

The Watchman and Southron.

THE SUMTER WATCHMAN, Established April, 1840.

"Be Just and Fear not—Let all the ends Thou Aims't at be thy Country's, Thy God's and Truth's."

THE TRUE SOUTHRON, Established June, 1866.

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The Russians Claim a Mighty Success in Galicia

Czar's Forces Capture 17,000 Prisoners and 14 Machine Guns in Battle on Sereth River, Driving Enemy Backward.

Austrian Capital Surprised at Action of United States in Demanding Recall of Ambassador—State Department Not Satisfied With Explanation Submitted From Berlin on Arabic Sinking and Will Send Note to Germany Stating United States' View—Little Change in Southern and Western Battle Fronts.

Petrograd, Sept. 10.—There is great rejoicing over the Russian victory in Galicia. It is officially reported that the Russians captured seventeen thousand prisoners, fourteen heavy guns and nineteen light guns in the week's operations on the Sereth river. The Germans retreated to Strypa, hotly pursued. A German aircraft squadron attacked Riga Wednesday night but was driven off before doing serious damage.

AUSTRIANS GREATLY SURPRISED.

Demand for Recall of Ambassador Dumba Creates Sensation in Vienna. Amsterdam, Sept. 10.—A dispatch received today states that the demands of the United States on Austria to recall Ambassador Dumba was received with great surprise there. Immediately on the receipt of the American note Foreign Minister Burian conferred with Emperor Franz Joseph. It is stated that Austria will recall Ambassador Dumba, but it is improbable that a successor will be appointed at present, affairs at Washington being left in the hands of embassy attaches.

German Spy Executed. London, Sept. 10.—A German spy was executed by shooting this morning. A Geneva dispatch reports that spies are being arrested in all parts of Switzerland.

ARCHIBALD PLEADS IGNORANCE.

War Correspondent Who Carried Dumba's Letter Says He Was Deceived. Chicago, Sept. 11.—James Archibald, the American war correspondent who carried the letter which resulted in the American demand for the recall of Austrian Ambassador Dumba has called a full defense of himself from Falmouth, England, asserting that he had no knowledge of the contents of the letter that Dr. Dumba was sending to the Austrian headquarters through his kindness. He thought it asked the Austrians to grant him privileges at the front.

BERNSTORFF NOT INVOLVED.

He Denies Using Archibald as Messenger to Germany. New York, Sept. 11.—An emphatic denial was made today by German Ambassador von Bernstorff that he used Archibald as a message bearer to Berlin. "I did not think it safe," said Mr. Bernstorff.

New York, Sept. 11.—The Evening Sun publishes an interview this afternoon with German Ambassador Bernstorff, who is quoted as saying that if there is a break in diplomatic relations between United States and Germany it will be followed by war. Germany has made important concessions in differences to United States. Ambassador Bernstorff is quoted as saying, "In agreeing that no passenger ships will be submarined unless there are attempts to escape or ram the ship. This was achieved by diplomacy. If diplomatic relations are broken, submarine commanders will be instructed to sink everything they see. Of course this would mean war within two or three days."

NEW RUSSIAN CABINET.

Reactionaries to Be Retired and Coalition War Minister Formed. Petrograd, Sept. 11.—The Russian cabinet resigned today and a coalition cabinet is being formed, which will include some former cabinet members. But it is expected that Premier Gorevkin, who has always been regarded as Bureaucrat and a reactionary will retire from active service. Minister of War Polivanoff and Foreign Minister Sazonoff, also are expected to be retired. It is reliably reported

that the Czar has been planning these changes for over a month. The new cabinet will be known as the "war ministry." A munitions minister will probably be added.

SERBIA THREATENED AGAIN.

German Force on the Frontier and Attack Expected. London, Sept. 11.—A dispatch from Budapest announces that a German force has reached the Serbian front, and they are about to open an attack on the Servians.

BRITISH STEAMER SUBMARINED.

