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THE BLACK FLAG OF GERMANY HURLS DEFIANCE AT FOES

GERMANY'S ULTIMATUM CAUSES STATE OF WAR OVER ALL OF EUROPE

MARTIAL LAW IS DECLARED AND STEAMBOAT NAVIGATION STOPPED

DESPATCHES ARE SUBJECT TO DELAY

A Strict Censorship On All Messages, Withholds Information of Movements Of Troops

(By Associated Press.)

London, July 31.—There are only two factors tonight giving the faintest hope of averting a general European war.

First, Russia and Austria are engaged again in direct negotiations. 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 mobilized, but cabinet councils which sat until late tonight, issued decrees establishing a moratorium and taking other action which could only be determined upon the issue of war. Unofficially the French army is being virtually mobilized.

A circumstantial, though as yet unconfirmed report, published in Rome says Germany is about to demand from both Russia and France the immediate cessation of mobilization. Yet another rumor is 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, as a precaution, have ordered the mobilization of their armies to protect their territory from being used as a highway for the belligerents and 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 participate in the struggle, there is little doubt that she is making ready for mobilization.

Communication across Europe has been cut off and there is 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 cable telegrams are refused. Many American travelers have been held up by the suspension of international trains.

The withdrawal of three famous German yachts from the Cowes regatta is significant. They include the emperor's motor and Krupp's Germania.

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

The war has been determined.

Facing the most perilous epoch in their history since they achieved victory by the defeat of a Napoleonic invasion, the English people are the calmest nation of Europe. Yesterday they felt 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, with the exception of a minority of peace advocates, the nation's mind is reconciled to war.

There have been no demonstrations, but there is apparent among all classes a sober and grim determination, if the government declares the nation's interests and obligations require that it take up arms side by side with Russia and France, to see the business through to the bitter end.

Ready For The Fray.

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 culmination and if the hour for a general settlement has struck, there will be no flinching.

The military situation stands where it did last night. The mobilization of naval forces has been completed and the navy is on a war footing except (Continued on page 3.)



Photo by American Press Association.

Heir to Austrian Throne Leads Nation's Army

Crown Prince Charles Francis Joseph, next in line to the Austrian throne after the assassination of Archduke Francis Ferdinand, which was the immediate cause of differences between Austria and Serbia, will succeed his great-uncle, Emperor Francis Joseph, on the throne. He will lead a large part of the Austrian army in the crisis.

"Black Friday" Witnessed a Wild Plunge in Cotton

(By Associated Press.)

New York, July 31.—Today will pass into history as cotton's "blackest Friday." In the brief hour or so that the market was open, before the board of managers announced an adjournment until 10 a. m. Tuesday morning three failures had been announced, one of them an important house in the street, prices had covered a wider fluctuation than in any similar period in the history of the exchange and the frenzy of trading in the ring was probably greater than anything ever seen here even in the strenuous days of the Bull campaign. Then the excitement was largely local. Today it was part of a world-wide apprehension and a dread of conditions which have not existed previously in a generation.

A Tremendous Slump.

The violence of the early trade may be seen from the fact that after opening 12 to 16 points lower the market steadied up a little and then sustained a perpendicular plunge of 300 points, or \$10 a bale on some of the new crop positions. At this time cotton was being thrown over in large quantities by Wall Street interests and by room long; in fact anyone who owned contracts seemed anxious to get rid of them at any price.

The announcement of the failures, coming at this time, only added to the uproar which was as close to a panic as anything the market has witnessed in its existence.

Loss Partly Recovered.

But when the selling movement reached its height big spot interests, who in at such times of extreme demoralization in the past, have come to the rescue sent in their brokers with unlimited buying orders and the collapse ended as quickly as it began. Shortly began a scramble to get back their cotton and when the market closed prices had recovered fully 100 points of their loss and were only about 55 to 70 points under last night.

Market Bullish.

At the lowest point today the market was \$12 to \$14 a bale down from the close of last week, and \$16 to \$18 under the highest figures of the season in June. The government report, issued after the close, made the condition 75% and was considered very bullish, as it was a reduction of 2.5 points from the ten year average. Should a general war be averted it was believed that these figures would

play a very important part when the market opens next Tuesday.

