

SOLUTION OF THE GERMAN SITUATION IS UNCONDITIONAL

Berlin Denies it is Coupled With American Negotiations With Britain.

OFFICIALS OPTIMISTIC

Believe Proposals to United States on Submarine Question Will be Acceptable.

Berlin, via London, Sept. 2.—Berlin official circles treat the negotiations with the United States on the submarine problem as highly confidential and it is difficult to obtain any authoritative information.

The German ambassador at Washington, it is understood, is in possession of fairly far-reaching authority to negotiate for a settlement of the submarine question, and it is believed the proposals he is authorized to make will strike at the heart of the problem as affecting the United States.

Submarine commanders will be advised of the expected arrival of liners on regular schedules. How far beyond this provision for the safety of the larger ships Count Bernstorff's instructions go, cannot be learned.

Solution is Unconditional. Newspaper reports reaching here that solution of the submarine problem is coupled with a settlement of the negotiations with Great Britain are declared in initial circles to be incorrect.

One high official today commented on the danger for the United States itself in pressing its demands too far. "There is no telling when the United States itself may want to use its submarines in a life and death struggle."

SUBMARINE WAS CAPTURED.

Line Officer Says Crew That Sunk the Arabic Are Prisoners.

New York, Sept. 2.—An officer of the White Star liner Adriatic, which arrived from Liverpool today, declared that the German submarine which sank the Arabic had been caught in a steel net and the U boat's double crew were now prisoners in England.

Sir Herbert Holt, president of the Royal Bank of Canada, on arrival, said the members of the British financial commission coming to New York to effect a readjustment of the foreign exchange situation, were to have sailed on the Adriatic, but changed their plans at the last minute.

Passengers said that from the time the Adriatic sailed at 2 o'clock in the afternoon of August 25 until 9 o'clock the next morning, she was convoyed by three British destroyers.

Washington, Sept. 2.—Admiral Caperton reported today that the gunboat Marietta had arrived at Port Au Prince, and the cruiser Tennessee was en route to Philadelphia.

WHY SAY AMERICA DEPENDS ON ALLES

That They Are Not Dependent Upon United States.

MUST EXTEND CREDITS

British Authority Says We Must Arrange Credits if We Want to Sell Our Goods—British and French Commissions.

London, Sept. 2.—Plans for putting on a stable basis the entire machinery of settling trade balances between America and Europe will be clarified within a few days on the arrival in New York of the French and British financial commissions.

Authorities have requested that no details regarding the British commission be published until the delegates are well outside the danger zone. It is known that the commissioners are in position to correct some reported misapprehensions concerning British, French and Russian dependence on America.

One of the best informed authorities said today: "The idea seems to prevail in New York that we are on our knees and begging America to come to our assistance. The situation is exactly the reverse. America wants to sell Europe its goods, and if Americans hope to continue these sales they must find a means of giving the usual credits and stabilizing exchange."

British Commissioners Hopeful. The British commissioners are fully conversant with the attitude of the government, which views the situation hopefully.

The commission will point out that two distinct classes of credits are being incurred in America. The first results from purchases by the allied governments of the second from ordinary transactions between private traders.

Expect American Overtures. Indications, however, are that overtures will be expected from the American side for highest officials here hold that if America wants to sell it must provide the means of credit. It is pointed out that America's great wheat crop will normally be taken by Europe at good prices if a credit system is provided by America, but otherwise, it is stated, the wheat yield this year in India, Australia and Canada will lead Great Britain and her allies for the first time to buy their wheat there.

This is one feature of the situation on which the commissioners are fully informed.

Springfield, Mass., Sept. 2.—The New England Westinghouse Company, employing more than 1,800 machinists, announced tonight it had granted the eight-hour day to its employees.

CHARLOTTE IS OFFERED \$4,000,000 CONTRACT

British Government Wants a Million Steel Shells.

Moffatt Machinery Co. Has 10 Days Option on Contract, One Million Dollars to be Paid in Advance if it is Accepted.

(Special Star Telegram.) Charlotte, N. C., Sept. 2.—Agents of the British government have offered the Moffatt Machinery Company here a contract to make 1,000,000 steel shells for \$4,000,000, twenty-five per cent. of the money to be advanced before work is begun.

There will be a further conference tomorrow between the agents and the local company, who will be given 10 days to accept or reject the proposition.

The specifications call for steel shells of from 3.25 to 3.27 inch bore, 9.69 inch long, to weigh 1 1/4 pounds. The shells are to be sent to England to be filled with lyddite.

NONE OF MEMBERS OF MOB INDICTED

Grand Jury's Report on Investigation of Frank Lynching.

