

AUSTRO-HUNGARY HAS FORMALLY DECLARED WAR ON SERBIA

DECLARATION SENT TO ALLY OF RUSSIA

Austria and Germany Reject Peace Conference Plan.

WAR PREPARATION GOING ON RAPIDLY

Too Late for Serbia To Accede to Demands, So Austria Says.

Vienna, July 28.—Official notification of the declaration of war was sent to Serbia today by the Austro-Hungarian government.

Paris, July 28.—The Austrian ambassador to France today said it was probable active hostilities between Austria-Hungary and Serbia began this morning, but till 11 o'clock he had not received any telegram to that effect from Vienna.

Vienna, July 28.—The imperial Austro-Hungarian foreign office declared today that even should Serbia now comply with the demands contained in the Austrian note the government of the dual monarchy would not be satisfied. Officials at the ministry stated that Serbia's reply had made it impossible for Austria-Hungary to adhere to her former standpoint and compliance by Serbia with the demands made on her could no longer influence the course of action of the Austro-Hungarian empire.

London, July 28.—The refusal by German and Austria-Hungary to participate in a mediation conference on the Austro-Serbian conflict, reports of the rapid movement of Austro-Hungarian troops and the persistent downward trend of European stock markets were the outstanding developments of the European situation today.

Germany's definite decision against participation in the ambassadorial conference proposed by Sir Edward Grey, the British foreign secretary, is regarded here as tantamount to a declaration of Germany's determination that Austria-Hungary shall have an entirely free hand in chastising Serbia unless the Balkan kingdom accedes in full to demands of the dual monarchy.

According to advices here Germany's refusal was couched in terms of sympathy with Sir Edward Grey's object, but contended that the conference would place Austria-Hungary in the invidious position of appearing like the Balkan states before a European tribunal to explain her actions and therefore would be likely to increase rather than decrease the difficulties of the situation.

This far there has been no official confirmation of the reports of hostilities between Austria and Serbia but the number of rumors have been published, including one of the seizure of the Serbian ships carrying contraband by an Austrian patrol on the Danube.

Moving Troops. Berlin, July 28.—Reports from the Austrian border today state that the transport of the eighth and ninth Austrian army corps from Bohemia toward the Serbian frontier began yesterday and that there was no other traffic on the Bohemian railroads except that of troop trains.

Telegraphic communication with Carlsbad and Marienbad still was open today but only by one direct line from the Saxon frontier. The telegraphic service between Berlin and Vienna was demoralized and on some lines was completely interrupted.

The Militair-Wochenblatt, the official military weekly newspaper, today prints a noteworthy article comparing the Austro-Hungarian and Russian armies to the disadvantage of the latter. It says fighting strength of the Russian army is usually over-estimated and that numbers alone are not decisive.

One of the newspapers here today received a dispatch saying that Russia had declared war on Austria but declined to print it as there was no confirmation.

Germany Refuses. The German government today returned an unfavorable reply to the British proposal for a conference of the ambassadors in London of the European powers in an endeavor to bring about a settlement of the Austro-Serbian difficulty.

In its communication Germany declares it considers the suggestion of Sir Edward Grey, the British foreign secretary, as well meant and good in principle but not feasible and impossible in practice.

It says it cannot be expected that a great power, having a dispute with a smaller neighbor, will submit the matter to the decision of a European Arbitration Tribunal. Far less can it be hoped that two great powers will submit to be summoned in the role of accused before such a tribunal.

PRICES FALLING IN FOREIGN MARKETS

Feeling of Uncertainty on London Exchange Prevails—Stocks Go Down.

London, July 28.—A feeling of uncertainty prevailed at the opening of the stock exchange here today but conditions were not so panicky as yesterday. British consols opened at 72 1/2; then fell by 1/4 to 72 1/4, but soon rallied again to 72. Continental favorites were offered freely at first but gradually recovered.

Dealings on the foreign market still were a matter of negotiation, the tone being steadier.

The demoralization on the Paris and the Berlin stock exchanges were reflected by erratic movements here. Rio Tinto fell three points to 58 but then recovered a pt. Amalgamated Coppers dropped two. Most American stocks were easier.

German Market Weak. Berlin, July 28.—The stock market here opened generally weak today, particularly in the case of Austrian specialties. Russian four per cent on the other hand, were quoted 1/2 higher. The changes generally were small, the attitude of the Berlin bankers having reassured their customers and checked the tendency of investors to sacrifice their securities at any price.

The bankers association held another session today and decided to meet regularly during the crisis. They resolved to support home securities by heavy purchases if necessary.

The decline continued as those firms which were unable to secure the necessary funds to carry over their engagements were forced to unload. German government bonds registered a further fall.

Three per cents started four-tenths lower at 73 1/2. Vienna, where the bourse was closed, was said to be unloading on Berlin and this contributed to increase the highly nervous state of the market.

DANIELS HAS SCHEME FOR EXPANDING NAVY

Wants to Consolidate Cutter, Lighthouse and Transport Services With Navy.

