

# SITUATION WORSE EVERY HOUR; HOPE TO AVERT WAR DIMINISHES

## FATE OF EUROPE STILL UNCERTAIN; RUSSIA AND AUSTRIA TALKING TERMS; WAR SEEMS INEVITABLE

### BIG POWERS DISCUSS SETTLEMENT, BUT CONTINUE TO PREPARE FOR CONFLICT.

#### Germany has Declared a State of Siege -- Mighty England's Navy Mobilized and Army on War footing waiting for Word--Whereabouts of British Sea Forces kept Secret-- Russian Squadron outside Danish Island, in the Baltic -- Communication across Europe cut off.

London, July 31.—In the desperate situation there are only two factors tonight giving the faintest hope of averting a general European war—first Russia and Austria are engaged in direct negotiations again. Second both Great Britain and France are using their utmost endeavors in favor of peace.

On the other hand, Russia has ordered a general mobilization, and Germany has declared a state of siege, which is undoubtedly a prelude to, if it does not cover, mobilization.

France has not yet mobilized, but at cabinet councils, which sat until late at night, issued decrees establishing a moratorium and taking other action which could only be determined upon the eve of war. Unofficially the French army is being virtually mobilized.

A very circumstantial, though yet unconfirmed, report, published in Rome, says that Germany is about to demand from both Russia and France the immediate cessation of mobilization. Yet another rumor has it that the German ambassador has notified the French government of his early departure.

Great Britain is practically, though not officially, mobilized and the smaller European states—Belgium, Holland and Switzerland—to protect their territory from being used as a highway for the belligerents; Norway, Sweden and Denmark to guard themselves on general principles. Italy makes no announcement, and although a rumor credits her with the decision not to take part in the struggle, there is little doubt that she is making ready by mobilization.

Communication across Europe has been cut off, and there is a universal application of the censorship, with the result that it is impossible to obtain any accurate knowledge of what military operations are going on in Serbia. All code telegrams are refused. In short, all the European nations are becoming isolated from each other by railway and telephone. Many American travellers have been held up by the suspension of international trains.

The withdrawal of three famous yachts from the Cowes regatta is significant.

All countries involved in the war have prohibited the exports of many products and all the stock exchanges in England and Scotland are closed. The European state banks have raised rates, and the Bank of England rate has been doubled.

London, July 31.—Facing the most perilous epoch in their history since they shivered before the spectre of a Napoleonic invasion, the English people are the calmest nation of Europe. Yesterday they felt that the decision, whether Great Britain was to be drawn into a general European war was hanging in the balance; today they believe it is a probability rather than a possibility.

There is no mistaking the fact that, with the exception of a minority of peace advocates, whose voice is hardly heard, and seems to carry little weight, the nation's mind is reconciled to war. There is apparent among all classes a sober and grim determination, if the government declares that the nation's interests and obligations require her to take up arms, side by side with Russia and France, to see the business through to the bitter end.

The belief of the average man is that the existence of the whole of Europe as an armed camp, nervous and jealous, could have but one ending, and if the hour for a general settlement has struck, there will be no flinching.

Tonight they are asking only, can the British fleet play its part in protecting the island from isolation? Which means, in the first instance, can it destroy the German emperor's navy? They are concerned also as to whether the food supplies can be maintained, and to what extent private fortunes will be impaired by the financial upheaval of the war.

## ONLY WORD NEEDED TO SET FIGHTING MACHINERY IN MOTION

The military situation stands where it did last night. The mobilization of the naval forces has been completed, and the army is on a war footing, except for calling out the territorial. The machinery for their mobilization needs only a word to be set in motion.

The London evening papers published news concerning almost all the armies of Europe, except that of Great Britain, and regarding the whereabouts of the British fleet and the preparations of the British army they say nothing. There is a popular belief that the fleet is in the neighborhood of Flushing, in the North Sea, but the truth is known only to the members of the government.

Dover and Sheerness are virtually on a war basis and protective booms are ready to be drawn around at a moment's notice. These and other harbors have been mined. The Catala and Ostend steamers are likely to be transferred to Folkestone from Dover.