NO ONE IS CONNECTED

Regrets Expressed at Being Unable to Find Evidence for Indictment. Vindication of Officers and Citizens of County.

Marietta, Ga., Sept. 2.—The Cobb county grand jury investigating the lynching of Leo M. Frank reported late today that: "We have fouled several clues, but we have been unable to find any one who could identify any party. We have done our best, under our oath, and we regret to state that we have been unable to find enough evidence to indict any one for this crime."

The report says the jury had the active co-operation of Governor Nat E. Harris, the state attorney general, Solicitor Herbert Clay, and other officials of Cobb county, and adds: "We have been unable to connect anybody with the perpetration of this offense, or to identify any one who was connected with it, although we have investigated the information furnished us by officers and other parties and have followed up unsigned letters, and to this end we have subpoenaed and examined many witnesses in an effort to disclose the perpetrators of this crime, but none of these witnesses could identify any of the parties."

"We find, from investigation, that the officers of the law, and the citizens of our county, knew nothing of this crime until they heard of the body being found near Frey's gin in this county. The city of Marietta and the county of Cobb were quiet before this trouble, and quiet now and all reports to the contrary are untrue."

Upwards of 35 witnesses were examined yesterday and today. They included the chief of police and other citizens of Atlanta, and individuals of every walk of life in Marietta.

Anonymous letters, referred to in the report, still are being received by officials of Cobb county and others, but the tendency now is to ignore them.

MAY ASK FOR RE-TRIAL BY THE ARMY-COURTMARTIAL

Contention of T. S. Davis, a Marine, Sustained by District Court.

Philadelphia, Sept. 2.—The contention of T. S. Davis, a marine, that he should have been tried by the War Department instead of a naval court martial for slaying a comrade with a knife while serving in Vera Cruz under General Funston, was sustained in an opinion handed down today by Judge Dickinson in the United States district court. The ruling is said to be the first judicial decision ever handed down on the subject.

Davis has been in prison since his conviction by the court martial and his term is about to expire. Under Judge Dickinson's decision he may now be released and petition the court for an order recommending a re-trial by the army court martial.

Ada, Okla., Sept. 2.—M. W. Ligon, postmaster here, today ordered the Confederate flags placed there by a committee which decorated the city in honor of the state encampment of Confederate veterans now in session. Ligon is a Wilson appointee.

FOREIGN MONEY MAKES SPECTACULAR ADVANCE

Price of Sterling at Day's Close Was \$4.62 1-2.

Francs, Lires and Reichmarks Also Make Substantial Gains—Rise Was as Spectacular and Swift as Recent Decline.

New York, Sept. 2.—Recovery of foreign money values was as spectacular and swift today as their recent decline. Sterling gained 8 1/4 cents from last night's quotation, touching \$4.62 1-2 at the close; francs gained 14 cents, going to 6.90, and liras nine cents to 6.45.

The rally clarified the situation for the time being, and led to the belief that rates nearly normal soon would be established. The expected arrival of British and French delegates within the next few days had a wholesome effect apparently and is expected to lead to further gains tomorrow.

It was reported without confirmation that the British delegates whose movements the center has cloaked with secrecy, were aboard the British warship and soon would be landed at Halifax.

From authoritative sources, it was learned that another big consignment of British gold and American securities is on the way here by way of Halifax. The two shipments already received totalling about \$110,000,000 will be exceeded, it is assumed, in at least two and perhaps three other similar shipments now en route or contemplated.

PRESENTS MESSAGE FROM THE POPE TO PRESIDENT WILSON

Cardinal Gibbons Discusses With Him the Possibility of Peace in Europe.

MESSAGE IS PERSONAL

Pope Praises President's Attitude and Believes U. S. Can be of Service for Peace.

Washington, Sept. 2.—Cardinal Gibbons came to Washington today with a message of hope for peace in Europe to President Wilson from Pope Benedict. It was a cablegram praising the President's attitude and indicating a belief that the United States might be in a position to help in bringing the European war to an end.

After reading the message, the cardinal remained for half an hour with the President, discussing the possibility of peace and the world situation generally. He emerged smiling and walked down to the State Department for a conference with Secretary Lansing. Later he announced he had talked peace with the President and told him of his gratification over the apparent success of the negotiations with Germany over submarine warfare.

He spoke cheerfully of the situation, saying the prospects for peace seemed to be brightening. The text of the pope's message was not made public, but there was a formal comment on it from the White House. Unofficially, however, it was said that the President was much pleased with the message and that he was coming to understand that the pope made no definite suggestion as to a peace movement and that his message was purely a personal one to President Wilson and not addressed to the heads of other neutral governments.

