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PROBS—FAIR

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## AUSTRIA WILL WAR WITH SERBIA; BIG POWERS PREPARED TO FIGHT

### WATCHING WHAT MOVE GREAT BRITAIN WILL MAKE

#### DANGER OF EUROPEAN WAR GROWS; HOPE TO CONFINE FIGHT TO AUSTRIA - SERBIA

Mobilization being Proceeded with by the more Powerful among the Nations—England not Enthusiastic for Jumping into the Struggle, but Obligations to Triple Entente may Force Her to Support Russia and France.

Official Austria is Hopeful of Localizing the Fight—Russian Intervention will make no Difference, however—Belgrade at the Mercy of the Enemy.

London, July 28.—The Austro-Hungarian government declared war against Serbia today by a manifesto which is one of the briefest of momentous documents in history.

Germany paved the way for this declaration by announcing her rejection of the British scheme to bring four powers together in conference for mediation. Germany explained to the public that her ally could not be expected to come to make formal announcement of the declaration of war.

The ships of the British fleet everywhere are taking on supplies. Soon after it became definitely known that Austria and Serbia were at war all the officers and sailors ashore at Portland and Weymouth were summoned back to their ships.

#### RUSSIA HOLDS KEY.

The center of interest has shifted sharply to St. Petersburg, which holds the decision whether an European war, which probably would shift the balance of power, if not rearrange the entire map of Europe, is to break out. Negotiations are on foot there between the Russian foreign minister, Sergius Sazonoff, and the Austrian ambassador, which are designed to "localize" the conflict.

The nature and progress of these conversations are wrapped in the thickest mystery, but they are the last plank the neutral powers are clinging to, in face of a storm which may wash all under.

There is no doubt in British minds that Austria had fully resolved to utilize the provocation afforded by the Sarajevo murders to wipe the slate clean of all accounts against Serbia, and served an ultimatum on her which was designed to have no result save war.

The next news expected is the occupation of Belgrade and that even now may be an accomplished fact.

Reports of small encounters along the front have been permitted to pass the censor, but military experts here believe that mobilization has already been effected, and that a thoroughly planned campaign is well under way.

#### ENGLAND NOT KEEN.

There is absolutely no enthusiasm in England for war—no desire for this particular war which confronts Great Britain; yet there is a general belief that her obligations to her partners in the Triple Entente, as well as her interests as a great European power, will force her to support Russia and France in any steps they may take.

The dark developments of the day were received without excitement, but with the deepest gloom. 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 costs, in the face of peril from without. The fierce demands of the Conservative papers for a general election have been wholly 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.

The government is confronting the situation with perfect calmness. There is no sign of unusual events at the foreign office, except that the Prime Minister, Mr. Asquith, who seldom visits that office, called there this evening, and conferred with Sir Arthur Nicolson, Permanent Under Secretary, and the Austrian ambassador.

Vienna, July 28.—It is with a feeling of intense relief that the people in the dual monarchy look forward to the war with Serbia, which for several days has seemed to be inevitable, and which was today announced by formal declaration.

Whether the war will be confined to the two countries cannot yet be said, but the feeling on this point in high official circles is optimistic. Even the certain knowledge, however, that Russia would intervene would not cause Austria to hesitate a moment, or alter her course in the slightest.

Vienna is absolutely without news of the movements of the troops, which the papers are, naturally, forbidden to print. A sharp censorship has been established over the press and all means of communication. A great quiet crowd, which constantly increased in numbers, assembled before the war office, and cheered the appearance of military officers and the ministry officials. 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 Serbia, 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, things have proceeded much too far to allow anything to be done in this direction."

Advices from Belgrade says that the Serbian capital is now located at Nish, where the national assembly met today. All Serbians between eighteen and sixty years of age, able to bear arms, have been called out, and mobilization is proceeding rapidly. Although the peaceable absence of military operations, and reports are reported to be much discontented.

The Militarische Rundschau reports sharp fighting along the river Drina, Serbian volunteers attempting to cross the river being resolutely opposed by Austrian frontier troops. It also reports that the Serbians fired on their own river transporters by mistake, killing and wounding a number of Serbian 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, upon the assumption of similar observances on the part of Serbia, adhere to the provisions of the Hague conference of October 15, 1908, and the declaration of London of February 26, 1909.

Special to The Standard.  
London, July 28.—If Russia and, therefore, France, become involved in the Austro-Serbian conflict, can British participation when he said in the House of Commons yesterday that if Russia became implicated the question then would be one that concerns us all.

