

Fair interior, probably rain on coast today. Stay late. Details on page two.

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GERMANY ACCEPTS DEMANDS OF UNITED STATES CALLING HALT TO HER SUBMARINE WARFARE, AMERICA IS ASSURED THAT PASSENGER VESSELS WILL NOT BE TORPEDOED WITHOUT WARNING

VON BERNSTORFF OFFICIALLY ANNOUNCES POLICY OF BERLIN TO UPHOLD NEUTRALS' RIGHTS

Washington Pleased Greatly at Recognition and Acceptance By Kaiser of Fundamental Principles For Which President Wilson Contended After Torpedoing of Lusitania.

ACT MAY BE DISAVOWAL FOR SINKING OF ARABIC

Ambassador's Statement That Submarine Commanders Were Ordered Not to Sink Ships Without Warning Taken In Light Responsibility For Loss of Arabic May Be Denied. U. S. Now Expected To Protest To England For Detaining Cargoes

Washington, D. C., Sept. 1.—Count Bernstorff, the German ambassador, on instructions from Berlin, today informed Secretary Lansing that Germany had accepted the principle that passenger liners should be warned before attack by submarines. He formally communicated this information in writing.

After a conference at the State Department, Ambassador Bernstorff sent Secretary Lansing this letter: "My Dear Mr. Secretary: With reference to our conversation of this morning I beg to inform you that my instructions concerning our answer to your last Lusitania note contains the following passage: 'Liners will not be sunk by our submarines without warning and without safety of the lives of non-combatants, provided that the liners do not try to escape or offer resistance.' Although I know that you do not wish to discuss the Lusitania question till the Arabic incident has been definitely and satisfactorily settled, I desire to inform you of the above because this policy of my government was decided on before the Arabic incident occurred. I have no objection to your making any use you may please of the above information. I remain, my dear Mr. Lansing, Very sincerely yours, 'J. BERNSTORFF.'

In connection with the letter Secretary Lansing made the following statement:

"In view of the clearness of the foregoing statement it seems needless to make any comment on it, other than to say that it appears to be a recognition of the fundamental principle for which we have contended."

Crisis Now Passed. On every side in official quarters there was a feeling of gratification that the submarine crisis had passed and that Germany had acknowledged the justice of the American contentions.

The German government's statement that before the sinking of the Arabic her submarine commanders had been ordered to sink no more passenger ships without warning may be taken as a disavowal of that act. It generally was acknowledged that in making concessions to the United States, Germany expects President Wilson to renew his representations to Great Britain against interference with neutral shipping. The president has steadfastly declined to conduct one negotiation in a relation to the other, taking the position that the diplomatic negotiations of the United States with one belligerent could not be conditioned on its relations with another.

The new American note to Great Britain making representations against the restrictions imposed by the orders in council is almost ready to go forward.

Secretary Lansing sent the communication to the White House and (Continued on Page Three.)

Press Comment

London, Sept. 2.—The London morning newspapers, while recognizing that President Wilson has secured an important concession from Germany with regard to Germany's submarine warfare express the belief that the President will not be content with it. The papers take the view that Von Bernstorff's note to Secretary of State Lansing indicates that Dr. Von Bethmann Hollweg, the German imperial chancellor, has a freer hand, and they express satisfaction over the improved outlook of the situation. "It is difficult to imagine," says the Daily Telegraph, "that President Wilson will accept Count Von Bernstorff's proposal since such a settlement would leave merchant sailors under the American or other flags still exposed to all the perils of submarine piracy. If there is any whitening away of the broad principle for which the United States has been contending the world will be confronted with more dangerous conditions at sea as a permanent message in time of war, for Germany has no monopoly of submarines."

The Daily Telegraph contends that nothing but a complete abandonment of Germany's submarine policy will be sufficient. It argues that international law recognizes no difference between passenger vessels and cargo boats, and says that the principle of non-combatants on board is as long as she had a warship or a merchantman at sea and only throw it over when British naval power asserted its sway by high seas measures. The Daily Telegraph says that while it is believed that Count Von Bernstorff is trying to obtain minimum terms it sees hope in the apparently illness of Von Ertels, the German Ambassador of Berlin.