The visit of the cardinal created the deepest interest in officials and diplomats in the city. It had been known since Tuesday that he was coming, but while the pope's cablegram reached him Monday no inkling of it was heard in Washington until today.

Joint action for peace among the heads of several neutral nations and the pope was suggested as a possible outcome of today's developments but this idea received no official confirmation. Up to the present the United States has acted entirely alone in the single offer it has made to be of service in bringing about peace.

Diplomats representing the belligerent nations reserved comment on the conference until more definite information has been given out. It was pointed out that many political questions including the maintenance of the neutrality of the Balkans and the establishment of a separate Polish kingdom would be involved in the discussion of peace at this time.

As for the offer of the services of the United States to the belligerents still stands open, and he has reiterated several times that he is anxious to do everything possible in that direction. Whether he will take any further steps without hearing directly from any of the belligerents is not known.

Cardinal Gibbons has conveyed to President Wilson a message from Pope Benedict regarding peace suggesting that the time now is ripe for proposing that the belligerents open discussion having as their purpose the cessation of hostilities.

While neither the cardinal nor the President has made known the details of the conference at the White House or disclosed the text of the message from the pontiff, the cardinal admitted that peace was discussed and that he told the President that the United States had been placed in a very advantageous position to be of service in bringing to an end the conflict, owing to the appearance of the neutral submarine issue between the United States and Germany.

German is desirous of having the claims for compensation arising out of the sinking of the Lusitania and Arabic submitted to the Hague. The instructions issued to Count Bernstorff, the German ambassador at Washington, according to a Berlin dispatch, authorize him to make this offer to the American government.

At the same time immunity from attack without warning to passenger steamers is provided for.

Official circles in Berlin are reported to be optimistic with reference to the successful issue of the negotiations between Germany and the United States respecting the German submarine policy.

The Germans and Austrians, according to Berlin and Vienna, are continuing their progress from northwestern Russia through Galicia to the northern frontiers of this line, the Russians seemingly are falling back everywhere except in the region of Riga.

For some days past, artillery engagements and fighting by means of bombs and petards are in progress on the western front and on the Austro-Italian front.

On Gallipoli peninsula hard fighting is going on between the Turks and the Allies, with both sides claiming victories. In the Dardanelles where there have been no operations for some time, allied mine sweepers have been at work trying to clear the straits of Turkish mines, but according to Constantinople they were driven off.

RUSSIANS UNABLE TO MAKE A STAND

Except in Riga, the Austro-Germans Make Headway.

TURK TRANSPORTS SUNK

Reports Show Increased Activity in the Dardanelles—Germans Claim to Have Recaptured Trenches in the Voges.

London, Sept. 3.—Except in the region of Riga, where the Russians are presenting a solid front, the Austro-German offensive again is making headway. The western forts of Grodno were evacuated after two of them were destroyed by the heavy guns and it is considered extremely likely the whole fortress already has been left to its fate. Vilna doubtless will be the next objective of the Austro-Germans on this front.

Vienna reports a series of successes which virtually have driven the Russians out of Galicia; they now hold only a very narrow strip between the Sereth and Bessaba. On the border of the latter province the Russians set fire to a number of villages, which might indicate a further retreat.

Hopes Are Disappointed. Thus hopes raised recently in the allied countries that Russia at least was making a stand, have been disappointed. The Austro-Germans, however, claim no large captures of men and guns, and the Russians apparently are keeping their guns behind the infantry.

The Germans claimed to have recovered trenches they lost in the middle of August in the Voges. French reports of the fighting in the west simply refer to heavy artillery engagements and make no suggestion of what they foreshadow.

Increased activity at the Dardanelles is shown in all the official reports. Besides their success in capturing an important position east of Suvla Bay, which dominates one of the Turkish lines of communication, the British have sunk four more Turkish transports in the straits, while the fire of the ships across Gallipoli peninsula has made the movement of Turkish troops by either land or sea more difficult.

Mine Sweepers Busy. According to the Turks mine sweepers have been busy at the entrance of the straits suggesting that an attack is contemplated by the Allies from another direction.

A Rome dispatch says the Austrians have evacuated Rovereto, which recent Italian advances had threatened to cut off. An official Rome report claims a number of successes from artillery and infantry on different fronts.

BRITISH STEAMERS SUNK.

Six Vessels Reported to Have Been Sent Down in Last Few Days.

Berlin, September 3.—(By wireless to Tuckerton)—The Overseas Agency says: "According to an official report the following British steamers have been sunk by submarines during the last few days: 'The Paroo, the Shrikdy, the Glenby, the Queen, the Trafalgar and one fishing steamer.'"