The market closed steady. Spot 6.50¢; 70; August 6.59¢; 61; September 6.66¢; 67; October 6.63¢; 65; November 6.47¢; 49; February 6.49¢; 55; March 6.55¢; 63.

Fishermen for Fighters.

St. John's, N. F., July 31.—The French cruiser Friant sailed tonight for France after coaling hurriedly. On the Grand Banks she will pick up 1,000 men of the French fishing fleet, and proceed to Brest, where the fishermen will be distributed among warships.

PREPARED FOR COMING WAR

FIVE MILLION DOLLAR ISSUE OF EMERGENCY CURRENCY AVAILABLE

FINANCES GOOD

National Banks Must Be Secured By United States Bonds For Not Less Than 40 Per Cent

(By Associated Press.)

Washington, July 31.—President Wilson and the administration acted promptly today to reassure the country against threatening financial dangers out of the European war situation. First the president took steps to complete immediately the organization of the federal reserve board, so the new currency law may become effective.

Secretary McAdoo, expressing approval of the closing of stock exchanges throughout the country, announced that a \$500,000,000 issue of emergency currency waiting at the treasury department would be made immediately available to national banks.

To make more easily accessible this emergency currency, authorized by the Aldrich-Vreeland act, the senate late today, as Mr. McAdoo's suggestion passed unanimously an amendment to the currency law modifying the clause providing that banks of national currency association to avail themselves of the issue, must have outstanding currency notes, secured by bonds of the United States to an amount not less than forty per cent of the capital.

The amendment would give the secretary of the treasury authority in his discretion to ignore restriction. It will be passed early tomorrow by the house and probably will be signed by the president before night.

To hasten perfection of the federal reserve board, it was made known at the white house that President Wilson would send to the senate tomorrow his choice of a successor to Thomas D. Jones, of Chicago, whose nomination was withdrawn. The tense situation also brought to immediate action Paul M. Warburg, of New York who for weeks had been holding back from an examination by the senate committee on banking and currency. Mr. Warburg notified the president he would come to Washington at once and telegraphed Senator Owen, chairman of the committee that in deference to the president's urgent request and in view of the seriousness of the present emergency he had decided to waive all personal considerations and was prepared to appear before the committee at a convenient date.

After another exchange of messages it was arranged that Mr. Warburg should appear before the committee tomorrow afternoon. In the meantime the name of the other member will be submitted to the senate. Tonight it was believed that Edwin A. Potter, a Chicago banker and a republican would be chosen.

Official Washington was unusually optimistic regarding the general financial outlook in the United States. Secretary McAdoo had no worries over the exportation of American gold, though he approved heartily the closing of the stock exchanges in order to check it. He referred to the patriotism of the bankers of the country, who, he felt assured, would not permit exchanges that would be disadvantageous to the nation.

"America is in a position to take care of herself," the secretary said. (Continued on Sixth Page.)

J. P. MORGAN & CO. STILL HOPEFUL

Cling To the Belief That a General War May Yet Be Averted

(By Associated Press.)

New York, July 31.—J. P. Morgan today issued the following statement: "Alarming as the news is from Europe, we are still hoping that there will not be a general war."

"The situation of the American security market during the past few days has been a splendid illustration of the inherent soundness of financial conditions in this country. While we all earnestly hoped that the New York stock exchange might be kept open, it seemed necessary in the interest of the whole country to close the exchange."

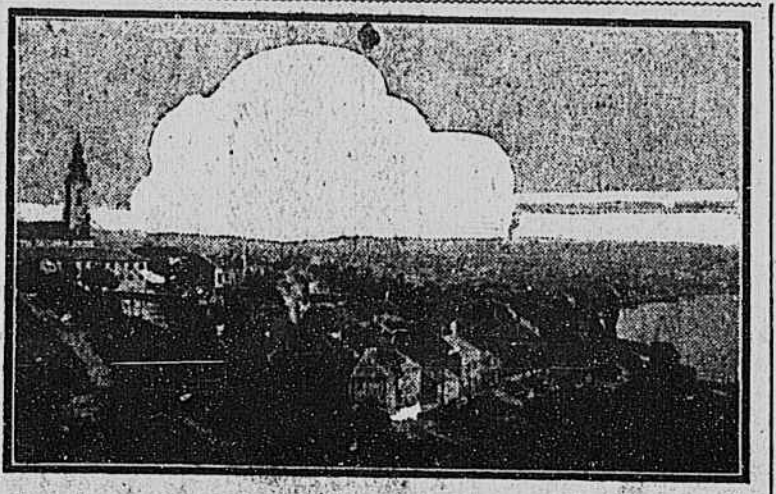
"Bear in mind that the actual properties represented by American securities will not suffer greatly by a European war."