Washington, July 28.—With the certainty that under present conditions only three out of every hundred graduates of the Naval academy can hope to attain the rank of admiral before they retire, Secretary Daniels believes that the time is opportune to enlarge the fields of activities of the young sailors by taking into the naval establishments the revenue cutters, the lighthouse and the army transport services. As soon as some of the larger naval problems now before him have been solved the secretary expects to develop details of the plan for consolidation of these services with the navy. He feels that in this way useful employment can be assured for all graduates of the academy who will acquire a practical knowledge of navigation and of local pilotage and at the same time afford the navy an adequate reserve of trained officers in time of war.

Incidentally the scheme is in line with the secretary's general idea of making the navy pay for itself in time of peace, one feature of which was the carriage of mail by naval vessels which would otherwise be in reserve.

ASKS CARRANZA TO HALT VILLA

Sec. Bryan Appeals to Rebel Chief to Stop Villa From Smuggling Arms Across Rio Grande River.

VILLA BELIEVED TO BE PLANNING REVOLT

Reported He Is Concentrating Forces With Intention of Demanding Concessions From Carranza.

Washington, July 28.—Secretary Bryan appealed today to General Carranza, asking him to call a halt upon Villa, who is reported to be making wholesale demands for horses upon ranch owners in the state of Chihuahua. Consular advices to the state department also declared the northern general was smuggling arms across the border as rapidly as they were available. There was no doubt in the minds of the people of Chihuahua as to the meaning of Villa's activity, the dispatch to the department added.

Recent reports from the border have intimated that Villa intended to concentrate his forces in Chihuahua with the aim of demanding certain concessions from Carranza after the constitutionalists occupy Mexico City. However, in response to an appeal from the Washington government urging him to forget personal differences with Carranza, Villa declared he intended to co-operate with other revolutionary leaders and would do all in his power to inaugurate an era of peace in Mexico.

While administration officials then expressed confidence that Villa would not permit any dissension with Carranza to develop into a counter-revolution, yet today's reports renewed speculation over the ultimate position the military chief will take.

The situation between the constitutionalists and the Carranza government pending negotiations for the transfer of the administration in Mexico City was progressing satisfactorily today and decided to meet regularly during the crisis.

El Paso, Texas, July 28.—Added vigilance was displayed here today by the American troops on border patrol duty to prevent the smuggling of ammunition to Mexico. General George Bell, Jr., has issued orders to patrols to search all parcels and sealed packages crossing the line and customs inspectors have doubted their efforts to apprehend smuggling ammunition since the seizure here of 5,000 cartridges apparently destined for Mexico.

Heretofore customs officials have been the only ones to search baggage bound for Mexico but the new ruling gives the military the same power.

Washington, July 28.—General Funston reported today that the Mexican federal forces in Mexico City had taken the offensive against the Zapatistas and driven them from nearby towns. He says there are 30,000 federals in the Mexican capital.

HANS SCHMIDT ASKS FOR ANOTHER TRIAL

New York, July 27.—Hans Schmidt, under death sentence for the murder of Anna Amuniler has applied for a new trial. Schmidt's counsel asserts that the girl was not murdered but died after an operation and that Schmidt cut up her body to prevent a scandal, and to protect the surgeon who performed the operation. Arguments on the application will be heard October 5.

WILL NOT FILIBUSTER AGAINST TRUST BILLS

Washington, July 28.—Senate Republicans in conference today decided not to filibuster against the trust bills. They are opposed to them and will say so in speeches but their main purpose is to bring about adjournment as soon as possible.

PLEAS BEGIN IN CAILLAUX TRIAL

Taking of Evidence in Sensational Murder Case Against Prominent Frenchwoman Is Concluded.

MADAME H. CAILLAUX LOOKS WORN AND ILL

Prisoner Again Faints During Sitting and Session Is Suspended—Private Prosecutor Speaks.

Paris, July 28.—Today's session of the trial of Mme. Henriette Caillaux for the murder of Gaston Calmette came to an abrupt end today when the prisoner collapsed during a cutting arraignment by Maitre Chenu, counsel for the Calmette heirs, and had to be carried from the court room.

Mme. Caillaux had been growing visibly weaker during the address to the jury by Maitre Selgman, another of the Calmette attorneys, who began summing up as soon as the court convened. A hot water bottle was placed beneath her feet and a cushion at her back.

At the hearing progressed she became listless and apparently was unconscious of what was occurring in court. Soon after Maitre Chenu began a severe analysis of her actions on the day of the tragedy she collapsed and fell in a heap on the floor of the prisoner's enclosure.

Maitre Selgman in his address said: "You have heard witness after witness speak in praise of the late M. Calmette. There has been only one discordant note and that came from M. Caillaux. What connection with the case has the fortune of the murdered man? How many millions must a man have in order to permit his being assassinated with complete impunity?"