Shipping records list the British steamer Paroo as of 2,665 gross ton. (Continued on Page Eight.)

MRS. MOHR IS PLACED UNDER BOND OF \$10,000

Charged With Counseling the Murder of Her Husband.

Denies She Hired Three Men to Commit the Murder for \$5,000—The Three Men Are in Jail, Charged With the Crime.

Providence, R. I., September 2.—Mrs. Elizabeth Tiffany Blair Mohr, arrested today as a result of the confession by three negroes that she had hired them for \$5,000 to kill her husband, C. Franklin Mohr, a wealthy physician of this city and Newport, was released in \$10,000 bail tonight.

In view of the serious charge that she had "aided, counseled and hired" the three men to kill Dr. Mohr, who was shot down at the time his secretary, Miss Emily G. Burger, was seriously wounded as they sat in their stalled automobile in a dark spot on Nayatt road Tuesday night, Assistant District Attorney Claude Beach asked that bail be fixed at \$25,000.

Judge Brown, of Superior Court, held, however, that \$10,000 was sufficient. The amount was furnished by James M. Pfan, a retired business man; Robert Jones, an undertaker; Mr. and Mrs. Eugene F. Gifford, neighbors of the Mohrs, and Arthur Cushing, one of Mrs. Mohr's counsel.

Mrs. Mohr, who maintained her composure throughout the proceedings, was driven soon afterward to the house where she boarded with her three children, near the late home of her husband. The only statement obtained from Mrs. Mohr during the day was a denial of the charges against her. When confronted with Cecil Victor Brown, the former hostler on the Mohr estate, (Continued on Page Eight)

GOODS NOT TO BE ANY CHEAPER HERE

Retail Purchasers Will Not Share Importers' Profits.

ON EUROPEAN WARES

While Low Foreign Exchange Rates Have Made Possible Buying the Goods for Less, Transportation Costs More.

New York, Sept. 2.—The man who buys his goods over the counter will reap none of the big profits accruing to importers, through the prevailing depression in foreign exchange rates, it was said, here today. In many instances profits that would otherwise have accrued to the importers themselves have been greatly reduced by corresponding advances in price on the other side of the Atlantic.

Because of low exchange rates, it has been possible for importers here to pay their bills ahead at discount, varying from 5 to 7 per cent. on goods bought in England, to as much as 26 per cent. on goods purchased in Italy. A great many importers, it was said, have been meeting more than a month ago and agreed to advance prices 10 per cent. When francs reach par, or a figure near par, it was said, the former prices will be restored. Importers of goods are making money, it was said, due to the exchange rate and are sharing their profits with jobbers and wholesale merchants here. But it was generally asserted that champagne would be no cheaper.

The same situation holds true, it was said, with respect to imports from Italy, chiefly fancy groceries, cheese, macaroni, wines and olive oil. The American jobber-one big firm said, is getting his goods 5 to 10 per cent. cheaper than when rates are normal but and other middlemen divide the profit.

One reason why retail prices will not be cheaper, it was said, was because of the tremendous advance in ocean freight and insurance rates. The former have increased 300 per cent. in many instances, and the latter also have soared because of war risks. Many importers said that but for the depreciation in foreign monies, prices of all imported articles would have been greatly advanced.

GET DETAILED INFORMATION.

Regarding Expected Relaxations of the British Order in Council.

Washington, September 2.—Ambassador Page was instructed today to secure detailed information as to the expected relaxations in enforcements of the British order in council against American commerce.

The State Department wants to know just what character of shipments will be allowed to pass and through what channels application may be made to secure release of American cargoes now detained. The ambassador was directed to inquire whether Great Britain would facilitate matters by allowing all informal negotiations to be conducted with the British embassy here through the State Department's foreign trade advisers.

Shanghai, China, Sept. 2.—Li Yuen Heng has resigned as vice president of China. His act is regarded as preparatory to establishment of a monarchy which is popularly regarded as virtually certain.

Brownsville, Texas, Sept. 2.—The bullet-riddled bodies of two Americans who were kidnapped early today by Mexican bandits 12 miles north of here, were found tonight in the bed of a dried lake. They were Earl Donaldson, a farmer, and an engineer named Smith, engaged in concrete construction work on an irrigation canal.

The Mexican band, to which was ascribed the burning of a railroad trestle north of here last night, today was held responsible for the kidnaping of Donaldson and Smith and a third American, and the burning of a pumping station. The third American kidnaped, a contractor named Dodson, managed to escape.

At the Fresno irrigation canal, the bandits yesterday fired probably a score of shots at Perry Clark, an American land cleaning contractor, but none took effect.

