

WEATHER FORECAST.

North and South Carolina—Generally fair and decidedly colder tonight and Friday, with severe cold wave.

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WILMINGTON, NORTH CAROLINA, THURSDAY AFTERNOON, FEBRUARY 1, 1917

PRICE FIVE CENTS.

U.S. MAY BREAK WITH TEUTONS

BREAK WITH KAISER SEEMS INEVITABLE, "SUB" WAR TONIGHT

Notification That Germany Will Torpedo Neutral Ships Starting at 6 O'clock This Afternoon

SITUATION CANNOT REST UNCHALLENGED

Note Or Ultimatum Will Probably Be Sent Germany By United States Before Relations Are Severed.

(By Associated Press.)

Washington, Feb. 1.—After conferring with President Wilson for an hour, Secretary Lansing refused flatly to make any statement or to indicate what action had been decided upon as the result of the German submarine announcement.

Starts Tonight.

Paris, Feb. 1.—The notification that Germany and Austria would torpedo neutral merchant ships without notice beginning at 6 o'clock tonight, reached Paris too late for publication except in last editions of the morning newspapers.

(By Associated Press.)

Washington, Feb. 1.—After an hour's conference between President Wilson and Secretary Lansing, it became known today that the German situation is viewed with extreme gravity and that the American government had already begun to formulate definite steps.

It was regarded as not impossible that action of some kind had already been taken, but there was no indication of its nature. There also were indications that no announcement of the government would be made until certain steps had been taken through the Navy Department and the Treasury for safe guarding American ports and other interests.

COMMUNICATION SENT GERMANY

(By Associated Press.)—Washington, Feb. 1.—While all official information was withheld late this afternoon there were indications in official quarters that a communication actually had been sent or was about to be sent to Germany.

HOLLWEG THINKS TIME OPPORTUNE FOR "SUB" WAR

Speaking Before Reichstag Says Moment Has Arrived For Ruthless Plan.

SUBMARINES INCREASE TO GREAT EXTENT NOW.

Declares Conditions Are Already Critical in England and France That U-Boats Will Make it More So.

(By Associated Press.)

Berlin, Wednesday, Jan. 31. (Via London, Feb. 1.)—In his address today before the Reichstag committee Chancellor Bethmann-Hollweg explained why in March and May of last year he had "opposed unrestricted submarine war, and why again in September, according to the unanimous judgment of the political and military authorities, the question was not considered ripe for decision."

TWO WARSHIPS IN CHARGE OF FOUR CRAFT

(By Associated Press.)—New York, Feb. 1.—Four large steamships, having the appearance of passenger vessels and escorted by two warships were sighted January 29, off Sable Island, N. S., by officers of the Dutch steamship Zuidedijk, which arrived here today from Rotterdam.

ENGLAND THRILLED.

(By Associated Press.)—London, Feb. 1.—The German declaration of unrestricted war at sea has created a profound sensation in England where it was unexpected. All interest centers on the policy which neutral nations will adopt.

ALL EDUCATION BILLS REPORTED KILLED TODAY

Committee Could Not Agree So Combat Will Be Fought on The Floor.

GRANT AGAIN TO FORE IN BATTLE.

Made Fine Speech On Boiler Inspection Proposal—State-wide Bill For Cities Introduced.

(Special to The Dispatch.)

Raleigh, N. C., Feb. 1.—Five education bills that had as many different objects were brought into the House this morning and reported killed by the big joint committee on education, itself nearly half an Assembly.

These were the bills which were heard in joint committee meetings Tuesday afternoon and evening, the hearing of nine hours having resulted in a vote. A conference this morning of the committee eliminated all. The bill that came nearest receiving a favorable report was that known as the Oates bill, which nominates county boards, including minority party members, in Democratic primaries.

The House today passed a State-wide boiler inspection law, with \$5 fee attached to it, the salary of \$1,800 for inspector being paid by the boiler owners.

Grant, of New Hanover, again led debate today. He made admittedly the best speech of the many on the boiler inspection, that developed such unaccountable opposition.

An effort to table it while little was known about it failed and the Wilmington man rebuked those who wanted to know "upon whom falls the burden of inspection?"

"They would best ask upon whom falls the burdens of these preventable accidents," Grant exclaimed.

By Federal inspection statistics he showed an amazing reduction in fatalities and accidents. He undoubtedly (Continued on Page Eight.)

GERMAN VESSEL IS THOUGHT SCUTTLED

Teutonic Freighter at Charleston is Half Submerged—No Reason Given.