The war council of the British cabinet is composed of Mr. Asquith,

## WOULD MEAN PARLIAMENT MUST MEET

### If Regular Militia is Ordered Out—Mines in St. John Harbor if England Joins in War.

Ottawa, July 31.—If regular militia units are ordered for service, as distinguished from volunteer enlistments a special session of parliament would be necessary.

There are from 800 to 1,000 Canadian regulars at Halifax. These are now manning the guns of the seaport's historic forts. The outer entrance to the harbor is strongly guarded by forts and floating mines. General Sir Ian Hamilton, when here on his inspection tour last year, expressed himself as greatly pleased with the strength and efficiency of these defenses. Col. the Hon. Sam Hughes will be in Quebec on Sunday, to look over the defenses there. His frigate in military circles was unanimous today in declaring that in the event of Britain becoming involved in the struggle, Col. Hughes will resign his portfolio and head a Canadian contingent for the front.

There is a belief that the defense of Halifax is ample, but that is the only Canadian port which can rely upon the protection afforded by guns.

For the defense of Montreal, Quebec, St. John, Victoria and Vancouver, mines will be laid along the English coast.

There is a great tension of military men at Ottawa, and the head-quarters of the Canadian militia are expected every hour to receive a message that England is at war, and that aid from Canada will be accepted.

## WALL STREET EXCHANGE IS CLOSED

New York, July 31.—The vast and complex machinery of the securities markets of the world came to a complete halt today for an indefinite period. It was an occurrence unprecedented in history. With all Europe seemingly on the verge of war, the continental exchanges closed several days ago, and the London market following suit today, the New York stock exchange would have been called upon to bear the weight of the world's done so all the week.

It was decided ten minutes before the hour set for the beginning of business today that the exchange would not be opened. That action closed the last great market of the world.

It was the impression tonight that the worst of the storm had passed. New York's leading bankers asserted unanimously that the position of the banks was sound.

How long the stock exchange will be closed is a matter of conjecture, the answer depends upon the course of events abroad.

Washington, July 31.—A despatch from Ambassador Penfield, at Vienna tonight said the situation was growing in seriousness, and the last line of Austrian reserve defence had been ordered mobilized during the day.

The prime minister, Sir Edward Grey, secretary of state for foreign affairs, Viscount Haldane, lord high chancellor, and Winston Spencer Churchill, first lord of the admiralty. They are the same ministers as directed the joint diplomatic and military policy of the country during the Agadir crisis, and the last line of Austrian reserve defence had been ordered mobilized during the day.

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## ULSTER VOLUNTEERS READY TO SERVE, SIR EDW. CARSON SAYS

Sir Edward Carson, the Ulster Unionist leader, announced today that a majority of the Ulster volunteers were ready for home service, and that a large contingent were willing for any service where they could be useful.

While the London stock exchange is closed for the first time in its history by the threat of war, and all the exchanges in England and Scotland immediately shut their doors on learning of London's action there has been no financial panic. Nor has there been any important failure.

The general feeling among the bankers is that London has weathered a remarkable storm with great credit.

The bank rate was doubled from four to eight per cent, but during the Crimean War it touched ten and stayed there for six weeks. Short loans today commanded ten and ten and half per cent. interest.

While nothing occurred like a run on the banks, there were symptoms which caused anxiety to everybody. Banks doing an ordinary commercial business refused demands to pay cheques with gold, and paid partly in gold and partly in Bank of England notes.

## RAINBOW GETS ORDERS TO BE READY FOR DUTY

Vancouver, B. C., July 31.—Sir Robert Borden, premier, issued an order today to Commander Hove, of the Rainbow, now lying in Esquimalt harbor, to cancel his Bohring Sea trip for the present, and remain ready for duty in the vicinity of Victoria and Vancouver.