Leading Unionist journals certainly take the view that England could not stand aloof. T. L. Galvin, editor of Pall Mall Gazette, says: "The security of France is the first and chiefest to British interest on the continent. If France mobilizes, we must do it, not from lust of war, but as a guarantee of our firm determination, at all cost, if possible, to maintain peace. Our watchword must be 'Mediate, but prepare.'"

The Express says: "It is grim consolation to know that Austria has selected the moment that finds the British fleets still mobilized." Lieut. Continued on page 2.

#### BURY DEAD SHOT BY SOLDIERS IN DUBLIN

Dublin, July 28.—The bodies of the dead were taken from the morgue to the Marlborough street Cathedral to-night. Thousands of persons in procession followed the hearse, and great crowds lined the streets along the route of the funeral. Not a single policeman nor a soldier was to be seen, all having been ordered to remain away from the vicinity of the funeral cortege in order not to excite the emotional populace. Absolute silence marked the progress of the solemn procession.

At the Cathedral the clergy received the coffins, which will lie before the high altar until tomorrow morning, when a high requiem mass will be celebrated. After mass the funeral procession will proceed to Glasnevin cemetery, where the bodies will be buried.

#### KENNEDY SWORE HE MADE PAYMENTS TO GRIT PARTY FUNDS

Contractor also Admitted making Voluntary payment of \$2,000 to Hon. J. K. Flemming, in June 1912 — It was after he had got his Contract and had no effect upon it or its terms — An interesting afternoon at Valley Railway Enquiry.

At yesterday afternoon's session of the Royal Commission investigating the Dugal charges in connection with the construction of the St. John Valley Ry., Mr. John Kennedy of Antigonish, N. S., gave evidence of a payment of \$2,000 to Premier J. K. Flemming for campaign purposes. Mr. Kennedy who is a member of the firm of Kennedy & Macdonald, contractors on the railway from Woodstock to Centreville swore that the payment was purely voluntary on his part, that he was a contractor in connection with the building of the Transcontinental Rail-

way system, and that during his long experience as a railroad contractor he had paid into campaign funds of the Liberal party.

Although Mr. Carvell charged that the payment was made by Mr. Kennedy to secure the contract, Mr. Kennedy himself promptly refuted the charge by showing that the payment was made after his contract had secured operations. Indeed the witness appeared to treat the payment as nothing out of the ordinary which indicated very clearly the veracity of his later statement of having made substantial contributions to Liberal campaign funds. He frankly testified that the payment of the money to Mr. Flemming for campaign purposes in addition to being purely voluntary did not serve to advance his position with respect to his connection with the railway.

Ralph D. Hoben, the accountant for the Quebec and St. John Construction Company, and Chas. K. Howie, right of way agent, also gave evidence, the former in regard to certain accounts of the company and the latter relative to payments for right of way.

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#### French Jury Acquits Mme. Caillaux of Murder

Brings in Verdict of "Not Guilty" of Killing Editor Calmette—Worn Out by Strain Accused Faints in Prisoner's Box.



Paris, July 28.—Madame Caillaux, wife of M. Caillaux, former premier of France, has been acquitted of the murder of M. Calmette, editor of the Figaro. The jury retired at 8:40 p.m. Paris time, tonight, and after a short absence brought in a verdict of "not guilty."

Mme. Caillaux looked worn and ill when she was conducted today into the prisoner's enclosure of the criminal court of the Palais de Justice for the eighth day of her trial for the murder of Gaston Calmette, editor of the Figaro on March 16. She shook her head wearily and crouched in the prisoners' bench with her face buried in her hands as Maitre Labori, her defender, greeted her.

The day's proceedings started with a speech by M. Soliman, one of the attorneys representing the family of the murdered editor, but before he had finished Madame Caillaux again fainted and Judge Albaladejo suspended the sitting.

Verdict Not Popular.  
Demonstrations against the Caillaux verdict occurred in several places to-night. In the boulevards the excited crowds discussing the merits of the case grew to large proportions, and

#### MARKETS OF THE WORLD SHAKEN BY THE OUTBREAK

Pannicky Conditions Anticipated News—Stocks Tumbled Rapidly—Avalanche of Selling on Wall Street—Montreal Market Suspends Sessions to Prevent a Panic.

New York, July 28.—To find a parallel for the panicky conditions which swept over today's stock market, it is necessary to go back to the autumn of 1907, when securities values crumbled away because of disastrous domestic conditions. The impelling factor today was the crisis in Europe, which reached its climax in Austria's declaration of war against Serbia. The day opened with another low range of prices for our stocks in the London market. Initial prices here were no instance as low as those recorded abroad, although declines of two to three points were general.

