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64th YEAR | NUMBER 19,791. | RICHMOND, VA., WEDNESDAY, JULY 29, 1914.—TEN PAGES | TO-DAY'S WEATHER FAIR | PRICE. 2 CENTS

AUSTRIA DECLARES WAR ON SERVIA AS GERMANY REJECTS MEDIATION

VERDICT IN FAVOR OF MME. CAILLAUX

Jury Frees Woman Charged With Murder After Fifty Minutes' Deliberation.

WILDEST TUMULT IN COURT

Demonstrations Occur Throughout Paris, Many Being Injured in Disturbance.

Paris, July 28.—Mme. Henriette Caillaux was acquitted to-night by a jury of the Court of Assize of the wilful murder on March 16 last of Gaston Calmette, editor of the Figaro. The verdict was returned after fifty minutes' deliberation. The announcement was followed by the wildest tumult.

Mme. Caillaux staggered and then threw her arms about the neck of her counsel, Fernand Labori. Her hair fell over her shoulders and her hat fell to the floor. The spectators stood upon desks and chairs. Cries of "Caillaux!" "Labori!" and "Caillaux, assassin!" mingled.

The din was deafening. Several groups of barristers came to blows, and the republican guards, trying to separate them, joined in the melee. The spectacle of Labori and Chenu, the latter counsel for the Calmette family, embracing each other, calmed the tumult for a moment, but it was redoubled when they left with Mme. Caillaux.

Unable to make himself heard, the presiding judge, with the other judges, marched from the room. The advocates took complete possession of the court; some mounted the judges' desks and harangued the crowd. The guards then cleared a portion of the room, and comparative quiet was restored. Judge Albanel returned and read the judgment ordering the release of Mme. Caillaux.

SHAKEN WITH EMOTION, SHE LEAVES IN SECRET

Shaken with emotion, Mme. Caillaux departed by the witness's door. She covered her face with her hands, as if to shield herself from the furious cries of "Murderess!" By way of several narrow corridors and back staircases she reached a small side door in the Palace of Justice, and drove away in an automobile, unobserved.

M. Caillaux left by the main entrance on the arm of his devoted friend, Deputy Pascal Ceccaldi, amid mingled cheers and hoots.

Thus ended the most sensational trial in Parisian courts in years. Each day provided its dramatic thrill, and though the verdict has been pronounced, the final outcome cannot be foretold.

The court session to-day was devoted to speeches by counsel. Mme. Caillaux entered the prisoner's dock pale and worn. She swooned during the address of M. Chenu, who scored her bitterly.

The tone of the speech of Jules Harlaux, procurator-general, was unusually mild. To the jurors he said: "Your duty as the defenders of the interests of society requires to find a verdict of guilty, but no one expects you to be pitiless."

M. Labori, who came last, delivered a masterpiece of passionate eloquence. He closed amid a tempest of applause, saying:

"My wish is that Mme. Caillaux shall leave here acquitted and that the press shall be purified. Let us keep our anger for our enemies abroad."

DEMONSTRATIONS OCCUR IN SEVERAL PLACES

Demonstrations against the Caillaux verdict occurred in several places to-night. In the boulevards, large excited crowds discussed the case, and when the verdict became known there were cries of "Down with Caillaux!"

In one section, mounted republican guards had to assist the police in quelling the disturbance. Many police and rioters were injured and many arrests were made.

Maurice and Jean Rostrand, sons of the dramatist, were among those arrested.

The Figaro office was the scene of a demonstration.

After dining at home with her husband and a few friends, Mme. Caillaux received a number of close acquaintances.

"It is M. Labori," she said, "to whom I owe the good fortune to be free. He pleaded to-day with all his fine talent and I am profoundly grateful to him.

CRITICISM BY DEMOCRATS

Attack Several Features of Trade Commission Bill.

[Special to The Times-Dispatch.]

Washington, July 28.—Democratic assaults on the Federal trade commission bill featured to-day's debate on the measure in the Senate. Senator Pomerene, a member of the Commerce Commission which reported the bill, announced he could not vote for it as now drafted, and suggested many defects. Senator Reed, of Missouri, also criticized the measure.