London, Sept. 11.—The British steamer Cornubia was submarined last night. The crew was saved.

BERNSTORFF AND LANSING CONFERENCE.

Refuse to Give out Information, but Rumored That Arbitration Will Be Resorted to. Washington, Sept. 13.—Ambassador Bernstorff conferred for thirty-five minutes with Secretary Lansing today. Neither would state what took place at the conference. Asked if things were at a deadlock Ambassador Bernstorff said "No and they never will be while I am alive." A report circulated this afternoon after the conference that the United States had agreed to arbitrate the question of liability arising from the Arabic case.

WILL DEMAND ARBITRATION.

Germany Will Insist That Arabic Case Be Submitted to Hague. Washington, Sept. 13.—That Germany will insist that the question whether the Arabic, which was submarined, was a hostile vessel to German submarines, be submitted to arbitration became known today on the highest authority. Ambassador von Bernstorff will make such representations to Secretary Lansing today, probably about noon.

VON PAPAN TO GO.

Washington, Sept. 13.—That Capt. von Papan, the military attache of the German embassy, will be sent home immediately, if Secretary Lansing tells Ambassador Bernstorff he desires it, was announced at the German embassy today. Capt. von Papan is desirous of joining the German army. The United States will be asked to furnish him a safe conduct.

ARTILLERY DUEL CONTINUES.

Paris, Sept. 13 (Official).—The great artillery duel continued today. The German infantry attacked on the Lorraine front last night, but were dispersed by the French trench rifles. Numerous grenade attacks by the enemy near Bethune and Arras highway were repulsed.

ZEPPELIN RAID ENGLAND.

London, Sept. 13.—Zeppelins raided the English east coast last night, dropping bombs at several places. It was officially reported this afternoon that there were no casualties.

AUSTRIAN SHIP TORPEDOED.

Rome, Sept. 13.—A French submarine torpedoed an Austrian destroyer in the Adriatic today. The latter was seriously damaged.

CZAR GOES TO FRONT.

Petrograd, Sept. 13.—The Czar has gone to the front, and the reorganizations of the cabinet will await his return, but it is expected that within a week the ministerial slate will be completed.

RUSSIANS ATTACK TOWN WITHOUT SUCCESS.

Berlin, (Wireless Official), Sept. 13.—Several Russian hydroplanes attacked and tried to sink a small German cruiser off Windau this morning, but failed. One machine was shot down and the occupants captured.

BERNSTORFF GOES TO CAPITAL

GERMAN AMBASSADOR RETURNS TO WASHINGTON.

Despite Growing Concern Diplomat Feels That Situation Will Work Out Satisfactorily.

Washington, Sept. 12.—Count von Bernstorff, the German ambassador, returned to Washington today for an initial informal discussion with the American government supplementary to the note from the Berlin foreign office regarding the sinking of the Arabic, with the hope of paving the way for formal negotiations for adjustment of the situation growing out of the loss of American lives in the tragedy. He expects to see Secretary Lansing tomorrow.

The ambassador is optimistic despite the growing serious concern here caused by the receipt of a disappointing note from Germany on the Arabic and the request for the recall of Ambassador Dumba. It is held in German circles that the Arabic note is in accord with assurances already given the state department and confidence is felt that an agreement can be reached for arbitration of the question of reparation.

High officials were silent again today regarding the entire situation. President Wilson and Secretary Lansing are considering the testimony of Arabic survivors that the Arabic was torpedoed without warning, in connection with the German explanation that the submarine commander thought he was about to be attacked. The German memorandum on the Orduna case reached the state department during the day, but was not deciphered in time for consideration.

Nothing had been heard officially from Vienna today regarding Dr. Dumba.

So far the administration has taken no step toward acting against Austro-Hungarian Consul Gen. Von Nuber at New York and Capt. von Papan, the German military attache, involved in Dr. Dumba's plans.

TOBACCO PROFITS REDUCED.

