

MARTIAL LAW IS DECLARED IN GERMANY

GENERAL MOBILIZATION OF RUSSIAN ARMY

CZAR'S REPLY TO KAISER IS ORDER OF MOBILIZATION

General European War Seems Impossible to Avert—Asquith Tells Parliament That Russian Army and Fleet Has Been Ordered to Muster, —Martial Law in Germany.

LONDON, July 31.—The momentous announcement was made by Premier Asquith in the house of commons today that Russia had proclaimed the general mobilization of her army and fleet, and in consequence martial law had been proclaimed in Germany and a general mobilization in Germany would follow.

Asquith's Statement Premier Asquith's statement was as follows: "We have just heard, not from St. Petersburg, but from Germany, that Russia has proclaimed the general mobilization of her army and her fleet, and that in consequence of this martial law is to be proclaimed in Germany.

"We understood this to mean that mobilization will follow in Germany if the Russian mobilization is general and proceeded with.

Russia to Aid Serbia PARIS, July 31.—The Temps today relates details of the conversation between Count Von Pourtales, the German ambassador, and Sergius Sazanoff, the Russian foreign minister in St. Petersburg, yesterday.

Count Von Pourtales first asked whether, in case Russia were assured Austria would not retain any territory conquered in Serbia, Russia would stop her mobilization.

To this M. Sazanoff replied: "No," and said that Russia could not permit the "execution" of Serbia which had been announced by Austria.

Count Von Pourtales then asked M. Sazanoff under what conditions Russia would demobilize.

M. Sazanoff answered that any question of this sort must first be raised at Vienna, which had committed nets of war and made declarations which alone had determined Russia to mobilize.

AUSTRIANS UNABLE TO CAPTURE PASS SAYS SERBIAN NEWS

LONDON, July 31.—An Exchange Telegraph company's dispatch from Nish, Serbia, via Saloniki, says that up till last night the Austrians invaders at Semendria had not succeeded in forcing the pass held by the Serbian troops, possession of which would give them access to the Morava River valley and thus open up a direct road to Nish.

LONDON, July 31.—Another dispatch from Nish to the Exchange Telegraph company says desperate fighting continues along the river Drina. Both Austrians and Serbians have sustained heavy losses. The Austrians divisions after fighting fiercely all day, failed to force the defile leading to Plevlje and Princip.

VIENNA, July 31.—Austrian frontier guards today repelled a strong attack by Serbians near Klattowitz, on the Bosnian frontier, without suffering loss. The Serbians lost one officer and twenty-two men.

MARTIAL LAW RULES GERMANY WAR EXPECTED

Order for General Mobilization of Troops Postponed Until Tomorrow —Waiting Without Hope to Exhaust Resources of Diplomacy, But Actively Preparing for Conflict.

BERLIN, July 31.—The morning passed without a break in the heavy war cloud over the European horizon, and there was no relief to the almost despairing uncertainty existing in the German capital and excitement continued to increase.

It had been generally expected that today would bring the decision for peace or war and when a decree was promulgated proclaiming martial law and consequent military government, all began to think that armed conflict could be the only outcome.

Awaiting on Diplomacy Government officials, however, refrained from making any definite declaration, saying they preferred to wait till all the resources of diplomacy had been exhausted. It was well understood that the issue of an order for the mobilization of the German forces would be tantamount to a declaration of war, and it was decided to postpone this action until the last possible moment in which there was a ray of hope for peace.

It was evident everywhere today that the military authorities were quietly preparing for the speedy movement of troops in case the order for mobilization should be given.

Prohibit Grain Export The German foreign office gave assurance this morning that no mobilization order would be issued in Germany today. Officials admitted, however, that the situation had not improved, but become rather aggravated since the issue of the Russian Mobilization order.

The German federal council today issued a decree prohibiting the export of grain, flour, foodstuffs, meats, animal products, automobiles, trucks, motorcycles, petroleum, coal tar and coal oils. This order goes into effect immediately.

The step taken by the federal council, whose members represent the rulers of the federation states composing the German empire, was said to have been necessitated by the heavy exports of the last few days reported by the chambers of commerce.

Censorship Enforced Meanwhile the German government put forth the greatest exertions to prevent the spread of alarming rumors and false news. It ordered the confiscation of four newspapers, which had printed an erroneous report that mobilization had been ordered and the authorities established the strictest censorship ever.

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GREAT POWERS BENT ON FIGHTING FOR SUPREMACY

Pessimism Takes Possession of All Europe—Hope for Peaceable Solution Flee—Stock Exchanges Closed—England to Back Up France—Americans Kept Afloat.

LONDON, July 31.—Official announcement of the resumption of the "conversations" at St. Petersburg and Vienna came today at a moment when pessimism had taken possession of all Europe. The hope that it might lead to a peaceable solution was grasped with desperation, but the news was offset later by the proclamation of martial law in Germany, which was regarded as a preliminary to the mobilization of the German forces for war. Everybody then seemed to settle down to await the news that the great European powers had decided to engage in a struggle for supremacy. There was nothing to give the public hope that a general war might be averted.