Senator Pomerene said the section making "unfair competition" unlawful without defining it, would be held unconstitutional as a delegation of executive power to the committee.

Senator Thomas predicted that such a mass of work would come to the commission that the burden would render it useless. He said the bill embodied the ideas of the Progressive platform.

The Democrats were considerably encouraged when the Senate Republicans in conference to-day agreed not to conduct a filibuster against the trust bills. This, it is believed, will make adjournment possible earlier than had been expected.

MRS. HELEN M. ANGLE HELD

Charged With Being Responsible for Death of Waldo R. Ballou.

Stamford, Conn., July 28.—Mrs. Helen M. Angle is held criminally responsible for the death of Waldo R. Ballou, a prominent politician here, on the night of June 23, in a finding made by Coroner John J. Phelan to-day.

Dies at Age of Ninety-Nine Years.

[Special to The Times-Dispatch.]

Washington, July 28.—August Smith, ninety-nine years old, the oldest graduate of Yale University, died here to-day. He had been in the Treasury Department for forty years previous to his retirement four years ago.

Coal Miners Killed.

Dortmund, Germany, July 28.—Fifteen coal miners were killed to-day by a fire in Hanzmann pit. Six bodies were recovered.

C. & O. MOUNTAIN SPECIAL
to White Sulphur and Intermediate Resorts, August 1, 8, 15, leave Richmond, 11:45 A. M. Inquire of C. & O. ticket agents for details.

GOLD POURS INTO EUROPE

Further Enormous Drafts Cause Alarm in Financial District.

New York, July 28.—Further enormous drafts on this country's gold reserves, having their origin in the disturbed conditions abroad, added to the alarm prevalent in the financial district to-day. Thus far this year, total withdrawals aggregate about $105,000,000, which breaks all known records. Engagements to-day amounted to $13,000,000, all but $2,500,000 going to London. The remainder was destined for Paris. The French market since January has taken approximately $85,000,000.

London only yesterday began pulling at this quarter.

The present movement was initiated last week, when the war clouds began to hover over Eastern Europe. In five business days a total of $28,850,000 has been taken. The supply of gold bars of requisite fineness gave out to-day, and recourse was had to eagles and double eagles.

BIG MONEY BILLS PASS

Sundry Civil and General Deficiency Measures Acted Upon.

Washington, July 28.—Congress today passed the last two big general appropriation bills of the session, the sundry civil and general deficiency measures. Only two supply bills—the Indian and rivers and harbor bill—remain to be passed. A final conference report on the former was adopted today by the Senate. The river and harbor bill is being held up by a Senate filibuster.

Objection in the House cut out of the deficiency measure at the last moment a Senate amendment appropriating $175,000 for longevity pay claims of Confederate officers who left the United States Army at the outbreak of the War Between the States.

As finally agreed upon, the Indian bill carries no provision for the proposed per capita payment of $100 to the Choctaw nation of Oklahoma. Efforts to include the Mississippi Choctaws caused the appropriation to be eliminated.

WORKING FOR HARMONY

Administration Seeks to Draw Discordant Elements Together.

Washington, July 28.—The administration exerted itself further to-day toward drawing together the discordant Mexican elements.

Official messages from Vera Cruz spoke of the satisfactory progress of conferences there between representatives of General Carranza and General Zapata, and an agent of the latter soon will go north to work out with Carranza the details of the friendly understanding.

Pending the arrival at Saltillo of the Carbajal peace delegates, no definite developments relative to the transfer of the governmental authority at Mexico City are expected.

A vigilant watch is being maintained by the Washington government over the movements and activities of General Villa. Late dispatches are somewhat disquieting. The United States is not relaxing its efforts through its consular agents, however, to bring Carranza and Villa into complete accord.

DECISION WITH WARBURG

Hitchcock Confers With Him as to Appearance Before Committee.