South Carolina Crop is Large but Prices Have Been Very Low.

Columbia, Sept. 13.—Commissioner Watson stated last night that the August report of tobacco sales in the several markets of South Carolina would be issued from the department of agriculture for publication Tuesday morning next.

He stated that the report would show an increase over the sales of August, 1914, of over 5,500,000 pounds, but notwithstanding this increase and a total of over 25,000,000 pounds marketed, and the fact that nearly \$1,750,000 has been put in circulation, the growers, because of the smaller price per pound, had received over \$70,000 less than they did for the August crop of last year. The average price per pound last year was 11.02 cents. This year during August the price does not average quite 8 cents.

TWO NEW BATTLESHIPS.

Plans Signed by Daniels for Powerful Fighters.

Washington, Sept. 10.—Plans for two new battleships authorized by the last congress were signed today by Secretary Daniels. They will be the largest and most powerful ever designed for the American navy, and in addition to formidable main batteries of twelve 14-inch guns, will be provided with new safeguards against torpedo attack and anti-aircraft guns.

Bills will be open November 17 for construction of the ships.

The ships will displace 32,000 tons. They will have four submerged torpedo tubes, secondary batteries of twenty-two 5-inch guns and four 3-inch rifles for repelling air attacks. The length will be 624 feet over all, breadth 97 feet 8 inches and draft of 30 feet. The cost of each vessel exclusive of armor and armament is limited to \$7,800,000.

GREAT LOAN ASSURED.

Anglo-French Financial Commission Expect to Obtain Half Billion.

New York, Sept. 11.—The Anglo-French financial commissioners are today holding informal conferences with American financiers. They are already assured of obtaining a loan of a half to three-quarters of a billion dollars. They will be the week-end guests of J. P. Morgan at his home on Long Island. No formal conference will be held until Monday. They state they will deposit "ample securities" for all advances made. Financial institutions throughout the United States will be asked to participate in the loans.

RELATIONS NEAR BREAKING.

GERMAN AND OTHER AUSTRIAN MINISTERS INVOLVED IN DUMBA INCIDENT.

Seems Probable Now That Ambassadors from Austria and Germany and Other Officials Will Be Dismissed—Outlook Seems to Indicate That Diplomatic Negotiations Will Be Broken Off—United States Waits for Further Information from Berlin, Before Sending Note on Arabic Case.

Washington, Sept. 10.—President Wilson's request for the recall of the Austrian ambassador, Dr. Constantin Theodor Dumba, has broadened into a situation involving Capt. Franz von Papan, the military attache of the German embassy; Alexander Nuber von Perked, the Austrian consul general in New York, and possibly Count von Bernstorff, the German Ambassador. The official view is that the ambassador, although technically involved, is not so seriously concerned as the military attache or the consul general. It is not unlikely that both of the latter may be recalled or dismissed from the country.

Coupled with Germany's disappointing and unsatisfactory explanation of the sinking of the White Star liner Arabic, after Count von Bernstorff had given assurances that full satisfaction would be given if it were established that a German submarine sank the ship, official Washington views the friendly relations with the Germanic powers strained more towards the breaking point than ever before.

Hopes that the submarine crisis had been safely passed and that a break between Germany and the United States could be avoided were dispelled today by misgivings. Talk of the possibility of breaking diplomatic relations was heard again, although this time it involved both the Germanic powers, on the theory that Austria, after having her ambassador virtually dismissed from the country, might stand with her ally in relations with the United States.

Unofficial reports that a second note had been started from the Berlin foreign office for Washington furnished about the only basis of optimism in official quarters, so far as the submarine controversy was concerned. There was no official intimation that another communication was on the way, but the American reply to the Arabic note probably will be delayed until officials can learn whether to expect anything additional from Berlin.

It may be stated, however, that if nothing comes in the nature of a modification of Germany's explanation, an American note will reach Berlin probably early next week which will set forth the views of the United States in a brief and unmistakable manner.

