from all postage letters written by American soldiers and sailors in foreign lands and provided that the proposed new tax of 1 cent on each 25 cents paid for transporting parcel post packages weighing less than four ounces.

In greatly increasing wine taxes the committee decided to levy 4 cents per gallon additional, doubling the present tax of 4 cents on dry and still wines containing less than 14 per cent of alcohol.

That the new extra tax of \$1 per gallon on distilled spirits shall not apply to that used for industrial other than beverage purposes, such as making medicine and perfumery also was provided.

Modify Floor Tax.

The new floor or stock tax on sugar, tea, coffee and cocoa was modified today in favor of retailers. The following amounts of such products in their hands will be exempt from the floor tax:

Tea, 50 pounds; coffee, 200 pounds; sugar, 500 pounds; grape sugar or glucose, 100 pounds, and saccharine, one pound. No retailers' exemption for cocoa was provided.

MISSING GIRL FOUND HOEING COTTON AS BOY

PARAGOULD, Ark., Aug. 3.—Dressed as a boy and hoeing cotton on a farm in the northern part of this county, Flossie Smith, 15 years old, who two weeks ago mysteriously disappeared from her home here, was found today. A widespread search had been made for her and two young men had been arrested following her disappearance, one of them charged with murder.

The girl said she had tired of home life and decided to seek adventure in travel.

NOW FOR THE OTHERS!



HOT WEATHER DECREASES CROP OF WASHINGTON

SEATTLE, Aug. 3.—Chief Grain Inspector P. J. Sweeney of the state of Washington, said today that the cooler weather now prevailing in eastern Washington wheat sections, or rain may save a part of the Washington wheat crop that has been burning up in the fierce rays of the sun during much of the past month. But in any event there will be a shortage in Washington wheat crop that will approximate 15,000,000 bushels.

Mr. Sweeney said that in some eastern Washington sections the yield will fall as low as 40 per cent of normal. Oats will go even lower, sections of Whitman county reporting but 25 to 30 per cent of a crop.

A big new acreage was sowed to wheat this spring, but growing conditions have been unfavorable. From July 6 on a hot wave scorched the standing grain until a great deal of it may be plowed under without harvesting. However, the high price of wheat will justify harvesting even meager crops.

Inspector Sweeney predicts that as soon as the fate of the crop is known farmers will begin plowing, and whenever conditions are favorable, wheat will be sowed this fall.

NEVADA CITIZENS RUN I. W. W. MEMBERS OUT

RENO, Nev., Aug. 3.—Following complaints against his actions among the miners in the Yerington copper district, a committee of 200 citizens escorted C. W. McKennon to the boundary line of the county last night and released him with orders not to come back. McKennon is a brother-in-law of W. D. Hayward. Similar treatment was accorded twelve other members of the I. W. W. McKennon appealed to Governor Boyle for protection and the governor sent a detachment of state police to take him into custody. They arrived too late, however.

AMERICAN ACCIDENTALLY INJURED IN FRANCE

AMERICAN TRAINING CAMP IN FRANCE, Aug. 3.—An American interpreter and a lieutenant were slightly wounded and a French instructor was bruised when a live grenade fell near a box of grenades during practice.

TANK STEAMER ESCAPES U-BOAT

AN ATLANTIC PORT, Aug. 3.—An American tank steamship loaded with gasoline was engaged in a running fight with a German submarine on June 10 when near the French coast and escaped destruction by superior speed after a torpedo had been launched and 21 shots had been fired from the U-boat's deck gun, according to officers of the vessel on arrival today.

The submarine appeared after the wake of the passing torpedo had warned the Americans of the presence of an enemy. From a position several miles astern the bombardment took place, but none of the shots reached a mark. The American gunners on the tanker fired 16 shots in return, but without results so far as could be ascertained.

AVERT STRIKE ON SOUTHERN PACIFIC

SAN FRANCISCO, Aug. 3.—Southern Pacific company officials continued in conference today with the representatives of four tradesmen's brotherhoods, whose 8500 members had voted to strike at 6 o'clock tomorrow night unless the railroad settled certain disputed grievance claims.