Washington, July 28.—Despite predictions at the Capitol to-day that Paul M. Warburg would go before the Senate Banking Committee to discuss his financial affiliations, in view of his nomination to the Federal Reserve Board, some Democratic Senators tonight expressed conviction that he would not appear.

Senator Hitchcock, who, as acting chairman of the Banking Committee, sent the invitation to Mr. Warburg, conferred with him last night, but members of the committee professed not to have learned the result of the conference. The Nebraska Senator is expected back to-morrow.

At the White House it was reported nothing had been heard from Mr. Warburg, and there was renewal of reports that the President was considering A. Barton Hepburn, of the Chase National Bank, New York, for appointment in his place.

SAVES WIFE AND CHILD

Man Dives Eight Times to Rescue Them From Sunken Boat.

[Special to The Times-Dispatch.]

Hastings-on-the-Hudson, N. Y., July 28.—After diving eight times into thirty feet of water, George Swenzen, captain of a canal boat, to-day rescued his unconscious wife and four-year-old daughter, who were imprisoned in the cabin of the boat when it sank without warning while the family was asleep.

The boat, which was anchored at a coal dock here, sprang a leak shortly before daylight and sank immediately. The inrush of water threw Swensen from his berth and he swam to the surface. He dived below three times before getting his wife to safety. He then plunged down to the cabin five times more to get his child.

Physicians worked over the woman and child two hours before they were revived.

NESTOR WILMART SENTENCED

Gets Ten Years' Imprisonment on Charge of Swindling Public.

Brussels, July 28.—Nestor Wilmart, Belgian banker, railroad man, newspaper proprietor and sportsman, was to-day sentenced to ten years' imprisonment and $806 fine on a charge of swindling the public out of $3,400,000 by over-issuing shares in the Ghent Terneusen Railway in 1912.

Five accomplices also were sentenced. Rasquin, the traffic manager, to seven years and $800 fine; Waechter to four years, and three others to three years each.

The railway is the only privately-owned line in Belgium, and the operations of Wilmart and his associates placed a number of small banks in difficulties. He disappeared in 1912, and after a world-wide search, was arrested at Rheims, France.

GAIN IN STEEL EARNINGS

Business for Second Quarter Shows Improvement Over First.

New York, July 28.—The United States Steel Corporation's business for the second quarter this year showed a slight improvement over the first three months, according to the directors' statement to-day. Earnings of $22,956,414 showed an increase of $2,505,426, with an increase of $2,463,215 in net, and a proportionate gain in net income.

To meet regular dividend payments on preferred and common shares it was again necessary to take $5,159,237 of last year's surplus. This makes a total of $11,448,881 taken from the 1913 undivided surplus for dividend purposes. Officials of the corporation said large orders were expected in the event of a favorable Eastern freight rate decision.

MAY REINSTATE GIBBONS

House Naval Affairs Committee Reported as Favorable.

[Special to The Times-Dispatch.]

Washington, July 28.—That Captain John H. Gibbons, who commanded the battleship Utah at Vera Cruz, one of the five captains retired by the naval "plucking" board, will be supported for reinstatement by the House Naval Affairs Committee, was admitted by members this afternoon. The committee invited Captain Gibbons to appear to-morrow.

Rear-Admiral Knight, chairman of the board, was quizzed by Representatives Hensley, of Missouri, and Congressman Witherspoon, of Mississippi, on the reasons why other naval officers were not retired instead of Gibbons.

JURY IS SELECTED TO TRY MRS. HALL

Four to Be Stricken From Panel To-Day and Remaining Twelve Will Sit in Case.

GREAT INTEREST DISPLAYED

Counsel for Accused Woman Wants Degree of Punishment Left to Discretion of Jurors.

[Special to The Times-Dispatch.]

Louisa, Va., July 28.—Such rapid progress was made to-day in the trial of Mrs. Victor Hall, charged with the murder of her husband on the morning of April 15 that out of the first venire of thirty-three men summoned to court this morning, fifteen were selected to sit on the tentative jury of sixteen, and this evening, out of a second venire of three men, gathered up out of the town, the sixteenth juror was selected, making the panel complete. To-morrow morning the defense will exercise its prerogative of striking four men from the panel, and the remaining twelve will enter upon their work of determining whether Mrs. Hall is innocent or guilty of the murder of her youthful husband.