Stock Exchanges Closed The stock exchange in London and the big provincial cities, as well as those on the continent, were closed, owing to the breakdown of the credit system which was made complete by the postponement of the Paris settlement. This, it was pointed out, would necessarily be followed by the failure of some fifty members of the London stock exchange.

The precautionary military and naval measures taken by the British government are almost completed.

The prevailing public opinion here is determined that England must observe her unwritten obligation to assist France in her difficulties with Germany, but a small body of radicals continues to utter objections to England's involving herself in the quarrels of the continental powers.

Encounters Exaggerated Dispatches from Nish, in Serbia, and from Vienna, told of encounters between Austrian and Serbian troops on the frontiers, but authentic details of the fighting were lacking. It seems certain that conflicts between the frontier guards have occurred, but military men here point out that stories of fighting with heavy losses such as that said to have occurred at Foteha, are absurd, as it would be impossible for the Serbians in the time of their disposal to cross the Drina and advance twenty miles within Austrian territory. It is also argued that the announcement that 500,000 Austrian soldiers were on the march into Serbia is practically incredible. It is said that Austria cannot have 500,000 men on the move in less than six weeks.

Americans Kept Afloat Americans visiting Europe received a shock today when it was announced

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WARBURG APPEARS "OUT OF DEFERENCE" TO THE PRESIDENT

WASHINGTON, July 31.—Paul M. Warburg of New York notified the white house late today that "out of deference to the wishes of the president," he would appear tomorrow before the senate banking committee.

ENTHUSIASM FOR SERBIAN WAR STILL PERVADES AUSTRIA

VIENNA, July 31.—Popular enthusiasm in connection with the war against Serbia shows no signs of abatement. An appeal for Red Cross nurses today met with an immediate response from 1000 women and girls belonging to all classes. Arch Duchess Marie Theresa applied to Emperor Francis Joseph for permission to be enrolled as a Red Cross nurse.

The police authorities have forbidden the publication of extra editions of the newspapers and even the regular editions have not been permitted to refer to the occupation of Belgrade, which is still not generally known. The Austrian plan of campaign, it is understood here, is to attack Serbia chiefly by way of Bosnia, while the armies on the Danube in the north simply occupy positions and remain temporarily inactive.

GOLD AT PREMIUM IN FRENCH MARKETS

PARIS, July 31.—Gold was at 1 1/2 per cent premium here today. English sovereigns were selling at 28 francs each, instead of the normal rate of slightly more than 25 francs.

A cabinet council is to be called tomorrow to consider an extension of the terms of payment for obligations falling due.

The apprehensions of the smaller trades people here have gone to such an extent that many of them refused to take the new government 20 and 5 franc bills.

Department stores are doing about only half their usual business owing to the lack of small change.

ENGLISH PREPARE HONG KONG'S DEFENSE

HONG KONG, July 31.—Most active preparations are going on here in view of eventualities.

The Canadian Pacific steamer Empress of Asia has been chartered by the government and guns are being mounted on board.

HOOD RIVER SAVED FROM FOREST BLAZE

HOOD RIVER, Ore., July 31.—Backfiring and trenches dug by residents today checked the forest fires which last night threatened this community. Firing firebrands ignited several houses but all were saved. The fire was confined to a small area.

55,000 TRAINMEN STRIKE ON AUGUST 7

\$500,000,000 NEW CURRENCY FOR CIRCULATION

Uncle Sam to Help Financial Situation in New York and Elsewhere if Assistance is Needed—Half Billion Authorized Under Reserve Act Ready for Use.

WASHINGTON, July 31.—Secretary McAdoo issued a statement today saying the treasury department will help as far as "it legitimately may" in New York or elsewhere during the present situation.

Secretary McAdoo said: "We are keeping in close touch with the situation. The treasury department will help as far as it legitimately may, in New York, or in any other part of the country, where it becomes apparent that assistance is needed.

New Money is Ready "The Aldrich-Vreeland act, as amended by the federal reserve act, is still in force and the terms on which currency may be issued under that act are now so favorable that resort may be had quickly and effectively to it to meet any emergency. It might be remembered that there is in the treasury, printed and ready for issue, \$500,000,000 of currency which the banks can get on application under that law. This is in addition to the resources of the treasury.

In view of the closing of the Foreign stock exchanges, the action of the New York exchange, which I have just learned, in closing temporarily, is a reasonable measure of protection to American interests."

It was announced at the white house that every effort would be made for organizing the federal reserve board and putting the new reserve system in operation.

Relief Contemplated Relief measures contemplated include depositing funds in banks in Chicago, New York and Philadelphia and other cities. The president planned to send to the senate today or tomorrow the nomination of a man in place of Thomas D. Jones, and efforts were begun to find out definitely just what Paul Warburg of

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STEAMER COMPANIES RAISE THEIR PRICE

LONDON, July 31.—The steamship companies which yesterday were booking passages for steamships sailing before the annual exodus at minimum rates today raised their prices to the maximum, although they assured intending passengers that British, French and Dutch steamers were not likely to be affected by anything that might occur.