Germany's declaration that while she regrets the loss of Americans she recognizes no liability for indemnity even if the submarine commander was mistaken in believing the Arabic was about to attack him and practically offering to arbitrate the principle is regarded in official circles as leaving the whole submarine question about where it was left by the Berlin government's unresponsive attitude towards the Lusitania negotiations, and in remarkable contravention of the favorable view which state department officials had been led to take by the statement of the German ambassador.

The president spent most of today going over the German note. No official comment was made at the White House or state department, but disappointment was undisguised.

Capt. von Papan is involved in the Dumba case because he forwarded by James F. J. Archibald, the American correspondent, traveling under an American passport, a personal letter in which he made offensive statements about American officials.

Moreover, Ambassador Dumba's letter to the Vienna foreign office, found on Archibald, mentioned von Papan as having approved what the State department in its note to the Austro-Hungarian government characterized as a conspiracy to cripple the legitimate industries of the United States. Consul General Nuber is drawn into the case because the Dumba letter disclosed that he was connected with the strike plan.

High officials indicated today that the government would take steps against the editor of a Hungarian newspaper in this country from whom a memorandum was included in the Dumba letter outlining carefully prepared plans for putting into effect the scheme for handicapping munitions plants.

BANDITS KIDNAP RANCHMAN.

AMERICAN HELD IN MEXICO FOR RANSOM.

United States Soldiers Will go After Prisoner if Whereabouts is Ascertained.

Washington, Sept. 10.—State and war department officials were aroused today over the kidnaping of an American citizen by Mexican bandits at Columbus, N. M. John Lowenbuck, a ranchman, was seized by a band of Mexicans said to be soldiers, carried across the border from Columbus and word sent back that he was being held for a \$2,000 ransom.

Information of the incident communicated to the war department was taken up with Secretary Lansing, who sent representations to Gen. Villa demanding that the ranchman be released.

The administration has reports indicating that Gen. Villa is losing control of some of his forces in northern Mexico and that many soldiers have formed beligerent bands.

Assistant Secretary Breckenridge of the war department conferred with Secretary Lansing about the situation. It was stated that no orders had been sent to American commanders on the border. There was, however, an intimation that United States forces would not hesitate to cross the border to rescue the American if his whereabouts could be ascertained.

CAPT. GONZALES IN CAPITAL.

Minister Tells of Cuba's Good Condition Owing to Sugar Crop Revenue.

Washington, Sept. 10.—William E. Gonzales, American minister to Cuba, held a conference today with Secretary Lansing. Mr. Gonzales discussed department business with Mr. Lansing and tonight, accompanied by Mrs. Gonzales, left for Linville, N. C., where they will remain until October 15.

Mr. Gonzales said Cuba is in an excellent financial condition. This he thinks is attributable to the good prices obtained for the sugar crop. The revenue obtained from this year's sugar crop was approximately \$65,000,000 in gold above the price received for last year's crop.

Before leaving for North Carolina Minister Gonzales called on Paymaster General Sam McGowan and Civil Service Commissioner Galloway.

QUIET ON BORDER.

Gen. Funston Reports That He Has Situation in Hand.

Washington, Sept. 11.—Summarizing conditions on the Texas border in a telegraphic report to the war department today Gen. Funston stated that he believed all danger of further raids has passed. Two full regiments of cavalry and infantry making up a force of twenty thousand are now distributed from El Tigre Arroya to the Gulf of Mexico. Gen. Funston reported that the raiders are mostly professional bandits and horse thieves.

DRANK WOOD ALCOHOL; DEAD.

Two Die and One Seriously Injured as Result of Drinking Poison.

Birmingham, Sept. 10.—P. A. Glover, a lawyer and wife are dead, and C. N. Boyd is seriously injured as a result of drinking wood alcohol, thinking it grain, a substitute for whiskey.

