

## GERMANS STORM FORTRESS BREST-LITOVSK

## GERMANY REITERATES HER FRIENDSHIP

### FOREIGN EXCHANGE MARKET UNSTEADY

Wave of Foreign Bills Early in Business Today Carry Rates to Hitherto Unknown Depths.

(By Associated Press.)

NEW YORK, Aug. 26.—Foreign exchange markets were plunged into demoralization again this morning by a wave of foreign bills that broke early in the business day and threatened to carry the rates down to depths hitherto untouched.

The English pound sterling, which before the outbreak of the war sold up to \$7 and usually the standard of the world's finance at \$4.87 was selling within the first hour at \$4.64. One sale is reported to have been at \$4.64, the lowest figure sterling had reached in the market. France broke to \$5.93, 5 cents under yesterday's close. Lines dropped 2 cents to \$6.44. Germany

money, for reasons not seen on the surface of the market was worth more than yesterday. Reichsmarks was selling at 81 1/2.

Sterling May Go Lower. There is every indication, in the opinion of New York bankers, that sterling will establish a new record of depreciation. The chaotic condition of the market and its wide range of prices within the last 13 months is emphasized by a comparison of the rates now and shortly before the war began a little more than a year ago. Not only sterling but other continental exchanges have soared to the neighborhood of \$7, high.

### FURNACES OF SOUTH OUT OF THE MARKET

Output Evidently Pledged; Ask Higher Prices for Pig-Iron. Coming Year.

(SPECIAL TO THE ENTERPRISE.) CLEVELAND, Aug. 26.—The Daily Iron Trade Tuesday said: "All but two southern furnace interests are out of the market for this year, while all hold firmly to \$11.50, Birmingham, for this year and \$12.50 for next year. The Italian demand for valley bessemer iron became so insistent as to require a special train of 34 cars to hurry shipments to the Atlantic to catch Thursday's steamers.

All grades of pig iron harden around the maximum quotations at Cleveland, Buffalo and the valleys, while most eastern furnaces refuse to quote into next year, although one asks \$16.50.

France inquires in America for 160,000 tons of shrapnel bars and American makers have inquiries out for probably 50,000 tons additional.

### COMMERCIAL CLUB TO MEET THIS EVENING

An important meeting of the Commercial club will be held tonight. Dates for the opening and closing of the membership campaign for 1,000 members will be fixed. The opening of the campaign will be the date of the community picnic, while on the closing day Farmers' day will be held. A big banquet will wind up the campaign. Several reports are to be heard. The membership committee members will announce the names of the ten team members and other details of the campaign for 1,000 members.

Reports will be heard from the Farmers' day committee and special committees.

### TRUCK STRIKES POLE; 13 PERSONS INJURED

CALUMET, Mich., Aug. 26.—Thirteen of 15 passengers on an automobile truck were injured at Ontonagon, 50 miles from here, last night, two of them probably fatally, when a back wheel collapsed and the truck struck a pole. Walter Englund was hurt internally, and is still unconscious. Dunar Scarors had both legs and one arm broken and three fingers severed. Ernest Squance suffered internal injuries and Arthur Menfel, of Milwaukee, had two ribs broken.

### CHANCELLOR INTIMATES OFFICERS OF SUBMARINE EXCEEDED AUTHORITY

Arabic Incident Regarded As Closed So Far As Germany Is Concerned and Chancellor Asks Nation to Withhold Judgment.

Says People Should Not Accept Conflicting Statements from Biased Sources Until Both Sides of Story Have Been Heard.

(By Associated Press.)

WASHINGTON, Aug. 26.—Count von Bernstorff, the German ambassador, conferred with Secretary Lansing nearly an hour this morning. While both refused to discuss their meeting in any way, it was understood that the ambassador had reiterated that it was not the intent of the German government that any American should have been lost on the Arabic. Another communication supplementing that which the ambassador transmitted to the state department Tuesday is expected from Berlin. Pending its receipt Count von Bernstorff will remain at the embassy in Washington. It is confidently expected that the next word received from the German government will be the announcement that pending further negotiations, submarine warfare on passenger ships will be discontinued. Submarine commanders have already been instructed to sink no more merchant vessels without warning.

It was understood that Germany at the same time, will receive her proposal for a modus vivendi for the relaxation of the British restrictions on neutral commerce. In German quarters it is said that this step which has been in contemplation in Germany for some time could not be announced now, because of the victories in Poland. The German officials, it is explained, consider that the victories to their armies in the campaigns against the Russians will permit Germany to recede a step on the sea.

BERLIN, Aug. 26.—The Associated Press is in a position to state on the best of authority that the Arabic incident may be considered as eliminated as a source of discord between Germany and America, or at least is regarded by the German government in that light. Moreover, in its desire to continue its friendly relations with the United States, Germany had adopted before the sinking of the Arabic a policy designed to settle completely the whole submarine problem as affecting the United States on a basis of good will and understanding. Shown by Statement of Chancellor.