"I will speak of nothing except the assassination of M. Calmette," Maitre Chenu was saying when the prisoner swooned. "I will ask the accused, whether when she spoke of her love for her daughter she thought of the two children of M. Calmette, whose pictures never left him. I shall not attempt to let into the biography of Mme. Caillaux. She is a cool, sensible woman without emotion or pity. She has tears only for herself."

Paris, July 28.—Pleas of attorneys were begun today in the trial of Madame Henriette Caillaux, wife of a former premier of France, for the murder of Gaston Calmette, editor of the Figaro. Taking of evidence was concluded yesterday.

Madame Caillaux looked worn and ill as she listened to the addresses of the advocates. She shook her head wearily and crouched on the prisoner's bench with her face buried in her hands. Near her was Maitre Labori, her defender.

HIBERNIANS' BOARD OF ERIN HOLDING MEETING

All Sections of United States, Canada and Ireland Are Represented.

Providence, R. I., July 28.—Canada, Ireland and all sections of the United States were represented at the opening here today of the general convention of the Ancient Order of Hibernians' board of Erin. The convention will be in session until Thursday night. It was expected a leader of the organization in Ireland would bring a message of Irish conditions, particularly with regard to the Ulster situation.

In the forenoon the delegates marched to the Cathedral of Saints Peter and Paul for a solemn high mass and special sermon. The church service was followed by a meeting at which addresses were made by Mayor Gahner, former mayor McCarthy and Dennis J. Hanlon of New York, president of the organization.

CROSS-EXAMINE PRES. HARRISON

CARRANZA WILL IGNORE HUERTA'S TRANSACTIONS

Declares Grant Will Not be Made to Rothschilds for Big Area.

Tampico, Mexico, July 26.—(Via Laredo, Tex., July 28.—General Carranza has indicated that he would stand by the decree he issued early in the revolution regarding financial transactions made by Huerta. His attention was called to a report that just before resigning and leaving the country Huerta received half a million dollars from the Rothschilds, giving in return a grant of a vast area in Lower California at a price of one cent an acre. Carranza declared no such grant of public lands would be recognized and recalled that leading bankers of the world had been so notified.

Carranza has told the foreign consuls there should be no apprehension of their part of wholesale reprisals from the constitutionalists upon those who aided Huerta.

As fast as the federal soldiers are disarmed, Carranza plans to distribute them throughout the country to repair railroad tracks. He hopes thus to give them employment and also to scatter them so there will be little danger of their mobilization against him in case of a counter-revolution.

HEPBURN CONSIDERED FOR THE RESERVE BOARD

President Expected to Name Man in Jones' Place Before Very Long.

Washington, July 28.—A. Barton Hepburn, chairman of the board of the Chase National bank of New York, who was being considered today for a place on the federal reserve board should Paul M. Warburg finally decline to appear before the senate banking committee as a preliminary to his confirmation.

Senator Hitchcock was to return here late today from New York after a conference with Mr. Warburg. The White House expected he would bring the final word which would determine whether the banker becomes a member of the board.

President Wilson has not decided on a man in place of Thomas D. Jones of Chicago, whose name was withdrawn but it is expected to do so this week.

New York, July 28.—Paul M. Warburg today declined to comment on the visit of Senator Hitchcock. He said the situation demanded that he remain absolutely silent. He would not admit that he had even been in conference with Senator Hitchcock.

Head of Southern Reiterates Denial of Charges That "Coal Trust" Controlled Freight Rates.

DENIES AGREEMENT TO DIVIDE THE TRAFFIC

Has No Personal Knowledge of Attempt to Get Joint Coal Service Over Norfolk and Western.

Washington, July 28.—Fairfax Harrison, president of the Southern railway, resumed his testimony before the senate committee investigating southeastern coal rates. On cross-examination by members of the committee and attorneys for independent coal interests he made general and specific denial of charges of B. L. Dulaney, an independent operator of Bristol, Tenn., that the Southern had been influenced in arrangement of its rates by a "coal trust."

Questioned as to Dulaney's allegation that coal traffic from the Appalachian fields of Virginia had been arbitrarily divided between 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 an attempt by the Southern to get a joint coal service over the Norfolk and Western to tide-water.

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

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

"We have heard so many eulogies in this case and the New Haven and Southern are so joined together by the same directors that I think we need more along that line," interjected the attorney.

General Counsel Thom for the Southern protested that such statements were unwarranted and unfair.

He said there were no common directors of the two companies.

Charles Douglas, an attorney for the independent operators, rigidly cross-examined President Harrison about his statement in that Dulaney was suffering from a "delusion of persecution." The attorney presented evidence to show that in 1903 Dulaney had offered to sell the Virginia and Southwestern railroad to the Southern for \$1,500,000 and three years later the Southern bought that 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 the voting trustees of the Southern, and that George F. Baker, jr., was the Southern director.

"You were in a better position to buy when McHarg was selling than when Dulaney was selling, weren't you?" inquired Mr. Douglas.

(Continued on Page Nine).

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