It was not until midday when Austria's attitude became known, that the market here was seriously affected. The extreme decline began with Canadian Pacific, which had been offered in round amounts during the first two hours. Although all foreign markets were closed, outpouring of stocks for London, Paris and Berlin became more urgent, until they reached the maximum of 300,000 shares in the final hour, and over a million for the day.

The shrinkage of value was materially assisted by short selling and impaired margins. Canadian Pacific continued to fall until it yielded a total of 19.84 points, with four to six point losses in all parts of the international list. Apprehension was increased by further heavy gold exodus to Paris and London, which had their inception in the alarming news from abroad. Foreign exchange rates were utterly demoralized. Many brokers declined to make quotations at all.

The selling gathered greater impetus in the final dealings, being coincident with rumors that Russia had agreed to support Serbia. At this same time word came from Montreal and Toronto of the premature closing of the exchanges in those cities. There were fitful rallies of a point or two from the low, but these were offset by continued offerings, with an exceedingly weak close.

United Steel's quarterly statement was not issued until after the session here had terminated. It showed a deficit of \$5,150,233, after payment of the regular dividend, against a deficit of \$8,289,644 in the previous quarter. Earnings were about \$2,500,000 better than in the first quarter, with a moderate increase in net income.

The bond market followed the course of stocks, with some sharp recessions. Total sales, par value, \$3,398,000.

United States government coupon

tainty reached the local market this a. m. there was another bad break, C. P. R. leading the way, and Power and Shawinigan being the most conspicuous.

Power broke practically ten points to 211, and Shawinigan fell almost fifteen points to 111.

Brazilian which was weak in the early market stopped its fall at 59 1/2, a loss of 5 1/2.

Steamship Pfd. touched new low at 59 1/2. Lowest Scotia went to was 45 3/4. Laurentide was offered down to 163.

Ottawa Power dropped six, to 126. The lowest for C. P. R. was 171 1/2.

Just before noon recess, when practically all active stocks were at their lowest.

C. P. R. fell to 157 1/2. In New York this afternoon, but rallied to 163.

The committee met at once and after a thorough discussion of the situation decided that no session would be held tomorrow morning, but an afternoon session may be held.

Mr. Harland B. MacDowall, chairman of the exchange, stated at the end of the day:

"It went very much against the grain to close the stock exchange, but we felt, under the circumstances that such action was in the interest of everybody. The market was weak in the early morning, and was becoming demoralized towards noon, as stocks were thrown overboard."

"When C. P. R. broke some thirteen points in New York during the noon recess, the market here became littered with selling orders, and was being used by London and other outside centres as a dumping ground for stocks."

"To have re-opened in the afternoon would have meant a reckless and needless slaughtering of Canadian security holdings. In our decision to check this flood of selling by closing the exchange we have been endorsed by practically all the banks in Montreal."

Toronto, July 28.—Nearly every broker had selling orders in stocks today, and the market became so panicky that the committee decided to close the exchange at 2:15 p.m. Great confusion prevailed while the board was in session. Never before was there such excitement on the Toronto stock exchange. Stocks were literally poured out regardless of value. The total trade for the day was not so very heavy, but prices melted so rapidly that brokers became very anxious about margins. This finally led to the closing of the exchange forty-five minutes earlier than the usual time.

#### CANADIAN GOLDFIELDS SYNDICATE LTD. MUST BE WOUND UP

Montreal, July 28.—The Canadian Gold Fields Syndicate Limited, must be wound up at once. This was decided at a meeting of shareholders held in Montreal today, at which were present representatives of \$5,000,000 of the \$6,000,000 stock of the syndicate. A peremptory order was given to the directors for a voluntary winding up, a time limit of three months being placed upon it. George Sum-

mer, president, and J. C. Hodgson, vice-president, representing the Montreal interests, and W. E. F. Pine the Toronto and western interests, were the only three directors present, nine composing the board.

The shareholders ratified the action of the directors in advertising for sale, by public auction here, August fourth, all of the assets of the company in British Columbia.

Special to The Standard.  
Yarmouth, July 28.—Yarmouth harbor has again claimed a victim, this time a young boy of 7 years, named

Vernon Falt, whose body was found off the "Markland" boat at Killam Bros. wharf this noon. The boy was last seen around home at ten-thirty yesterday, but nothing was thought of his absence until along in the afternoon. It was then thought he had been fishing and that he might have fallen overboard. A party started to drag the harbor last night and the operations were continued this morning but it was not until noon that the body was found. Falt was a son of Mr. and Mrs. Murray Falt.

#### SEVEN-YEARS OLD LAD DROWNS AT YARMOUTH

Good Roads in Westmorland.  
That the roads in Westmorland county are in fine shape was attested yesterday by a party of automobilists who expressed themselves as greatly pleased with the condition of the highways in that section.