"It is idle to say that America will not be hurt by a general European war. There is no doubt that the whole American people will cooperate to restore normal conditions throughout this country at the earliest possible moment."

Killed by Train.

Spokane, S. C., July 31.—The Rev. W. Norwood Tillman, an Episcopal clergyman of Washington, D. C., was killed tonight at Morganton, N. C., while attempting to board a moving train.

WORLD'S MARKETS CLOSED FOR INDEFINITE PERIOD TO AVOID COMPLETE RUIN



Belgrade, the Serbian Capital. Belgrade, which King Peter of Serbia hastily abandoned, is separated from Austria so only by the river Danube. Close to the Danube is a fortress, part of which crowns a hill 150 feet high.

We Will Wipe Bleasism From The Face of Earth

Was the Earnest Statement of Mr. Pollock in Columbia—Predicts a Majority of From 20,000 to 30,000 for "Law and Order"

Special to The Intelligencer.

Columbia, July 31.—About 50 members of the state democratic convention in May met at the Jefferson hotel Friday at noon in response to a call issued by the Alken county democratic delegation. After the reports were received from the different sections of the state it was decided that no steps toward elimination of anti-Bleasism candidates for governor were necessary. The consensus of opinion being that "Bleasism is already defeated" and that "the overwhelming majority of the people of South Carolina are opposed to Bleasism."

It was emphasized by the Alken county delegation that it was never the intention to interfere with the free choice of the people of the State in the primary election. It was stated by the leaders in the conference that it was not the intention of the movement to force any man out of the race for governor, but that the matter of elimination should be left to the volition of the candidates. There was not a candidate for governor present at the conference.

Responding to cries of "Pollock," Mr. W. G. Pollock of Cheraw, whose name is now well known throughout South Carolina from the brilliant fight he is making in the race for the United States Senate brought the conference a message of good cheer. "I have been in 30 counties, along the coast and extending to the foot of the mountains and my positive belief is that Cole Bleas will not carry a single one of them" he said amid cheers.

Telling of his ambition to represent South Carolina in the United States Senate, Mr. Pollock said he had been actuated by a higher motive than this in entering the race and that motive is to confer a man's part in redeeming South Carolina from the reign of lawlessness which has disgraced her for the last three and one half years and to bring her again to that place she formerly occupied and to re-enthroned righteousness, law and order in the State.

Saying he appreciated the privilege of addressing such a patriotic assembly, the senatorial party was in the lower part of the state and Governor Bleas was getting such cold comfort he kept saying, "wait till we reach the Piedmont." When we got there Mr. Pollock said the revolt was still more pronounced against Bleasism. "At Newberry I saw forty badges of socialism and nihilism torn from the breasts of men and trampled into the dust after they had heard Bleas's record," he stated amid tumultuous cheering. Saying when they penetrated further into the Piedmont section, the sentiment continued growing against Bleasism. Mr. Pollock declared that he did not believe any majority that the Governor in Anderson county would not be as much as 250, and it disgraced itself two years ago by giving Bleas a majority of over 2,000 and Mr. Pollock said he did not believe Anderson county would go for him at all. He said his informa-

tion was that "Bleas would lose Laurens county" and gave it as his opinion that the sweep against Bleasism would be complete.

"I have the privilege of telling the people what Bleas is, and what he stands for," he continued, saying that the people could be trusted now as always and that their "eyes were being opened." Showing how he carried the fight straight to the people, the Cheraw man told the conference that the masses of the people were stirred and that "the great majority of them will never again record their vote for Bleas and what he stands for."