Count von Bernstorff is involved technically because Archibald carried a letter for him, but as it was a copy of a statement previously made to the ambassador by Secretary Lansing, wholly of an innocuous character, officials do not regard the German ambassador's status in the affair as approaching that of his military attache or the Austrian consul general.

It is quite probable that until the Vienna foreign office replies to the request for the withdrawal of Dr. Dumba nothing further will be done in this case or in the cases of von Papan or Nuber. If the receipt of documentary evidence bears out the information now in the hands of the state department, officials would not be surprised to see both men withdrawn by their home government, or as a final resort, dismissed from the country.

The fact that von Papan's letter was a personal one would not alter the situation. Secretary Lansing said that the state department regarded the use of American passports for carrying any sort of communication through the lines of the belligerents as an abuse of the document.

DOMINATE MONEY MARKET.

FEDERAL RESERVE BOARD TAKES LONG STEP.

Issues Revised Regulations to Permit Renewal of Bankers' Acceptances—United States Banks to Finance International Trade.

Washington, Sept. 10.—The time has come, in the opinion of the federal reserve board, when the American dollar should take a dominating place in the financial markets of the world, and when American or dollar exchange should become the medium through which the millions of exports and imports of the United States are paid. Upon the field for American exchange the board today issued revised regulations governing the rediscount of bankers' acceptances by federal reserve banks, providing among other things that under certain conditions such acceptances may be renewed. In explanation of the new regulations, the board tonight issued a statement which said:

It has been the aim of the board everything in its power to create the American acceptance, that is dollar exchange, a dominating position in the world market. Present conditions offer in this respect a great opportunity. In widening somewhat the facilities of federal reserve banks in dealing with American bankers' acceptances the board is attempting to give the members banks a larger opportunity for developing their sphere of usefulness in this respect.

"The United States should now do what Europe has done for many generations for the United States, that is to say, the bank facilities of the United States should be used for the carrying of import and export transactions for foreign countries just as much as Europe up to now carried by its acceptances the import and export transactions of the United States. In order to do this with the exchange market disorganized it was thought that it would facilitate foreign transfers if liberal conditions should be allowed for the renewal of such drafts so as to enable these foreign countries to have ample time to procure the necessary cover against the acceptances drawn by them."

Members of the board said there is no connection between revision of the acceptance regulations and the visit of the Anglo-French commission to the United States to take up exchange problems with American bankers.

It was pointed out today, however, that the new acceptance regulations might facilitate the credit loan sought by the Anglo-French commission. The board has liberalized conditions so that foreign and American bankers may use a part of the resources of the federal reserve system in taking care of purchases made here for exportation.

On the last day the condition of the 12 reserve banks was published, they had combined resources in gold in their vaults of about \$209,000,000. If American bankers decided to extend credit by indorsing or accepting drafts on Europe they probably could rely on rediscounting these drafts with federal reserve banks to the value of many millions.

No regulation has been made by the board fixing a maximum sum or percentage up to which reserve banks may invest in this kind of paper, and the only declaration of policy in this respect has been that the banks could consider not only local demands, but also requirements in other districts and that they should "watch carefully the aggregate amount" of acceptance held from time to time.

If American bankers decide to extend credit in this way the \$209,000,000 resources of the reserve banks could be more than doubled in working value if the banks or firms which rediscount the acceptances elected to take federal reserve notes instead of book credits. The reserve act requires only a 40 per cent. gold reserve against federal reserve notes issued so that in reality federal reserve notes amounting to more than \$500,000,000 could be issued against existing federal reserve bank gold resources of more than \$113,000,000.

PRIZE FIGHT TONIGHT.

McFarland and Gibbons Both in Perfect Condition.

New York, Sept. 11.—Packey McFarland and Mike Gibbons are both in perfect fighting condition for the fight tonight to decide who is the better middleweight boxer. It is predicted that if the weather is clear thirty thousand or more spectators will see the fight. The betting today is five to four with Gibbons the favorite.