Judge George S. Shackelford exercised extreme care in the selection of the jury, following the usual form of questioning them as to their previous opinions and inquiring of them as to whether those opinions were so fixed that they would be unable fairly and impartially to try the accused woman on the evidence adduced. He also demanded of them whether they could and would convict on evidence that was purely circumstantial, and whether they had conscientious scruples against capital punishment. A few had formed fixed opinions from which they could not be swayed, and they were summarily excused. Others said that they would never convict on circumstantial evidence, and still others were morally opposed to the extreme penalty which the law exacts.

WANTS PENALTY LEFT TO DISCRETION OF JURY

At the beginning of the examination of the tentative jurors, R. Lindsay Gordon, chief counsel for Mrs. Hall, interrupted the court to say that he wished his client to be tried under the new law, which leaves to the discretion of the jury whether the death penalty shall be exacted or a prison sentence imposed. It was Mr. Gordon himself who introduced this statute in the General Assembly, and caused it to be incorporated in the Code of Virginia.

When court convened this morning the room was filled to overflowing, the crowd pressing around the railing of the prisoner's dock in eager desire to catch a glimpse of the prisoner.

She was calmly indifferent to their curious gaze, and never once turned to view those so intent upon seeing her. She sat alone with her counsel. Mrs. Sterling Hall, her mother-in-law, who has so steadily insisted upon her innocence; her two daughters, Mamie and Essie Dunkum; her brother, Heybert Dowdy, and other relatives occupied seats outside the rail. Sterling Hall, father of the murdered man, sat with counsel for the prosecution. W. J. Roberts, who has manifested a deep interest in Mrs. Hall, and who cared for the store during her enforced absence under the injunction of the court, stood immediately behind the woman, and followed the proceedings with an interest more acute than that appearing in the countenance of the accused. Only Mr. Gordon seemed harassed, and the haggard look in his face betokened that he was laboring under great stress of feeling. Immediately after the jury had been impaneled he telegraphed to Attorney Hill Carter, of Richmond, requesting him to come to Louisa. He arrived at 7:50 o'clock, and went into conference with Mrs. Hall's counsel. It will be for Mr. Carter to lay the foundation for a possible appeal.

HARROWING INDICTMENT READ BY CLERK OF COURT

The first formality, always a strain upon the court, was the arraignment of Mrs. Hall. Clerk of the Court Porter read the long, harrowing indictment, and Mrs. Hall stood inflinchingly. She seemed to be the calmest person in all the courtroom. Once or twice she fanned herself, for the room was distressingly hot.

"Guilty, or not guilty?" asked the clerk.

"Not guilty," replied Mrs. Hall firmly, and resumed her seat. Then began the dry and tedious examination of the veniremen. It progressed, however, with surprising rapidity, and shortly after 12 o'clock fifteen men had been impaneled. Then, in small companies, the tentative jurymen were lined up before Judge Shackelford, and he asked them whether if all the circumstances should lead to the conclusion that the prisoner and no other was guilty of the crime charged, they would convict on circumstantial evidence. As each replied affirmatively he was waved to a seat in the jury box. Mrs. Hall apparently took no interest in the examination of the veniremen, and not once interposed an objection to any of them, or offered a suggestion in their selection. For the most part she kept her eyes straight ahead, and once or twice a smile stole across her, otherwise immobile features. Nor did her two daughters appear perturbed during the proceedings.

INTERESTED SPECTATORS DURING PRELIMINARIES

Among the interested spectators during the preliminaries were John Dean, foreman of the grand jury which returned the indictment against Mrs. Hall; Miss Elsie Wood, the school teacher who boarded with Mrs. Hall, and her father; Magistrate James E. Hester, who presided at the coroner's inquest held over Victor Hall's body; Mr. and Mrs. Sterling Hall, father and mother of the murdered man; W. R. and Mrs. Dunkum, whose store was burned on the night before the murder, and W. J. Roberts, who was among the first to declare his belief in Mrs. Hall's innocence.