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## HONG KONG BRITISH NAVAL BASE IN CHINESE WATERS

Peking, July 31.—Hong Kong is a river gunboat, dismantled at Hankow yesterday, are to be taken on board the battleship Triumph, which hitherto had been manned by only a nucleus crew. The Austrian cruiser Kaiserin Elizabeth, on which the guard from five days ago, will not attempt the voyage home, but will remain at Tsing-Tau. The Italian gunboat Cabolo also is sailing towards Tsing-Tau.

German bluejackets today dismantled the gunboat Vaterland at Hankow

## JAURES, NOTED SOCIALIST IS ASSASSINATED

### Head of St. John and Quebec Railway Company on Stand at Hearing of Valley Railway Charges Yesterday Afternoon — Tells of Railroad Workings.

Paris, July 31.—Jean Leon Jaures, the noted Socialist leader, was assassinated tonight while dining in a small restaurant near the Bourse. The assassin was arrested, but refused to disclose his identity.

Later he was identified as Raoul Villain, twenty-nine years of age, and said to be the son of a clerk of the civil court at Rheims.

M. Jaures was seated at a dinner table, near an open window, chatting with several Socialist deputies and the editors of the L'Humanite. As though by pre-arrangement, the curtain covering the window was lightly brushed aside, and a hand holding a revolver was thrust through. Before M. Jaures could make a move he received two bullets in the back of the head. Without uttering even an exclamation he fell forward and expired, with his head on the table.

M. Jaures had returned here yesterday from Brussels, where he attended the international Socialist conference to protest against war, and since his arrival had delivered an address with his usual eloquence on the subject. His campaign against hostilities is thought possibly to have had some connection with his murder.

Athens, July 31.—The Montenegrin royal yacht Desiara was almost captured today by the Austrian fleet blockading Antivari. The yacht was sighted by the blockading fleet and fled. She was pursued by Austrian destroyers, but arrived safely at Corfu.

## BRAZILIAN LOAN IS IMPOSSIBLE NOW

Rio Janeiro, Brazil, July 31.—The financial situation in Brazil, which was already a very serious one, has been considerably aggravated by events in Europe.

The Brazilian loan, which was being negotiated in Europe, has now been made impossible, and it is said that the government intends to issue treasury bills to the amount of \$50,000,000 in order to meet urgent requirements.

The Bourse has been paralyzed, and the price of provisions is soaring.

London, July 31.—Many depositors were quietly withdrawing their savings today and the eagerness of bankers to get currency from the Bank of England showed they anticipated the withdrawals would continue to be heavy.

While there was no chance of doing business, stock brokers spent the day standing on the street discussing the situation, reading and re-reading the financial news.

## EXPORT OF GRAIN FROM FRANCE HAS BEEN PROHIBITED

Paris, July 31.—The French ministry of finance issued the following notice tonight:

"The rise in the price of wheat in all the markets of the world, the probabilities that the harvests of France will be below the average, and the prospect of seeing this commodity go into hiding, as gold does on the eve of grave eventualities, have caused the government to prohibit the export of grain and farinaceous foods of all kinds. This measure was taken by Belgium and Germany today, and is implemented by the prohibition of the export of various products, which are considered contraband of war."

## TRADES AND LABOR COUNCIL MEETING

At a meeting of the Trades and Labor Council last evening the recent disturbances were discussed.

The T. and L. Council also discussed the matter of the arrest of certain parties charged with taking part in the riots. Surprise was expressed that all those arrested should be non-natives of the city. Some discussion took place as to whether the T. and L. Council should employ lawyers to defend the parties arrested, on the charge of rioting, but the decision in this matter was laid over to a future meeting.

## INCORPORATION FOR THE LANCASTER PARISH

The committee appointed at a public meeting held in Beaconsfield some time ago to investigate the matter of incorporating the parish of Lancaster will submit its report at a public meeting to be held on Wednesday, August 5, at eight p.m. in the Temperance Hall, Fairville. At this meeting Dr. J. V. Anglin will preside and the report will be read by G. S. Hayes, the chairman of the committee. It is understood that the committee are unanimous on its recommendation, which, of course, is known only to its members.