The Daily Graphic says the announced German position is a greater triumph for Dr. Von Bethmann Hollweg than for President Wilson.

Admiral Von Tirpitz Ill. (By the Associated Press.) London, Sept. 1.—An Exchange telegraph dispatch says that Admiral Von Tirpitz, the German Minister of Marine, is reported ill from overwork and exhaustion, and an advice of his physician intells to leave Berlin for a holiday.

AUSTRIAN OIL WELLS FIRED BY RUSSIANS ON RETREAT FROM GALICIA



This remarkable photograph was taken shortly after the Austrians, by superhuman efforts, had driven the Russians from Boryslav in Galicia. The Russians after taking the town had used the oil wells to supply their army, and had almost drained them. The Austrian supply being cut off the army was in a dangerous situation. It became necessary to drive the Russians from the wells at any cost. They succeeded in this, but just as they left the Russians fired the wells. This photograph shows the prospect the Austrians faced when they had at last retaken the city.

PATH FOR PEACE OPENS AS RESULT OF GERMAN STAND

Cardinal Gibbons Granted Interview With President Today To Discuss War

WILSON IS EXPECTED TO BE RENOMINATED

Washington Believes Success of Negotiations With Germany Puts United States In Way To Bring About Agreement Between England and Kaiser On Freedom of Seas

Washington, Sept. 1.—A request made at the White House today on behalf of Cardinal Gibbons for an interview with President Wilson was regarded as significant in official and diplomatic circles in view of recent reports of the Pope's hope to bring about peace in Europe through cooperation with the heads of neutral governments. The interview was arranged for tomorrow afternoon.

Many officials here believe the success of the negotiations with Germany over submarine warfare places the United States in an advantageous position to bring about an agreement between Germany and Great Britain on the question of maintaining the freedom of the seas, which ultimately may pave the way to a discussion of peace terms.

At the White House the object of Cardinal Gibbons' interview was not disclosed, though it was indicated that he wanted to discuss the international situation.

J. Renominate Wilson. Indications were apparent here tonight that President Wilson's closest friends expect him to be renominated in 1916, and are laying their plans accordingly. The President himself, it was said authoritatively, however, is taking no part in such plans.

Gratification felt by the President over the action of Democrats in the Tenth Congressional District of Wisconsin in endorsing his administration was expressed in a letter from Secretary Tumulty which became public here tonight. A telegram to the President announcing the endorsement stated that it was voted "unanimously" at a mass meeting called "for the purpose of arranging for the campaign of 1916."

Senator James, author of the resolution adopted in Kentucky is one of the President's political advisers.

PEGOU, AVIATOR, HIT IN AIR BATTLE, KILLED

Paris, Sept. 1.—Reports of the death of Adolphe Pegoud, the famous aviator, have been officially confirmed. Pegoud, who was only 28 years old, served five years in the French cavalry, fighting in the Morocco campaign. At the outbreak of the present war he joined the aviation corps. His exploits won him the military medal and the military cross. He brought down his sixth German air craft July 11.

Details received concerning his death say that, unaccompanied, he was making a reconnaissance. When close to Petite Croix he attacked a German aeroplane and had fired several cartridge bands with his machine gun when a bullet struck him, killing him instantly. His machine fell inside the French lines.

Count Giolitti Died. Florence, Sept. 1.—Count Giolitti, former foreign minister of Italy, died today.

BUSINESS CONDITIONS BETTER, RESERVE BANK AGENTS REPORT

Slight Improvement Over Last Month Is Noted With Large Crops In Sight, Manufacturing Stimulated By Foreign Orders and Money Plentiful

(W. E. YELVERTON.) Washington, Sept. 1.—An encouraging summary and forecast of business conditions in the Fifth Federal Reserve District, particularly in the Carolinas, is contained in the Federal Reserve's monthly review made public today. Lumber and truck are hit hardest at present, while the cotton and wool markets are somewhat depressed. "In the Carolinas it seems to be widely appreciated that this year there can be no excuse for a repetition of the experiences of last fall. The knowledge that there are now at hand well organized agencies competent to assist in the gradual liquidation of cotton, free from undue pressure upon the farmers, has had a most steadying influence and will make for the marketing of the staple at prices subject only to the universal law of supply and demand, and freed from artificial or hysterical conditions. Banking facilities now available as a matter of routine will, in permitting the generous use of cotton as collateral when desired enable the grower rapidly to liquidate seasonal indebtedness to mature in the fall, and such a condition should make for the advantage not only of the banks and merchants immediately identified with cotton, but in turn with distributors of all kinds also have done business with the cotton section."