After the fifteen veniremen had been selected, Judge Shackelford cautioned them that they must not discuss the case with outsiders, nor allow it to be discussed in their presence.

"I would not interpose a hardship on them," interposed Mr. Gordon, "but I would suggest that they be cautioned also not to read the newspapers." Judge Shackelford complied. It was noticeable that one of the veniremen had not read a newspaper since the first account of the murder was published. He is among the tentative jury, and will probably occupy a seat in the jury box to-morrow.

Attorney M. J. Fulton, assisting in the prosecution, then asked the court to recognize all the witnesses for the Commonwealth to appear in court to-morrow morning. Clerk Porter read

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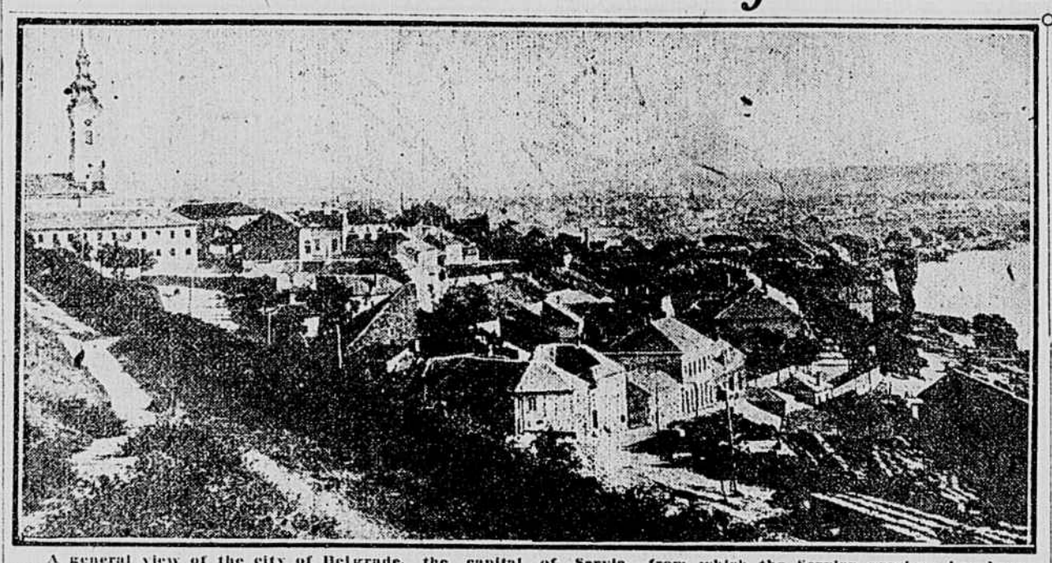
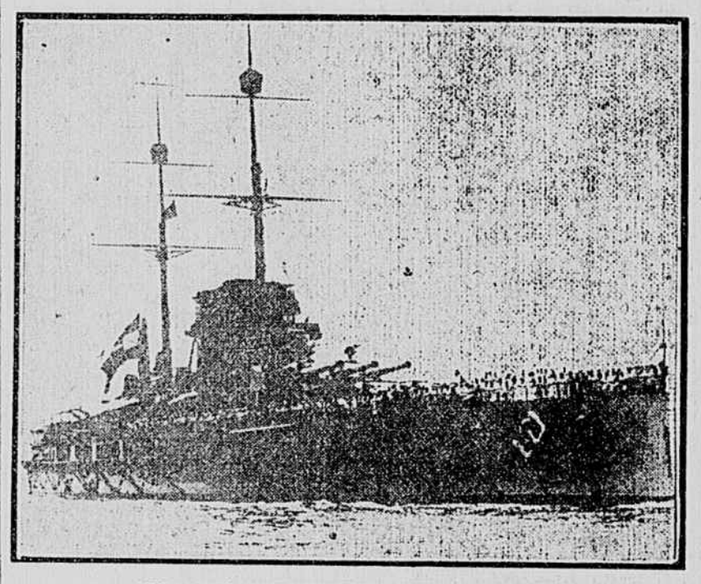


A general view of the city of Belgrade, the capital of Servia, from which the Servian garrison has been withdrawn and transferred, with the seat of government, to Kraguyovatz, a strong strategic point sixty miles to the south.