## BULLETINS.

London, August 1.—An extraordinary council of ministers held at Peterhof, according to a St. Petersburg despatch to the Times, was confronted last night with a modified situation, resulting from assurances by the German ambassador, following upon messages exchanged between the Russian emperor, the German emperor and King George.

## NEVER PAID A DOLLAR TO PROSECUTE FLEMING SAYS GOULD

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PROSECUTION LEADER HANDLED WITHOUT GLOVES AFTER CADDISH DISPLAY OF TEMPER.

"You are Fighting for Your Miserable Political Life and you Know it," Said Mr. Teed in Speaking to Carvell—Leader of the Unholy Trinity Called to Account by the Commissioners.

A. R. Gould of the St. John and Quebec Railway Company, on the stand at the hearing into the Valley Railway charges yesterday afternoon, solemnly swore that he never paid a dollar of the Railway Company's money to Hon. J. K. Fleming at any time, either before he received his contract, or in consideration of having received it. Mr. Gould also swore that his business with J. R. M. Baxter, K. C., was thoroughly honorable.

The session, yesterday afternoon, was one of the most interesting to date and was marked by the first class-trouncing given to F. B. Carvell by M. O. Teed and others of the Flemming counsel. Mr. Carvell, by his unfair questions and dirty insinuations, brought down on his head not only the just wrath of the Flemming counsel but also of the commissioners, who eventually were forced to impress their ruler upon the first member of the unholy trinity in no uncertain manner. Miss Wells, when rebuking

the prosecution leader, took occasion to intimate that it would be far better if he confined himself to matters under consideration instead of playing to the galleries, with the apparent idea of securing political capital.

In one heated outburst the political curiosity proved his ability to occupy the position as a barker in a third class circus by bawling like a wild cat in a thoroughly caddish display of temper. When the noise had somewhat subsided Mr. Teed, turning to him, said: "You are fighting for your miserable political life, and you know it." Mr. Carvell, realizing the truth of this statement, had no answer.

Mr. Gould proved a good witness and answered all fair questions in a manner that showed his thorough knowledge of railway building. His keen judgment in the disposal of the bonds, thereby saving the province \$25,000, will be appreciated by all business men.

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## BANKING ACT IN ENGLAND LIKELY TO BE SUSPENDED

London, July 31.—Long lines of people had assembled at the Bank of England when the bank opened today to get gold for notes, and many were turned away at closing time. It was expected that the banking act would be suspended. This would mean that the Bank of England would not be compelled to redeem its notes with gold, but Premier Asquith and Chancellor Lloyd George with the governor of the Bank of England and representatives of other banks held a conference tonight and decided that the suspension of the bank was not necessary at the present time. They would be prepared to act when it was necessary. Fortunately Monday is a legal holiday, and the banks would not open in the ordinary course which

gives a breathing spell. The governors of the stock exchange were warned this morning by members, estimated at from one hundred to one hundred and fifty that if the stock exchange opened they would be ruined. A governor of the Bank of England is authority for the statement that there is practically no doubt that the banking act will be suspended before business is resumed, and the Bank of England will issue one pound notes to relieve the strain, the smallest notes at present being five pounds.

At all the banks today were lines of small depositors drawing one hundred or two hundred pounds which they thought would be needed as ready cash for buying food if atmosphere does not clear.

## CLOSING OF LONDON EXCHANGE SAVED SCORES OF BROKERS

London, July 31.—Many depositors were quietly withdrawing their savings today and the eagerness of bankers to get currency from the Bank of England showed they anticipated the withdrawals would continue to be heavy.

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## GAZAR RECEIVES AMBASSADOR OF KAISER

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St. Petersburg, July 31.—The Emperor of Russia today gave an audience to the German ambassador, and subsequently presided over a full council of ministers, attended by the chief of the army general staff.

Berlin, July 31.—The German Emperor made a war speech to the people of Berlin today, in which he expressed the hope that if he was unable to induce his opponents to maintain peace, he would wield the sword and show his enemies what it means to provoke Germany.

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