"Cotton spinning has been somewhat slower in that while many properties have been doing well, the majority has not fully met its expectations. "Some of the more Southern of our tobacco markets have opened at prices which seem to be satisfactory to all concerned, and better than have been expected in view of a very generous stock carried over from last year. The quality is better than was the case last season."

"From both the Carolinas come reports of satisfaction with the result of experiment in greater diversification than heretofore practiced. Well distributed rains insure the promise (Continued on Page Two.)

HANGING OF FRANK IS PROBED BY JURY

Famous Prisoner's Name Not Mentioned By Judge In Charge To Body

Marietta, Ga., Sept. 1.—The Cobb county grand jury drawn for the July term of court was charged today by Judge H. J. Patterson to investigate "the recent lynching in this county" and before the day ended had examined several witnesses for information they might have on the hanging of Leo M. Frank. At the rate the witnesses were handled it would seem that the jurors could finish with the thirty-five or more called in time to report tomorrow.

Judge Patterson was emphatic on three points in his brief and extemporaneous charge: That the crime should be thoroughly investigated; that this was not a special grand jury as had been reported and that the jurors were not "secret service men" and were not expected "to do detective work to perform their duties."

He said Cobb county never had needed a special grand jury, and inferred that the Frank lynching was not the sole cause of reconvening the jury that opened during the July term of court. The killing of a negro soon (Continued on Page Two.)

J. B. UNDERWOOD TO GET FAYETTEVILLE P. O. JOB

Fayetteville, Sept. 1.—J. B. Underwood will be Fayetteville's next postmaster. This information was conveyed to this city this afternoon by a telephone message from Congressman H. L. Godwin to Col. George McNeill.

Beyond the announcement no particulars as to when the nomination will be made or the appointment become effective are known here. Mr. Godwin said that Mr. Underwood was Senator Simmons' choice for the position.

EXCHANGE PLAYS FAST AND LOOSE AT LOWEST RATE

Pound Sterling Leads In Checker Board Moves of Foreign Bills Downward

Registering \$4.50 at Opening It Ealters Upward By Leaps and Falls, Dropping Back To \$4.54 Late In Afternoon. Francs Also Decline From 6.03 To 6.09

New York, Sept. 1.—Foreign exchange rates, led by the English pound sterling, played fast and loose today in checker-board moves over the lowest plane of values ever reached in this country.

From \$4.50 registered at the opening, sterling made its faltering way by leaps and jumps and falls to \$4.55 1/2 in the late afternoon and fell back at the day's end to \$4.54. Francs dropped at a single stroke from 6.03 to 6.09, reaching their lowest value. Lires hovered around 6.54, approximately 24 per cent below normal. Reichsmarks zigzagged between 80 3/8 and 80 5/8. The entire market was in convulsions, although the tendency toward hysteria lessened toward the close.

Big Bankers Calm. The big bankers, however, were inclined to calm, rather than hysterical. One foreign exchange expert said tonight he doubted if 10,000 pounds sterling had been bought in the market today. The widely divergent quotations at the opening and the close he ascribed purely to speculators. That view, however, was not generally accepted, and there were indications that there had been large dealings in small amounts after sterling had strengthened to 4.52.

For reasons not seen on the surface, optimism was more apparent tonight than analysis of the situation seemed to warrant. A persistent report prevailed that relief was in sight. It was said the delegation of British financiers sent to mend England's battered credit were almost within sight of land. The censor has suppressed all news of their sailing for New York, but it is thought they may be aboard the St. Paul, due to dock here tomorrow.

News Held Back. The censor, according to mail reports to newspapers here, recently has (Continued on Page Two.)