AUSTRIAN DREADNOUGHT VERITUS UNITUS.

She is of 20,000 ton displacement, has a draught of 27 feet, with an indicated horsepower of 25,000. Her keel was laid in 1910. She was completed in 1912 at a cost of $12,105,000. She carries a complement of 1,200 men, and is equipped with twelve 12-inch guns, twelve 5.9 inch guns and eighteen 12-pounders.

Photo by Underwood & Underwood.

COUNT VON MOLTKE,

Commander of German army, has abruptly left Carlsbad en route with all dispatch for Berlin. The count will touch the famous war button that will bring over 4,000,000 German soldiers into the field in case a general war begins.

RAIN AND WINDSTORM SWEEPS OVER CAMP SITE

Youthful Volunteers Leave Almost on Schedule Time for Night Manoeuvres.

MEET IN SHAM BATTLE TO-DAY

Two Forces, "Reds" and "Blues," Will Work Out Pretty Military Problems—Rumors of Impending Trouble Lead to Uneasiness.

[Special to The Times-Dispatch.]

Gordonsville, Va., July 28.—Just as the Virginia troops lined up preparatory to leaving camp for the night manoeuvres, which will precede the sham battle to-morrow, a rain and windstorm unequaled in the history of this section, broke, and for a time it appeared that every tent would be razed. The wind continued unabated for five minutes, during which time the men labored strenuously to hold up their flimsy shelters. The gale subsided as quickly as it started, and the troops left camp almost on schedule time.

The camp site was flooded, water lying in some places six inches deep. It was drained off speedily, however, by the excellent system installed by the engineers, who laid off the site. A number of tents were blown down, but were all quickly replaced.

There was also a heavy shower just before a five-mile hike was taken this morning. The Richmond troops, being on high points, escaped without injury from the storm.

It was an inspiring sight to see the youthful volunteers set forth on their unpleasant jaunt. Bands were playing and the boys sloshed through the mud with perfect abandon. After they had passed the bands, songs broke out along the line, and the men, carrying their whole field outfit, swung along in perfect stride.

TWO LARGE ARMIES FACING EACH OTHER

With ten miles of hilly country intervening, two large armies lie facing each other to-night. The forces are scheduled to meet early to-morrow morning on fields to the east of the joint camp of instruction, where the Virginia militia is learning the great game of modern warfare under regular army officers.

The State troops have been divided into two forces, designated for convenience as the Reds and the Blues. These troops are supposed to be a unit of a large army, and, while they will, of course, do all of the actual fighting in the mimic battle, the position of other supposed units will be given to the commanding officers, and the manoeuvres must be conducted with reference to the imaginary main bodies.

A change in the original program has been made, and the Richmond Blues will be attached to the Second Regiment, with Colonel Robert F. Leedy in command of the combined force. The First and Fourth Regiments will be consolidated, and will be commanded by Colonel William J. Perry, of the First Infantry.

One of the forces will be considered as a hostile force, while the other will be on friendly territory.

It will be a pretty problem, which the militiamen will be called upon to

(Continued on Eighth Page.)

PRESIDENT OF SOUTHERN PLIED WITH QUESTIONS

At Conclusion of Rigid Cross-Examination, Committee Takes Recess Until November 15.

ASKED AS TO RATE-MAKING

Insists There Is No Joint Agreement, but Is Unable to Give Detailed Account of How Charges Are Arrived At.

Washington, July 28.—At the conclusion of a rigid cross-examination of Fairfax Harrison, president of the Southern Railroad, as to the financial operations of his road, and the method of rate-making employed by Southern systems, the Senate special committee investigating Southern coal transportation to-day took a recess until November 15. The hearing will then be resumed, with a view of making a report early in the next session of Congress.