(By Associated Press.)

Charleston, S. C., Feb. 1.—The German freighter Liebenfels of the Hansa Line tied up since the outbreak of the war, began to slowly sink this morning with indications, marine officials said, that she had been scuttled. After gradually going down the stern rails were within a few feet of the water and her bow keel almost visible, the settling apparently was arrested. Whether or not she sinks she has been so badly damaged that it would take some time to make her seaworthy.

When it was observed the ship was sinking Captain Lockwood of the tug Cecilia pulled alongside and offered help which was declined by an officer of the Liebenfels. He gave no reasons for refusing assistance. It was believed that Captain Klattenthoff was not aboard. The Lascarew crew members were sent to their homes soon after the vessel tied up here in July 1914. Only five or six officers manned the vessel and aside from the captain they remained aboard when she began to sink today.

GREAT BRITAIN TO CONTROL SHIPPING ON BIGGER DEGREE

British Admiralty Orders Will Regulate Movement, It is Thought.

DEFINITE ORDERS ARE EXPORTED NOW

Scandinavian-American Liner, Booked to Sail, Postpones Trip—American Craft Will Sail Regardless.

(By Associated Press.)

New York, Feb. 1.—Although representatives here of leading allied lines said today the movements of their vessels would proceed as scheduled regardless of the German note defining a new naval warfare, it was understood on good authority that the movement of all ships will be controlled to even a greater degree than heretofore by orders of the British admiralty.

Prompt action was taken, however, by representatives of neutral lines whose vessels have been touching at Kirkwall and Falmouth for examination.

The Danish steamer Helligoan booked to leave today for Copenhagen was ordered to remain here until further notice. Similar action was taken by the Holland-America Line which has five ships in American ports.

Representatives of these lines expect definite orders soon regarding the future movement of their ships. From several shipping companies it was learned that they were doing nothing pending receipt of official orders.

Representatives of the Scandinavian-American Line announced late today that the sailing of the passenger liner Helligoan looked to leave at 2 p. m. today with 300 passengers and cargo for Copenhagen via Kirkwall, had been definitely postponed.

The American Line steamship St. Louis will sail Saturday as scheduled and no effort will be made to paint the ship in conformity with the regulations prescribed by the German government as a guarantee for the safety of the vessels flying the American flag, according to announcement today by the International Mercantile Marine.

After being sealed all night by a cordon of destroyers and coast guard patrol boats the port of New York was today opened by the customs authorities to all incoming and outgoing shipping.

The stand taken by the collector of the port was that ships could sail at their own risk. They were permitted to clear as usual.

Shipping Not Hurt. Newport, News, Va., Feb. 1.—The German prize ship Appam, the German steamer Arcadia and the Austrian steamer Budapest are tied up here. The Appam, claimed by both the British and the Germans, has been here nearly a year, and the other two steamers have been here since war was declared by Germany.

Shipping at this port will go on without interruption, according to British Vice Consul C. E. Kenworthy, announcement is simply an admission of what has been doing ever since war was declared.

Two British steamers, the Berwick law and the Leysian, both carrying supplies for the British left here today.

Guard is Increased.

New York, Feb. 1.—The neutrality squad of the customs office has been increased. German and Austrian ships valued at approximately \$50,000,000, tied up in New York, are being carefully watched. No unusual activity has been reported.

Up to noon but two ships had passed out, the British steamer Parima for West Indian ports, and a small American steamer whose name could not be learned on account of a heavy fog.

Guard German Steamer. Jacksonville, Fla., Feb. 1.—Chief Deputy Collector of Customs Bobbitt, of this port, today detailed a guard to watch the German steamer, Frieda Leonhardt, the only vessel interned here as a result of the war. It was announced that the steamer which is anchored in mid-stream will be brought to a dock where she can be watched more closely. After having lain idle for nearly two years, the Frieda Leonhardt was recently docked and thoroughly cleaned and overhauled.

GERMAN DECISION CAUSES CLOSING OF "LEAK" PROBE

WILMINGTON GIVEN ALMOST THIRTY THOUSAND. (Special to The Dispatch.)—Washington, Feb. 1.—United States Census Bureau has issued a report giving the estimated population July 1 last, of cities with over 8,000 inhabitants. Estimates of Wilmington's population are 29,892.

Investigation is Moved to Washington to Convene On Tomorrow.

EXCHANGE INQUIRY URGED IN RESOLUTION.