HUSBAND LATE, WOMAN SHOOTSELF TO DEATH

Washington, Sept. 1.—A report was received here this evening of the suicide of Mrs. Charles Rowton, of Columbia, who ended her life by shooting herself through the heart with a pistol. Death was instantaneous. It is said that she was expecting her husband on the evening train from Norfolk, or a message from him. In the presence of some friends Mrs. Rowton remarked that she would not wait any longer. She went to her home, undressed, got into bed and then fired the fatal bullet through her heart.

She was afterwards found dead by a young girl, Lillian Davenport, who was conveying to the dead woman a telegram from her husband, which directed her to hire an automobile, go to Macky's and take the train to Norfolk, where he would meet her. The telegram was received just one hour and a half too late.

LUTSK FORTRESS FALLS TO GUNS OF TEUTON ARMIES

Austrian War Office Announces Capture of Russian Stronghold In Poland

GERMAN FORCES NOW FURTHEST POINT EAST

Kaiser's Troops and Those of Dual Monarchy Are Reported Sixty Miles East of River Bug; Lutsk Is One of Czar's Great Triangle Forts Fifty Miles Apart

RUSSIANS LOSE MILLION

Berlin, Sept. 1.—(By wireless to Sayre.)—An official review of the eastern campaign as given out here today by the Overseas News Agency, estimates that since May 2 the Russians have lost at least 200,000 men, in killed or wounded, and 1,000,000 men captured by the Germans.

Vienna, Sept. 1.—via London.—The Russian fortress of Lutsk has been captured by Teutonic forces. It was officially announced today by the Austrian war office.

"The fortress of Lutsk is in our hands," says the announcement. "The 20th regiment of infantry, at the point of the bayonet drove the Russians from the railway station and entered the town at the same time with the enemy. The town yesterday evening was cleared of the enemy."

Lutsk is in the province of Volhynia, sixty miles east of the Bug, on a branch of the main line railway from southern Russia northward to Brest-Litovsk. It is one of the triangle of fortresses which lie about fifty miles from each other in this region, the other two being Dubno and Rovno. It has a population of more than 20,000.

Austro-German forces recently have been reported operating near Lutsk in their drive eastward from the Brest-Litovsk line and the Bug. So far as official reports have indicated that is the most easterly point on Russian territory reached by Teutonic forces. The capture marks the fall of the tenth fortress within a month under Austro-German attacks, beginning with the taking of Warsaw August 5.

RUSSIANS RETREATING IN PRIPET MARSHES

London, Sept. 1.—The fortress of Lutsk, which with those of Dubno and Rovno forms a fortified triangle on Russian territory just north of the Galician frontier, was captured by the Austrians today, according to the official statement.

(Continued on Page Two.)

War Summary

German submarines will sink no more passenger ships without warning and without safety of the lives of non-combatants on board, if the steamers do not try to escape or offer resistance.

Count Bernstorff, the German ambassador, has so notified Secretary of State Lansing. He also notified Secretary Lansing that Germany had accepted the principle that passenger liners should be warned before attack by submarines.

Continued Teutonic progress in the east is reported by Berlin and Vienna. Lutsk, a Russian fortress in southern Volhynia, near the Galician boundary, has been captured. The fortress has been driven into the outer line of forts west of Grodno, and the strenuous Russian resistance in eastern Galicia has been broken, and the town of Zborov captured, according to the Berlin and Vienna official statements.

In the last four months fighting in the East, 1,400,000 Russians, according to the German official estimates, have been accounted for. Of these 800,000 were killed or wounded, the rest being taken prisoners. This, according to Berlin, means obliteration of all the Russian troops engaged at the beginning of the Teutonic offensive in Poland and Russia—their places having since been filled by troops drawn from other regions and by unseasoned men.

Again the big guns of the combatant allied cruiser had sounded off work on the western front, but apparently with little damage to either side. On the Austro-Italian front there have been artillery duels, and some infantry attacks, but no gains of importance are recorded.

The French and British still are at grips with the Germans in Kamerun, West Africa. The allied troops, according to London, are vigorously on the offensive, and capturing towns and forcing the surrender of large numbers of their opponents.

Paris announces the capture of the island of Ruad, in the Mediterranean off the coast of Syria.