Under cross-examination, Mr. Harrison was plied with questions as to the holdings of Southern directors in the system's stocks and bonds.

Mr. Harrison said the stock books showed the directors were only nominal holders, but he insisted they held large blocks of bonds. Charles A. Douglas, attorney for independent coal operators in Southern Virginia, sought to show that the directors held large financial interests in coal properties along other railroads.

President Harrison was questioned in details as to whether the railroads today make rates by conference agreements, designated as "understandings." He insisted that the rates were announced at these gatherings of the officials of competing railroads, "individually" and not jointly. He was unable to give the detailed account of how the rates were made, and suggested that the road's rate expert be called.

HAD NO KNOWLEDGE OF SUCH AGREEMENT

Questioned as to the allegation of B. L. Dulaney, an independent coal operator of Bristol, Tenn., that coal traffic from the Appalachian fields of Virginia had been arbitrarily divided by the Louisville and Nashville and Southern roads, Mr. Harrison said he had no knowledge of any such agreement. He also declared he had no personal knowledge of any attempt by the Southern to get a joint coal service over the Norfolk and Western to tidewater.

"I just wanted to see if the negotiation of the Southern for this joint arrangement was in good faith," explained Attorney Lyon, representing the coal shippers.

"President Finley carried on that negotiation, and everything he did was in good faith," responded President Harrison.

Charles Douglas, an attorney for the independent operators, rigidly cross-examined President Harrison about his statement yesterday that Dulaney was suffering from a "delusion of persecution." The attorney presented evidence to show that in 1913 Dulaney had offered to sell the Virginia and Southwestern Railroad to the Southern for $1,500,000, and three years later the Southern bought it from Henry K. McHarg for $6,000,000. Mr. Douglas asserted that McHarg was a brother-in-law of George F. Baker, Sr., one of

(Continued on Second Page.)

MARKETS DEMORALIZED BY DECLARATION OF WAR

Panicky Conditions and Severe Declines in Securities Result From Austro-Servian Trouble.

TREMENDOUS RISE IN WHEAT

Avalanche of Foreign Selling on New York Stock Exchange, Conditions Paralleling in Their Intensity Domestic Panic of 1907.

Expectation of war between Austria-Hungary and Servia and its subsequent declaration to-day demoralized the markets of the world.

War was not declared until after the Bourses of Europe had closed, but in London, Berlin and Paris panicky conditions and severe declines in securities anticipated the announcement. At all three capitals, bonds of European governments, which have been dropping steadily, registered further losses.

In Vienna, the Bourse had been closed since Saturday, but there was a heavy run on the Austrian savings bank, the most important in the dual monarchy.

In Paris, the Commercial Exchange suspended all dealings in grains, sugar and other commodities, and exchange on London and private discount for the first time in years were not quoted.

In Berlin runs on savings banks, begun yesterday, grew heavier.

In London, after the close of the stock market, stocks tumbled on the curb.

News of the declaration reached this country while markets were in session. With it came an avalanche of foreign selling on the New York Stock Exchange. Leading securities slumped from five to twenty points, and conditions paralleled in their intensity the domestic panic of 1907.

Stock exchanges of Montreal and Toronto suspended their sessions.

On the Chicago Board of Trade there was a tremendous rise in wheat, and the wildest trading in many years on the expectation that war in Europe would create a demand for American grain. Other foodstuffs also advanced. These conditions were reflected in all produce markets of the country.

On the other hand, smart declines were recorded in cotton futures at New York and New Orleans. Coffee also slumped, owing, it was reported, to fears that contemplated financing in Europe of the Brazilian crop would fail. Foreign exchange was demoralized, and millions in gold were engaged at New York for shipment to London and Paris.

DECLARATION FOLLOWED BY VIOLENT DECLINES

New York, July 28.—Austria's formal declaration of war against Servia was followed by a violent decline in quoted values on the local stock exchange to-day, preceded by convulsive dis-

(Continued on Second Page.)

INTEREST SHIFTS TO RUSSIA, WHICH HOLDS DECISION

Negotiations Now in Progress Designed to "Localize" the Conflict.