A Mexican who talked to members of the band said they were trying to force the Mexican population of this section to join them.

TWO AMERICANS SHOT TO DEATH BY MEXICANS

Bullet-Riddled Bodies Found in Bed of Lake

Several Hundred on Strike

Workers at Another Remington Plant Asking Higher Wages.

Philadelphia, Sept. 2.—Several hundred men employed in the construction of the Remington Arms Company's new plant at Eddystone today joined the strikers who walked out earlier in the week to enforce demands for higher wages and union recognition, according to local officials of the Building Trades Council. They claim that between seven and eight hundred men now are on duty and that further progress on the big plant will not be made until the strikers' demands are granted.

The contractors, however, say plenty of men are available to take the strikers' places.

THREATENED TO LYNCH NEGRO

Champ Clark Goes to Jail to Address Mob, But It Had Dispersed.

PLAN FOR ADEQUATE NAVAL RESERVE FOR AN EMERGENT NEED

In Addition to State Militia and Regular Reserve Created by Last Congress.

WOULD TRAIN ON SHIPS

Navy Department Desires Men Capable of Doing High Service in Modern Navy.

Washington, Sept. 2.—A plan for building up an adequate national naval reserve, in addition to the existing State militia and the regular reserve created by the last Congress, was made public today by Acting Secretary Roosevelt of the Navy Department. It contemplates mobilization of yachtsmen and power boat owners and their craft with navy reserve ships in a training squadron, following the idea of the army camp at Plattsburg, N. Y.

A statement issued by Mr. Roosevelt says the plan has been under consideration for some time. Employment of former navy officers in war time and filling vacancies on the fighting ships with former enlisted men, already has been provided for by legislation under which, in the past two months 110 men have entered the reserve. The statement says the law also has had the effect of increasing enlistments.

Under the present law, the coast guard and the navy's seaman automatically pass under control of the navy in war time. It is proposed that the lighthouse and the coast survey service be added to this list, and that State nautical training schools, harbor police and similar State or city services, be prepared for service when needed.

As to volunteer civilians, the statement says: "It is believed that the reserve of personnel should consist of officers and men. What is particularly desired is not merely numbers, but individuals who will be capable of doing the highly specialized service which exists in modern navies. For instance, in war time the navy would need the services of possibly 1,000 additional radio operators, it would require local pilots for inside waters, helm men, gunners, gasoline motor experts, signal men, etc., besides, of course, first-class gunners. "The department has had many letters asking whether an opportunity could be given to individuals to take courses of training in these specialties, and if the general plan is approved it is hoped that next summer some instruction can be started, using reserve or other available ships, and giving to those who desire three or four weeks of training, so that they could become of some definite use if called upon."

Any amateur radio operator, any yachtsman or motor-boat enthusiast, in fact any enthusiast who has had any experience with intelligence and application could learn how to fit in some place where he might be needed. Possibly some form of the plan would be given at the close of instruction, showing exactly what services the individual is capable of performing, the holder to be under no further obligation than to keep the Navy Department, at stated periods, advised of his address.

Steps Already Taken. "It is obvious that the navy would need a great number of auxiliaries, patrol boats, etc. Steps already have been taken to organize the merchant shipping, but much remains to be done. Modern naval operations have shown the great need of a large number of small and fast yachts and motor boats of a type as seaworthy as possible. The department has already endeavored to co-operate with the power squadrons, and it will be possible, in connection with the training of volunteer civilians, to list all suitable vessels and to train their crews in the duties that would be expected. This training would be in conjunction with the use of naval vessels in the summer time, and would be in charge of regular officers."

Several Hundred on Strike. Workers at Another Remington Plant Asking Higher Wages.

Philadelphia, Sept. 2.—Several hundred men employed in the construction of the Remington Arms Company's new plant at Eddystone today joined the strikers who walked out earlier in the week to enforce demands for higher wages and union recognition, according to local officials of the Building Trades Council. They claim that between seven and eight hundred men now are on duty and that further progress on the big plant will not be made until the strikers' demands are granted.

The contractors, however, say plenty of men are available to take the strikers' places.

THREATENED TO LYNCH NEGRO. Champ Clark Goes to Jail to Address Mob, But It Had Dispersed.

Rowling Green, Mo., Sept. 2.—Champ Clark, speaker of the National House of Representatives, today hurried to the Pige county jail when he learned that a mob had formed to lynch Harrison Rose, a negro, charged with the murder of Dudley Davidson, a farmer. He intended to address the crowd but the men had dispersed when he arrived.

Last night the sheriff's wife held a mob at bay until the county attorney and the mayor arrived. They addressed the crowd and caused them to disperse. The negro later was taken to safer quarters.