This is shown clearly by the statement of Chancellor von Bethman Hollweg last night to the Associated Press, and particularly by his concluding remark that not until all the circumstances in connection with the sinking of the Arabic are cleared up, would it be possible to say "whether the commander of one of our submarines went beyond his instructions," in which case Germany would give complete satisfaction to the United States.

Instructions Given Commanders. Furthermore, during the conversation, the chancellor twice again referred to the instructions given the submarine commanders. He did not specify in detail the nature of these instructions, but it may be said that they were designed to prevent a repetition of the Lusitania case and to provide opportunity for the escape of American non-combatants upon torpedoed ships, which the United States desired. Having given these instructions, Germany asks a suspension of judgment on the Arabic case until the facts are ascertained, being confident that it will be shown that the sinking of the vessel was not an unprovoked attack without any warning by the German submarine, but is attributable either to a mine explosion or to some action of the vessel itself.

Reparation Will Be Offered. Should it develop, however, that the submarine acted contrary to its instructions, ample reparation will be offered. Germany is still unable to understand why Americans in these troubled times travel on belligerent ships instead of taking American or neutral steamers, but since they in some instances insist on taking passage on vessels belonging to the belligerents, Germany will do its utmost to provide for their safety.

Germany Would Remain Friendly. It is not possible to quote the remarks made by the chancellor during the course of his conversation other than the formal statement he made. It may be said, however, that Dr. von Bethman Hollweg showed a genuine interest in the state of feeling in the United States concerning the sinking of the Arabic and expressed the hope that the American people would not form an opinion on the basis of conflicting statements giving only one side of the story. He spoke with emphasis of Germany's desire to maintain the friendship of America.

### MAXINE KETOLA STRONGER TODAY

Maxine, the four-year old daughter of Mr. and Mrs. William Ketola who was injured internally in an automobile smashup on the Sand Lake crossing of the Canadian Northern road Sunday and who is being treated at the McIntyre hospital, is reported as a little stronger today. Her condition is still critical.

Auto Here. Mrs. H. C. Cooper, I. C. Parkie and N. D. Kean were among the Cloquet residents who motored to Virginia Wednesday. They were guests at the New Fay hotel during their visit here.

### NEW LINE WILL BE CONSTRUCTED

The engineering force of the Great Northern Power company will this week begin preliminary work on a duplicate transmission line to that already in service between the companies plant in this city and Hibbing. Its construction is necessitated by the rapidly increasing business of the company on the Range. It will be of the standard capacity of all the company's transmission lines on the Range and will be built at once.

Here on Business. Attorney Joseph J. Austin of Austin & Austin, Chisholm, attended to legal matters in the city yesterday.

### PICNIC PLANS WILL BE MADE PUBLIC TONIGHT

Community Committee of Commercial Club Arranges Elaborate Events.

At an enthusiastic meeting of members of the community picnic committee of the Commercial club in Attorney Otto A. Poirier's office last night, plans were completed for the first annual community picnic to be held here under the auspices of the Commercial club. The plans will not be made public until tonight, when the committee will report to the Commercial club and ask that the plans be ratified.

The full membership of the committee was present at the meeting. Charles L. Eaton, chairman, Otto A. Poirier, Frank C. Whiting, Prof. H. J. Scharr and Charles T. Ekstrand are the members of the committee. Prof. Scharr will be in charge of the publicity for the picnic.

"We have some elaborate plans for the picnic," said Chairman Eaton this morning. "The plans will be submitted to the Commercial club this evening for ratification."

"Next Monday the committee will meet again to complete the plans for the picnic program. All the events will not be announced on the program, as the committee plans a few surprises for the throng that is expected to attend."

### WHITE PLAGUE CLAIMS LOCAL RAILROAD MAN

Fred Jenkins, for several years a conductor on the old Virginia & Rainy Lake railroad line, died this morning after a lingering illness of tuberculosis.

He was 37 years of age and leaves two sisters, Mrs. Fred C. Witte and Mrs. Mark Eddy of this city, and a brother, Paul Jenkins, also of this city. Mr. Jenkins was single. He had been a railroad man for several years and was well known here. Funeral arrangements have not been completed.

Florenton Farmer Dead. John A. Lahdenpera of Florenton, a farmer, died yesterday at his home after a lingering illness of a complication of diseases. He was 42 years of age and leaves a wife and several children. Funeral arrangements have not been completed.

### WOMAN PAYS LICENSE FEE

For the first time in the history of the local county building a woman today paid for a marriage license. The fee is \$2.25. The woman was Annie Slonika, who has a homestead at Gheen, and whose first husband died some time ago. John Kroll, the bridegroom-to-be, was with her, but Miss Slonika had all the money. Kroll also has a homestead near Gheen.