FINANCIAL PANIC PINCHES ENGLAND

LONDON, July 31.—The banking situation in London has become so abnormal that it is understood that the British cabinet at its meeting today discussed the possibility of taking measures to prevent a possible panic. The Bank of England was today charging 10 per cent for weekly advances—an unprecedented rate.

STOCK MARKETS OF WORLD CLOSE INDEFINITELY

All American Exchanges Cease Business—All Deliveries Suspended Until Further Notice—Transactions in Securities Virtually Cease—Movement of Gold Continues.

NEW YORK, July 31.—The New York stock exchange was closed today for the first time since 1873, on account of the European situation. The Consolidated stock exchange and the curb market also ceased business. This was followed immediately by announcements of the closing of exchanges in the other chief cities throughout the country.

This official announcement was made by the secretary of the stock exchange: "The governing committee decided that the exchange be closed until further notice and that all deliveries be suspended until further notice."

Business of World Halts With the suspension of business here, transactions in securities the world over came virtually to a halt. New York for the last few days had been the only great market of the world to carry on business as usual. The decision to close came suddenly and unexpectedly a short time before the usual hour for opening.

It was at a meeting of bankers at the offices of J. P. Morgan & Co. that the decision was reached. After a long discussion it was decided that the strain on credits might reach a dangerous degree if the exchanges were open. No definite period for the closing of the exchange has been set.

At a special meeting of the board of governors of the stock exchange President Noble was authorized to appoint a committee of five governors to make rulings regarding deliveries on the curb. Deliveries on the curb were suspended unless with the mutual consent between the contracting parties.

Gold Exports Continue The movement of gold to Europe, which has reached unprecedented proportions during the last few days, was continued. The steamship St. Louis, which sailed for Europe today, carried the largest amount of gold ever taken from any port of the world on a single vessel. The total value of the cargo was \$11,025,000. The total on this movement of gold in five days aggregates \$45,435,000.

The New York coffee exchange followed the lead of the stock exchanges and suspended business.

RUSSIAN SPY CAUGHT AT ALLENSTEIN, GERMANY ALLENSTEIN, Germany, July 31.—A Russian spy was arrested here today. He is said to belong to the St. Petersburg military intelligence department.

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BLAME PLACED UPON RAILROADS BY EMPLOYEES

Final Conference to Be Sought With President Wilson—Brotherhood Declares Managers Rejected Plan of Settlement Proposed by Federal Board of Mediation.

CHICAGO, July 31.—A strike of 55,000 firemen and engineers on 98 railroads operating west of Chicago has been set for Friday, August 7, it was officially announced today.

Warren S. Stone, grand chief engineer of the Brotherhood of Locomotive Engineers, and W. S. Carter, president of the Brotherhood of Locomotive Firemen and Engineers, declared the order would be put into effect unless the general managers' committee of the railroads accepted the plan of settlement proposed by the federal board of mediation.

Appeal to Wilson Committees of the dissatisfied engineers and firemen of the western railroads and the managers' committee prepared to leave here for Washington where conferences will be held with President Wilson in a last effort to prevent a strike.

The attempt to adjust the wage dispute by federal mediation has proved a failure, it is admitted.

In a signed statement President Stone and Carter asserted that after the managers' committee had invoked the services of the federal board of mediation and conciliation, the managers' committee had refused to accept the plan of settlement proposed by the federal mediators and "thus the burden of responsibility of the strike must rest on the railroads.

Blame the Railroads The three principal causes of the strike, according to the statement of Messrs. Stone and Carter, are: The manner in which railroads have repudiated arbitration agreements. The manner in which the managers' committee has excited the anger of the engineers in the service by their arbitrary attitude. Because the railroads seem determined to force the employees to abandon the mileage basis of pay without being willing to adopt the hourly basis of pay; the managers attempting to force on the employees an entirely new basis of pay which they are pleased to term the "service period."

Plan of Settlement The plan of settlement as proposed by the federal mediators and which was rejected by the general managers' committee, according to Messrs.

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GERMAN-FRENCH PATROLS ACTIVE ALONG BOUNDARY

PARIS, July 31.—Military movements on the German side of the frontier were very active today and French troops set out outposts. A German patrol at one point actually crossed the frontier probably owing to a mistake. In no case has any considerable force of French troops advanced closer to the German frontier than six miles.

J. P. MORGAN HOPES AGAINST HOPE

NEW YORK, July 31.—J. P. Morgan today issued a statement which said:

"Alarming as the news is from Europe, we are still hoping there will not be a general war. While the gravity of the present situation can hardly be exaggerated, there is still the opportunity for the sober second thought of the people of Europe to prevail over their first impulses.

the whole country, to close the exchange. "It is essentially a time for the owners of American securities to keep their heads. Bear in mind that the actual properties represented by American securities will not suffer greatly by a European war. "It is idle to say that America will not be hurt by a general European war. The wholesale waste of capital involved in such a catastrophe would result in a distribution of losses the world over, but the loss here would be infinitesimal compared with the losses to the countries immediately involved. There is no doubt that the whole American people will co-operate to restore normal conditions throughout this country at the earliest possible moment."