OCCUPATION OF BELGRADE IS NEXT NEWS EXPECTED

Reports of Encounters Along Frontier Permitted to Pass Censor.

MOBILIZATION IS PROCEEDING

England Likely to Support Russia and France in Any Steps They Take.

London, July 28.—The Austro-Hungarian government declared war against Servia to-day by a manifesto which is one of the briefest of history's momentous documents.

Germany paved the way for this declaration by announcing her rejection of the British proposal to bring four powers together in conference for mediation. Germany explained her ally could not be expected to submit her acts to a European council as though she were one of the Balkan States.

This announcement preceded the declaration of war by only two hours, and showed the harmonious working of the partnership between the two nations which stood firmly together through the Bosnian crisis of 1909.

The centre of interest has shifted sharply to St. Petersburg, which holds the decision whether a European war which probably would shift the balance of power, if not rearrange the entire map of Europe, is to brake out. Negotiations are afoot there between the Russian Foreign Minister and the Austrian ambassador, which are designed to "localize" the conflict.

OCCUPATION OF BELGRADE IS NEXT NEWS EXPECTED

The next news expected is the occupation of Belgrade, and that now may be an accomplished fact. Reports of encounters along the frontier have been permitted to pass the censor, but military experts here believe mobilization already has been effected and that a campaign is under way.

There is no enthusiasm in England for war, yet there is a general belief that her obligations to her partners in the triple entente and her interests as a great European power will force her to support Russia and France in any steps they may take.

The immediate effect of the war cloud is likely to be a compromise on home rule, since all parties feel that domestic dissensions must be settled at all cost in the face of outside peril.

The fierce demands of the Conservative papers for a general election have been hushed. The Foreign Office has become the most important branch of the government, and no one wants to risk the possibility of losing Sir Edward Grey with his exceptional influence in the councils of Europe.

Soon after it became known that Austria and Servia were at war all the officers and sailors ashore at Portland and Weymouth were summoned to their ships.

LOOK FORWARD TO WAR WITH FEELING OF RELIEF

Vienna, July 28.—The people in the dual monarchy look forward to a war with Servia, which to-day formally was declared, with a feeling of relief.

High officials are optimistic that the war will be confined to these two countries. Certain knowledge that Russia would intervene, however, would not cause Austria to alter her course in the slightest.

News of the formal declaration of war ran through the city before extra editions of the papers could reach the venders, and was everywhere greeted with a spirit which might be described as close to religious exaltation.

Vienna is absolutely without news of troop movements, which the papers are forbidden to print. A sharp censorship has been established over all means of communication. The evening papers published the following statement:

"In well-informed circles the view is held that, so far as Sir Edward Grey's proposal is to localize the conflict between Austria-Hungary and Servia, the former can declare herself entirely agreed with Sir Edward Grey's remarks, but regarding what he has said concerning the suppression of military operations, affairs have gone much too far to allow anything to be done in this direction."

SERVIANS CALLED OUT FOR MORILIZATION

Advices from Belgrade say the Servian capital is now located at Nish, where the Skupshtina (national assembly) met to-day. All Servians between eighteen and sixty years, able to bear arms have been called out, and mobilization is proceeding rapidly.

The Militaerische Rundschau reports sharp fighting along the River Drina, where Servian volunteers, attempting to cross, were opposed by Austrian frontier troops. It also reports that Servians fired on their own river transports by mistake, killing and wounding several Servian soldiers.

The Ministry of Foreign Affairs has addressed a verbal note to the foreign representatives, informing them of the declaration of war and declaring that Austria will, on the assumption of similar observances by Servia, adhere to the provisions of The Hague conference of October 15, 1908, and the declaration of London, of February 26, 1909.

SCENES OF ENTHUSIASM IN ST. PETERSBURG

St. Petersburg, July 28.—The fact that Austria had declared war became known here to-night. Thousands of people then gathered. Cheering wildly, they marched through the main streets to the British and French embassies.

There were scenes of enthusiasm. Mounted police eventually scattered the