### BUY BEARS FROM COOK TRAPPER

Two 18-month-old bears have been purchased by the park board from John H. Burris, a Cook trapper, and will be delivered here in two weeks. The addition of the new bears will give the local zoo seven bears. The recent cold spell was welcomed by the bears and other animals at the Olcott park zoo.

### STRONGHOLD ON WAY TO PETROGRAD FALLS INTO TEUTONIC ALLIES HANDS

Swampy Nature of Country, Obstacle to Invading Armies is Apparently Overcome With Ease by Austro-Hungarians.

French Aviators in Immense Aerial Raid Drop Bombs on German Arms Factories; Throw More Than 150 Shells.

(By Associated Press.)

BERLIN, Aug. 26.—(By wireless to Sayville, L. I.)—The Germans have captured the Russian fortress of Brest-Litovsk. This announcement was made officially by the German army headquarters staff. German and Austro-Hungarian troops stormed the works on the western and north-western front and succeeded last night in entering the center fortress. The Russians, the statement adds, then gave up the fortress.

Stronghold Hard Pressed. PETROGRAD, Aug. 26.—The Austro-German aim, according to the latest advices received here, appeared to be to cut off Brest-Litovsk by moving to the rear of the fortress and force its evacuation. The army of Prince Leopold of Bavaria, is approaching the stronghold from the southeast from the direction of Bielsk. Field Marshal von Mackensen is pushing toward the northeast from Vladova toward Malorita on the railroad from Brest-Litovsk to Kovno. A wilderness of forest 30 miles in length and of equal width lay in the path of Prince Leopold's forces. This, however, was bisected by a railway and post road.

Arms Factory Bombarded. PARIS, Aug. 26.—Sixty-two French aviators on August 25 flew over the German arms factory on the north of Sarre Louis throwing down a total of more than 150 shells. Thirty of them were of large calibre. So far as official reports disclose there has never been previously any air raid of such a magnitude so far as concerns the number of machines employed, as yesterday's attack by 62 aeroplanes. In a few of the earlier ventures of the kind 30 or more aeroplanes participated.

LONDON, Aug. 26.—The invaders of Russia, with Oswowetz safely in their hands, are now rapidly gaining the whole triangular railroad system which, with its apex at Bialystok, also serves Grodno and Oswowetz. The mass of heavy artillery freed by the fall of Oswowetz and Kovno is now being brought against Brest-Litovsk and Grodno, but not without great difficulties. Hereafter field maneuvering will count more for the German armies than the use of heavy artillery against the forts, but open field movements may be checked by the reported determination of the Russians to dig themselves in where their line has been reformed back of Brest-Litovsk.

No Further Advance at Riga. No further advance has been reported along the Riga-Kovno line which presents a perilous problem to the Russians, but the Austro-Germans are getting rapidly within range of Brest-Litovsk notwithstanding the obstacles offered by the swampy nature of the region. No hint has been given, however, that the Russians entertain any fear that their armies may be trapped along this line.

Balkan Situation Unsettled. The central powers claim a diplomatic victory in the form of a Turco-Bulgarian agreement, while the entente allies are apparently bringing Serbia around to their view that the concessions necessary to procure Bulgaria's adhesion to the reformed Balkan league are inimical to her interests.

### HIBBING BUFFET PROPRIETOR IS A DEFENDANT

Santo Sella, a Hibbing saloonkeeper, is defendant in an action brought by Antonio DiBrito, who claims to have been ejected from Sella's saloon last winter and to have frozen his fingers. Mayor Victor L. Power of Hibbing is attorney for the defendant and M. H. McMahon of Virginia and Austin & Austin of Chisholm for the plaintiff. The case of Frank Ambrozich against the Township of Balkan has been deferred to a later date.

### TELEPHONE MEN TOUR THE RANGE

C. E. Yost of Omaha, president; W. B. T. Belt, Omaha, general manager and M. L. Lane, Minneapolis, superintendent, officials of the Mesaba Telephone company, completed a trip over the Mesaba Range last night inspecting the plants and physical equipment of the Mesaba Telephone company. They were accompanied by Attorney E. A. Pendergast of Minneapolis. Horace Vance Lane of New York, E. W. Murphy of Minneapolis and F. E. Lister, district commercial manager, of Duluth, were other members of the party. They visited Hibbing, Chisholm, Buhl and Virginia yesterday. All were much impressed with the Mesaba Range.

### UPRISING OF MEXICANS IS THREATENED

(BY ASSOCIATED PRESS.) EL PASO, Texas, Aug. 26.—The United States military authorities today withdrew the troops patrolling strategic points near the city last night. As a result there are renewed rumors of a Mexican uprising.

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