

Germany Formally Declares War Against Russia Great Britain and France Drawn Into the Vortex

THE DIE IS CAST AND EUROPE IS ABOUT TO BE PLUNGED INTO A GENERAL WAR WHICH HAS BEEN THE APPREHENSION OF STATESMEN ON BOTH SIDES OF THE ATLANTIC FOR GENERATIONS; FIRST SHOTS EXCHANGED

AFTER THE WARLIKE SPEECHES OF KAISER WAR WAS EXPECTED

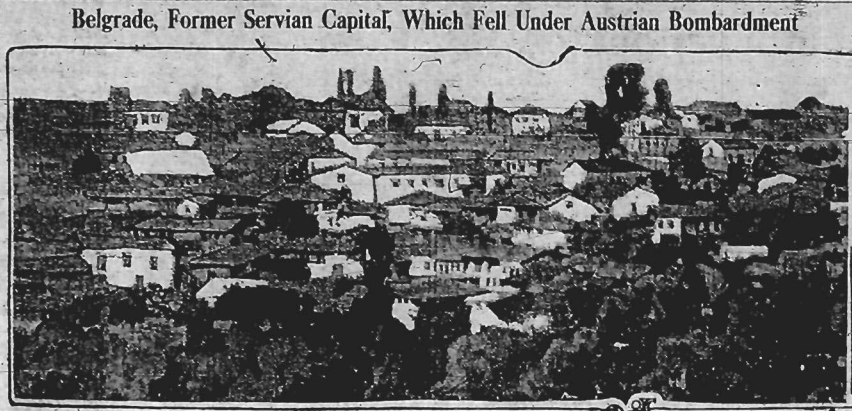
Actual War Between France and Germany Will Come.

FRANCE MOBILIZES TODAY

German Ambassador Was Preparing Last Night to Leave the French Capital.

ITALY REMAINS NEUTRAL

This is the Only Preceding Feature of the Darkest Prospect With Which Europe Has Been Faced for Half a Century.



Belgrade, Former Servian Capital, Which Fell Under Austrian Bombardment

OPTIMISTIC FEELING HELD BY GREENSBORO BANKERS ON FINANCE

No Need for Alarm About Business Situation.

THE CONDITIONS ARE GOOD Observations Made by W. E. Allen and R. G. Vaughn on the European War.

ABUNDANT OF RESOURCES

Business Men Should Take Matter Calmly and Go Straight Ahead—Thompson Says Action of Trade Was Hysterical.

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STEPS TO PREVENT A MONEY STRINGENCY IN THIS COUNTRY TAKEN

Foreign Ships May Come Under American Registry.

BRYAN POSTPONES TRIP As Result of Sudden European Developments He Won't Go to Asheville.

PRESIDENT YET HOPEFUL

Mr. Wilson Has Not Lost All Hope That a General Conflict Can Be Avoided—New York Bankers Take Precautionary Measures.

WASHINGTON, Aug. 1—

War developments in Europe overshadowed all else today and tonight in official Washington. Steps to prevent a financial stringency in this country as a result of Europe's sudden need for gold were followed by a series of precautionary measures designed to protect Americans and their interests abroad and at home.

President Wilson and Secretary Bryan studied a mass of dispatches from American embassies, legations and consulates in Europe. While no formal tender of good offices had been made to any power, American diplomats abroad are keeping the state department closely advised so that if opportunity presents, the United States' influence for a settlement of the war problems by pacific means will be actively exerted.

Ambassadors Page at London, Paoli, Vienna, Herrick at Paris, and Gerard at Berlin were particularly active during the day conferring with officials of the various foreign offices. They are at work in the interest of peace, thus far acting on their own initiative. Despatches to the state department say that the United States' influence in the situation develops further, no decisive step in diplomacy will be taken by Washington.

The Washington government instructed all its diplomatic representatives abroad to do anything in their power with propriety to avert the conflict.