F. A. Connolly Again Insists That He Cannot Recall Names of Persons Telling Him of Expected Peace Note.

(By Associated Press.)

New York, Feb. 1.—On account of the international crisis the New York hearings in the "Leak" inquiry will close with today's session. The investigation will be resumed in Washington tomorrow afternoon at 3 o'clock.

F. A. Connolly again today insisted that he could not recall the name of any one who gave him any information about the peace note.

"His firm, Connolly said, was making a living," but not profiting greatly.

"Isn't it a fact, demanded Representative Campbell, Republican, that you recently laid out a great sum of money for an old country estate?"

"I laid out \$3,000 and my wife gave me half of the money," Connolly said. James R. Reilly, managing editor of the Wall Street Journal and the ticket service testified he put out the report of the coming of the peace note largely on a "tip" brought him by Harold T. Johnson, a reporter, that the President would issue a peace manifesto Christmas.

May Probe Exchange.

Washington, Feb. 1.—A resolution directing the attorney general to investigate transactions on the New York Cotton Exchange to ascertain whether they "are unlawful or in restraint of trade," was introduced today by Senator Smith, of South Carolina. He expects to discuss it later.

The preamble declares that complaints have been made that there is a practice on the exchange of buying and selling cotton below the local spot price and that this is demoralizing to domestic and foreign trade.

Tax Must Be Large Enough to Care For Needs For Next Two Years.

(Special to The Dispatch.)

Raleigh, Feb. 1.—The sub-committee working upon the revenue bill held one of its sittings yesterday afternoon and went over the multitudinous properties subject to the tax which must be raised to meet the grown-up demands upon the state for the two years ahead.

The committee had not gone far enough last night to say whether it will have anything unusual to use in revenue-raising. Already every indication of record demands this year has been given. The finance committee is regarded an exceedingly stony body and its Republican members are generally men of business. They have some tremendous calls upon the treasury if their bills get through.

The Workmen's Compensation Law was the special order last night before the Senate Judiciary No. 1 and the House Insurance Committees.

The Dalton-Brenizer bill, introduced in the House by Representative Dalton of Guilford, and the other law introduced by Senator Jones of Buncombe, were up for discussion. The hearing was set for 8 o'clock.

During the afternoon in the office of Insurance Commissioner James R. Young an executive meeting of the insurance committee was held. The workmen's compensation act is one of the big recommendations of the insurance commissioner but it is getting its bumps as they all do.

PROSPERITY IS STILL EVIDENT

Country-wide Continuation of "Plenty" is Shown in Report.

(By Associated Press.)

Washington, Feb. 1.—Continuation of country-wide prosperity with the expected mid-winter lull after Christmas is reported by the Federal Reserve Board in the monthly bulletin made public today. Reports by districts say:

New York—Evidence of growing disposition to exercise greater caution in making commitments by manufacturers and distributors for later in the year.

Richmond—Exports, bank clearings, railroad earnings and postal receipts show large increases and continue in full volume.

Atlanta—Manufacturers have orders far in advance. Trade conditions were satisfactory in January.

Dallas—Lull following holidays probably will continue until spring trade opens.

PATROL BATTLES ON FRENCH FRONT

Aerial Squadrons Bombard Railway Station and Enemy Storehouses.

(By Associated Press.)

Paris, Feb. 1.—Patrol encounters occurred at various points along the front, especially east of Rheims and in the region of Altkirch, says today's official communication. Elsewhere the night was calm.

Last night one of our aerial squadrons bombarded the railway station and enemy storehouses at Marchy and Voyennes, and also some barracks to the East of Nesle."

COTTON EXCHANGE DEBATES CLOSING

Augusta, Ga., Organizations Resolutions to Close During Warfare.

(By Associated Press.)

Augusta, Ga., Feb. 1.—The Augusta Cotton Exchange members today adopted a resolution providing that all exchanges be requested to close during the uncertainties caused by the German note.

No definite steps were taken here other than omission of the posting of spot prices.

steamer Borneo, anchored here since September, 1913, is the only representative of the Central Powers here. She came into port shortly after the war was declared and has made no effort to leave.

No Changes.

Paris, Feb. 1.—The Central committee of French ship owners informed the Associated Press today that the new German submarine policy will cause no change in sailings from France.

REVENUE ASSETS OF STATE VIEWED

"FIRST" STARTS HOME. (By Associated Press.)—San Antonio, Texas, Feb. 1.—The First North Carolina Infantry is scheduled to start for home from El Paso before night.