It was unofficially stated that negotiations were nearing a settlement and that the threatened walk-out of the engineers, firemen, conductors and brakemen on the Pacific division of the Southern Pacific would be averted.

The basis of the dispute is a difference in the interpretation of working schedules.

HOT SPELL AT END FOR PRESENT

WASHINGTON, Aug. 3.—"The heat spell is at an end in all parts of the country," the weather bureau announced today. "Although conditions in the far northwest indicate a return of warmer weather in northern districts within a few days, it will be slightly cooler tonight in New England and the middle Atlantic states and a little warmer on Saturday."

DRAFT SLACKERS ARM TO RESIST LAW IN OKLAHOMA

OKLAHOMA CITY, Okla., Aug. 3.—Appeals for assistance in quelling a mob of alleged draft resisters were received by Governor Williams this afternoon from Wewoka, Seminole county.

OKLAHOMA CITY, Okla., Aug. 3.—Thirty alleged draft-resisters who are believed to have shot Deputy Sheriff J. W. Cross yesterday, and last night to have fired or dynamited a Frisco trestle between Francisco and Ada, are reported to have established themselves near Sasakwa to resist attack. Posses have started to give battle to the band.

Another report from Ada stated that the men are proceeding to Sasakwa to storm hardware stores and seize guns and ammunition. Members of the band are heavily armed and are said to be forcing innocent boys and men to go with them. Two men escaped from the mob last night and are seeking protection of officers at Ada. According to their story, it is the plan of the organizers to burn all railroad bridges in this section of the country and draft sufficient men into their organization to enable them to offer organized resistance to enforcement of the selective service law.

An alleged anti-draft organization calling itself the working class union, is said to be scattered in Seminole county, where the shooting and bridge damage occurred.

A quantity of dynamite also was exploded on the Missouri Pacific bridge near Gore, Okla. The trouble started yesterday when Sheriff Frank Grall and Deputy Cross attempted to arrest alleged members of the working class union, which is said to have a membership of between 300 and 400 in Seminole, Pontotoc and Hughes counties. Deputy Cross was painfully, but not seriously, hurt.

An investigation of the trouble in Seminole county is said to have revealed the existence of chaotic conditions since the passage of the draft law. Many farmers have abandoned their crops and killed their livestock for food.

At 1 o'clock a large posse was formed at Wewoka to go to the Lone Dove neighborhood, where fifty whites, negroes and Indians, said to be organized for draft resistance, have warned the dozen farmers in the community not members of their organization to leave the country. The ranch of ex-Governor Johnson of the Seminoles is reported to be surrounded, and posses have started to the rescue.

GERMANY KNEW OF ULTIMATUM SENT TO SERBIA

State Department Has Proof That Austria Consulted Germany in Advance and Planned to Plunge Europe Into Conflict—Fact Admitted by Zimmermann Himself.

WASHINGTON, Aug. 3.—Germany had possession of Austria's ultimatum to Serbia fourteen hours before it was delivered to Belgrade, according to positive information which has reached officials here, and which was made public today for the first time.

It was stated that Former Foreign Secretary Zimmermann admitted this himself when pressed very closely as to Germany's foreknowledge of the action of her ally which precipitated the European war.

Had Full Knowledge.

Germany has maintained that she was not consulted by Austria as to the ultimatum which practically denied Serbia's independence, and that she did not even have knowledge of the step.

Foreign Secretary Zimmermann's admission, however, is interpreted here to show that Germany had full knowledge of the note in time to stop action on it if she felt it essential. Her action, however, is felt to have proved her an accomplice of Austria, whom she had already told she would support in any decision she might make.

Conference Held July 5.

This fact fits in very closely with the recent statements first advanced by Deputy Cohn in the reichstag and since adopted by the allied governments, that German and Austrian leaders held a war council at Potsdam on July 5, in which it was practically decided to plunge Europe into conflict. The interpretation placed on this council has been that Germany had full knowledge of all Austria's plans and stood unreservedly behind her.