Germany, France, Great Britain and practically all the other governments of Europe which may be involved in the struggle have asked the United States to care for their diplomatic interests in those countries with which they may be compelled to sever relations. The United States accepted every requirement. The United States government by acting as the sole channel of communication between the powers may find an opportunity to assist in the settlement of the conflict by diplomacy.

President Wilson has not lost hope that general conflict can be avoided. The military dispatches suggested that some official measures taken by some of the powers were precautionary and not definitely indicative of an intention actually to engage in hostilities.

The gravity of the situation was admitted in all the telegrams.

News that Germany had declared war on Russia came unofficially while President Wilson and Secretary Bryan were in conference. Later Mr. Bryan hurried to the state department and sent several long, oblique messages.

To prevent a paralysis of commerce, President Wilson and corresponding leaders today agreed on legislation which would permit foreign ships to come under American registry in case of a general war.

No proclamation of neutrality will be issued by the United States until the situation develops more clearly. Government officials generally were busy preparing for emergency.

Secretary Bryan postponed his vacation trip to Asheville. Postmaster General Burleson announced that this, or there had been no intention to go to Asheville from the United States. Although German steamers sailing have been successful, American mail for Europe has been sent by other lines. Postmasters have been notified not to tell inlanders any satisfactory average.

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WILLIAMS EXPLAINS OBJECT AND AIM OF THE TAX AMENDMENT

Chairman of Legislative Committee Gives Statement.

BASIC PRINCIPLE WRONG

Our Present System is Vicious in Practice; Is Founded on False Theory.

IS AN OBSOLETE METHOD

In All Europe Only Holland and Switzerland Chose to Amend Taxation That Retards Us, and Which This Measure Will Remove.

No man in North Carolina has given more study to the problems of taxation, as related to the constitutional amendment on that subject, than R. R. Williams, representative from Harnett county, a member of the tax section of the amendment commission, and chairman of the joint tax committee of the assembly. At the request of The Daily News, Mr. Williams has prepared a statement describing the nature and purpose of the amendment, and he gives an analysis of the present provision and its history; the nature of revenue systems as related to constitutions; the experience of other states; the analogy with the federal government and the state; the history of the movement for tax reform in North Carolina, to terminate a system "not only unjust in theory but vicious in practice"; the cause of the evil of which "he deems the mere operation; that it is embodied in the principle itself." Mr. Williams' statement follows:

But One Purpose.

The tax amendment has but one purpose and that is to remove some of the present constitutional limitations upon our tax system and thereby grant permission to future legislatures to enact such systems of taxation as modern exigencies may suggest.

It is not only unjust in theory, but vicious in practice and that is the cause of the evil which it is embodied in the principle itself. It is submitted for the further reason that it follows the only course which has been proposed, sound by economic students or which has proven successful in practical operation.

An Outcast System.

That the cause of the evil in our present system do rest in the principle and not in the operation can be easily concluded when we recall not only that the evils have continued in North Carolina during more than half a century, but that the system in power or of the nature of the party in power or of the nature of the statute books, but that the system has been the experience of other states.

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SOME INCREASES GRANTED OTHERS FLATLY REFUSED

Increase of Five Per Cent in Freight Rates Will Apply North of the Ohio and Potomac Rivers and From a Vertical Line Drawn Through Buffalo and Pittsburgh West as Far as the Mississippi River—No Advance East From Buffalo and Pittsburgh.

WASHINGTON, August 1.

In a divided opinion today the Interstate Commerce commission granted some of the five per cent freight rate increases asked by the western railroads and denied others.

Increases will apply in the territory north of the Ohio and Potomac rivers and from a vertical line drawn through Buffalo and Pittsburgh west as far as the Mississippi river. All class rates and many commodity rates are increased five per cent in that section.

No advances whatever were permitted east from Buffalo and Pittsburgh to the Atlantic seaboard. That excludes from the area from which railroads will receive benefits, the greatest traffic-producing centers of the country.

Commissioners Daniels and McChord dissented from the majority opinion. Mr. Daniels held that a 5 per cent increase should have been general—that the railroads were entitled to it, to meet the high cost of living. Mr. McChord held that the reasons which the majority held to warrant an increase west of Pittsburgh, applied equally to the territory east.