Mr. Pollock said that he knew that thousands in South Carolina had hearts that beat in unison with his, but he understood the situation and "that they were going to vote for another man for Senator. God speed them in their good work for the State." He said that he would have the consciousness of duty well done in playing a man's part in helping to redeem South Carolina and that that would be compensation enough.

"Not with the air of a bragger," he (Continued on Sixth Page.)

BLEAS IS GONE IS THE OPINION Meeting in Columbia Yesterday Concluded That He Has Lost Race For the Senate

Columbia, July 31.—That Bleasism is already overwhelmingly defeated in South Carolina and that the democracy of the state can be depended upon to vote for the candidates who will stand for law, order and decency as opposed to the lawlessness, "which has disgraced South Carolina for the past three and one-half years," was the substance of a resolution drafted and adopted by delegates representing the anti-Bleas forces of the state, which met here today.

Resolutions offered by George W. Croft, member of the Alken delegation, were adopted without a dissenting voice. The following is the last section of the resolutions:

Whereas, it was the judgment of those assembled that the overwhelming majority of the people of South Carolina is opposed to Bleasism, and Bleasism is already defeated, and

Be it resolved, by the delegates to the recent state convention from Alken county that we do not deem it further step toward a selection of a necessary or expedient to take any proper and suitable candidates for governor, but we call upon the manhood of South Carolina to join with us in going to the polls and laying aside if necessary their personal preferences and in casting their votes for the honor and good of our state and for the candidates who appear to be the most available to overwhelmingly defeat Bleasism August 25th.

MANY PROMINENT WALL ST. BROKERS ARE FORCED TO THE WALL

"BLACK FRIDAY" ON THE EXCHANGE

New York Market Witnesses the Greatest Panic in Its History—Cotton Declined \$10.00 Per Bale

(By Associated Press.)

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 with the London market following suit today, the New York stock exchange would have been called upon to bear the weight of the world's financial burdens. It virtually had done so all week, for while the London market was open, transactions were nominal. The unloading of stocks here by panic-stricken Europe during the last four days and the consequent collapse of prices made history in Wall Street.

To continue longer to bear the burden, in the opinion of the bankers, whose influence determines the course of events in the street, would have been hazardous in the extreme. After a period of hesitation and extreme nervous tension, 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. All the other American exchanges also closed.

Immense Failures.

As it was, there were four assignments, three of them announced on the cotton exchange. The firms are Flower & Company, bankers; S. H. F. Pell & Company, stock, cotton and grain brokers; Homer, Howe & Company and F. J. Frederickson & Company, both cotton brokers. With the exception of Flower & Company, the assignments are understood to have been caused by the recent extreme decline in cotton operations. Pell & Company were reported to have been the leading firm on the long side of the cotton market and to have been caught with enormous commitments on their hands when the break came. Flower & Company, who are not members of the cotton exchange, are said to have been embarrassed by the break in stocks. No statement of assets and liabilities were issued by any of the firms involved.

It was the impression tonight that the worst of the storm had passed. George W. Ely, secretary of the stock exchange, said there was no indication of trouble from any other quarter. New York's leading bankers asserted unanimously that the position of the banks were sound. How long the stock exchange will be closed is a matter of conjecture—the answer depending upon the course of events abroad.

Closed Indefinitely.

"If a general European war should come," said one member of the governing board, "the exchange may be closed all summer."

Banking business was not greatly deranged and there was no loss of confidence as to the outlook in that direction, but dealers in foreign exchange were virtually abandoned.

The events of the morning gave precise Wall Street one of its rare hours of pure drama. Last night it was assumed everywhere that the stock exchange would be open today. When word came that the London market had been closed uneasiness grew until it was realized that Wall Street was face to face with a real crisis. It was obvious that, should the exchange open, an avalanche of selling orders would be thrown in from Europe. Brokers had on hand buying orders for a large amount, from investors desirous of taking advantage of the unusually low prices.

Execution of these orders, it was thought, might hold the market for a time. After that it was anyone's guess what would happen.

At 3:30 o'clock, half an hour before the time for opening, it was generally

(Continued on Page 3.)