Germany, however, has repeatedly denied the holding of such a conference.

Want Punishment.

AMSTERDAM, Aug. 3.—The Deutsche Tages Zeitung challenges the German government to prosecute Dr. Cohn, socialist member of the reichstag, for his alleged revelations regarding the crown council held at Potsdam, July 5, 1914. The newspaper says it knows the revelations published in the London Times came from Stockholm direct and from the German independent socialists, and it offers to give the fullest evidence if the government desires to court martial Deputy Cohn.

CALLS MEETING FOR O. & C. LAND GRANT

SALEM, Or., Aug. 3.—Attorney-General Brown today issued a call for a meeting here August 7 of district attorneys from the western Oregon counties in which Oregon-California railroad grant lands are situated to determine whether the state shall collect the taxes due from the government and then make a separate fight for the interest. Recently United States Attorney-General Gregory ruled that the government owed the state taxes on the land but not interest on the taxes.

STRIKE BREAKERS RETURNED HOME

SEATTLE, Aug. 3.—Two hundred and fifty of the six hundred strike-breakers brought here from New York to operate cars during the recent street car strike, but who did no work of any kind, were sent back to New York on a special train last night. The remaining 350 will leave on trains tomorrow night. During their stay here police guarded the barns where they were housed, and the newcomers were not even permitted to go outside of the barns.

STORM STILL HALTS FIGHT IN FLANDERS

Protracted Rain Prevents Resumption of Allied Offensive—Germans in Attack Seize Piece of Line, But Swift Counter-Attack Recovers It—Violent Teuton Attacks on the French Front Meets Repulse With Heavy Losses.

Associated Press Summary.

The Flanders front where the great offensive launched by the entente on Tuesday is still being held up by unfavorable weather, remains the center of military interest. Along other sections of the line in the west, however, there is notable activity suggesting attempts to deflect the course of the main entente effort.

Today's British official report revealed that the Germans last night delivered an attack on the Arras battle front, biting into the British line on Infantry Hill, an important eminence east of Monchy le Preux. There was a swift reaction by General Haig's forces and by this morning part of the lost ground had already been regained.

Likewise on the French front in the Aisne region there have been violent German attacks. The French were ready for these, however.

The stroke was delivered on a front of about half a mile in the vicinity of Cerny. It failed under the French fire, the crown prince's troops suffering heavy losses.

On Western Front.

BRITISH FRONT IN FRANCE AND BELGIUM, Aug. 3.—Artillery duels of considerable intensity continued last night along the battle front in Flanders, but, generally speaking, the German guns were less active this morning and the situation was unchanged. At daybreak the Germans concentrated a heavy gun fire on the newly acquired British positions in the area south of the Ypres-Menin road.

The Germans yesterday afternoon conducted a fairly heavy bombardment against the French on the front line between Koortkeer and Bixchoote, but this ceased in the early evening and no infantry attack followed.

A protracted rain still is falling, rendering infantry operations of all kinds most difficult and observation work by the air services precarious. The entente allies have continued to consolidate and arrange their positions despite the handicap of the weather and now are strongly entrenched along the new line.

British Official Report.

LONDON, Aug. 3.—British troops, according to the official statement issued today by the British war department, already have regained part of the ground lost when the Germans penetrated the British front line trenches on Infantry hill to the east of Monchy le Preux last night.

(Continued on Page Two.)

GERMANS FINE LIEGE \$100,000

AMSTERDAM, Aug. 3.—According to the Echo De Belge, the city of Liege has been fined 500,000 francs for disobeying an order given by the German authorities to demolish buildings damaged by fire on the Quai Des Pocheurs.

Liege, capital of the Walloon district, is the Belgian city which offered such determined resistance to the Germans at the outbreak of the war, when they invaded Belgium for the purpose of avoiding the French forts from Verdun to Belfort and of outflanking the French northern and eastern armies. The twelve forts of Liege were repeatedly attacked by the Germans in massed formation from August 4 until August 13, when they finally were reduced by great 16.4-inch howitzers.