The majority headed by Chairman Harlan held as to rates west of Pittsburgh that they were the lowest in the country, and warranted an increase. While it was held that the income of the eastern railroads was smaller than that of the western, it was held that the latter had made warping a general increase. The real relief, the committee held, for the New England roads and those in central freight association territory was financial reorganization on a sound basis. It was held that rather than raising freight rates, the railroads should discontinue costly free services to shippers, develop efficiency of personnel and equipment, stop giving free passes and possibly increase their passenger fares to keep pace with the high grade service the public demands.

The "cries" which railroad managers protested was confronting them was proposed to have little foundation. The commission denounced what it characterized as a program to influence its decision, and added there was no doubt it had "seriously aggravated the present commercial depression."

Such advances as are allowed are expected to increase the income of the railroads about one and one-half per cent. Such principal roads and roads as the New York Central, Pennsylvania, Erie and Baltimore and Ohio, will benefit by the advances to the extent that they have lines running from the west over into the territory in which the advances apply.

Cost, which alone comprises more than

one half the total traffic of the railroads, will have no advance. Neither will coke, brick, tile, clay, stard, cement, iron ore and plaster. Neither will there be any increases on lake and rail rates.

An summary of the commission prepared by the commission follows: "The contention of the railroads that their revenues under the present scale of rates is inadequate is sustained, it is contended, by the operating income of V. railroads in official classification territory, taken as a whole, is smaller than is demanded in the interest of both the general public and the railroads.

"The present financial difficulties of the railroads are recognized by the commission as a problem not only of the railroads but of the public which it is the duty of the commission to help to solve. On this point the commission says, speaking of the need of the carriers for additional revenue, that it is our duty and purpose to aid as far as we legally may, in the solution of the problem as presented."

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ADMINISTRATION MUST FIGHT FOR CONTROL OF SIXTY-FOURTH SENATE

Terms of 32 Members Will Expire Next March.

ODDS FAVOR DEMOCRATS

Prophets Say Now That Present Majority of Ten Will Survive.

THE LAY OF THE LAND

Brief Resume of the Situation in Each of the Contested District—Some of the Fights Have More Than Local Significance.

(By PARKER R. ANDERSON.)

Washington, Aug. 1—The political complexion of the second congress of the Wilson administration will be determined in the election this fall. In addition to the entire membership of the house of representatives, the terms of 32 senators expire next March.

Two senators are to be chosen in Kentucky and Georgia, death during this year—named vacancies which were only temporarily filled.

Of the outgoing senators, or rather those who must stand for reelection, 10 are Democrats and 16 Republicans. There are now in the Senate 33 Democrats, 4 Republicans and one senator, Diederich of the state of Washington, who announces allegiance to the Progressive party.

The Democrats now have a majority of ten. It will be the aim of the administration to retain this control of the upper branch of Congress, as well as to maintain its supremacy in the lower house.

Analysis of political conditions, even these unfriendly to the administration, are inclined to agree that irrespective of the results of congressional district elections, the odds favor Democrats in the senate.

The Power of the Candidates.

The administration leaders are confident of returning Democrats to the senate from every state now represented by a member of the majority party and believe they will make gains in other sections. Illinois is one of the states where a Democratic gain is believed probable.

The Democrats whose terms will expire are: Johnson N. Camden, Kentucky; George E. Chamberlain, Oregon; James H. Clarke, Arkansas; Danmore E. Fletcher, Florida; Thomas P. Gore, Oklahoma; Standa G. Newland, Nevada; Lee S. Overman, North Carolina; Benjamin F. Shively, Indiana; Ellison D. Smith, South Carolina; Hoke Smith, Georgia; John Walter Smith, Maryland; Marcus A. Snygh, Arizona; William J. Stone, Missouri; Charles S. Thomas, Colorado; John R. Thornton, Louisiana; Francis S. White, Alabama; and W. S. Frantz, Georgia.

The Republicans who face retirement are: James H. Brady, Idaho; Frank B.

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