

GERMAN REPLY DOES NOT EXPRESS FINAL DECISION

Note in Reply to American Demands Evades Direct Answer to Main Questions. Await Washington's Answer.

ACTING IN SELF-DEFENSE

Reasons For Sinking Lusitania And Other Ships—Tone of Reply is Friendly

Berlin.—Germany withholds its final decision on the demands advanced by the United States Government in connection with the sinking of the Lusitania, until the receipt of an answer from the United States, to the note which Herr von Jagow, the Foreign Minister, has delivered to Ambassador Gerard in reply to the American note received by the German Government on May 15.

In its reply the German Government declares that it is not its intention to submit neutral ships in the war zone, which are guilty of no hostile acts, to attacks by submarine or aeroplanes, that it is investigating the circumstances in connection with the attacks on the American steamers Cushing and Guilford and that in all cases where neutral vessels, through no fault of their own have been damaged, Germany will pay indemnification.

The reply urges that in the case of the Lusitania, which Germany alleges, was armed and carried large stores of war munitions "it acted in justified self-defense in seeking with all the means of warfare at its disposition to protect the lives of its soldiers by destroying ammunition intended for the enemy."

The German Government recalls the proposals submitted by the United States Government to Berlin and London, designed to end the submarine warfare and the shutting out of food supplies from Germany which, it declares, failed of their purpose because of the refusal of the British Government to agree to them.

Text of Note. The following is the text of the German note: "The undersigned has the honor to submit to Ambassador Gerard, the following answer to the communication of May 15, regarding the injury to American interests through German submarine warfare."

"The Imperial Government has subjected the communication of the American Government to a thorough investigation. It entertains also a keen wish to co-operate in a frank and friendly way in clearing up a possible misunderstanding which may have arisen in the relations between the two Governments through the events mentioned by the American Government."

"Regarding, firstly, the case of the American steamers Cushing and Guilford. The American Embassy has already been informed that the German Government has no intention of submitting neutral ships in the war zone, which are guilty of no hostile acts, to attack by a submarine or submarines or aviators. On the contrary, the German forces have repeatedly been instructed most specifically to avoid attacks on such ships."

"If neutral ships in recent months have suffered through the German submarine warfare, owing to mistakes in identification, it is a question only of quite isolated and exceptional cases, which can be attributed to the British Government's abuse of flags, together with the suspicious or culpable behavior of the masters of the ships."

"The German Government in all cases in which it has been shown by its investigations that a neutral ship, not itself at fault, was damaged by German submarines or aviators, has expressed regret over the unfortunate accident and, if justified by conditions, has offered indemnification."

Cushing and Guilford. "The cases of the Cushing and Guilford will be treated on the same principles. An investigation of both cases is in progress, the result of which will be communicated to the Embassy. The investigation can, if necessary, be supplemented by an international call on the international commission of inquiry as provided by Article III of the Hague agreement of October 18, 1907."

Sinking of Falaba. "When sinking the British steamer Falaba the commander of the German submarine had the intention of allowing the passengers and crew a full opportunity to escape. Only when the master did not obey the order to heave-to, but fled and summoned help by rocket signals, did the German commander order the crew and passengers by signals and megaphone to leave the ship within 10 minutes. He actually allowed them 23 minutes time and fired the torpedo only when suspicious craft were hastening to the assistance of the Falaba."

Lusitania Disaster. "Regarding the loss of life by the sinking of the British passenger steamer Lusitania, the German Government has already expressed to the neutral Governments concerned its keen regret that citizens of their states lost their lives."

"On this occasion the Imperial Government, however, cannot escape the impression that certain important facts having a direct bearing on the sinking of the Lusitania may have escaped the attention of the American Government."

An Auxiliary Cruiser. "In the interest of a clear and com-

plete understanding which is the aim of both Governments, the Imperial Government considers it first, necessary to convince itself that the information accessible to both Governments about the facts of the case is complete and in accord. The Government of the United States proceeds on the assumption that the Lusitania could be regarded as an ordinary unarmed merchantman. The Imperial Government allows itself in this connection to point out that the Lusitania was one of the largest and fastest British merchant ships, built with Government funds as an auxiliary cruiser and carried expressly as such in the 'Navy list' issued by the British Admiralty.

"It is further known to the Imperial Government, from trustworthy reports from its agents and neutral passengers, that for a considerable time practically all the more valuable British merchantmen have been equipped with cannon and ammunition and other weapons and manned with persons who have been specially trained in serving guns. The Lusitania, too, according to information received here had cannon aboard which were mounted and concealed below decks."

Prizes for Ramming. "The Imperial Government further has the honor to direct the particular attention of the American Government to the fact that the British admiralty in a confidential instruction, issued in February, 1915, recommended its merchant shipping not only to seek protection under neutral flags and distinguishing marks, but also, while thus disguised to attack German submarines by ramming. As a special incitation to merchantmen to destroy submarines the British government also offered high prizes and has already paid such prizes."

"The Imperial government in view of these facts, indubitably known to it, is unable to regard British merchantmen in the zone of naval operations specified by the admiralty staff of the German navy as 'undefended.' German commanders consequently are no longer able to observe the customary regulations of the prize law, which they before always followed."

Carrier War Material. "Finally the Imperial government must point out particularly that the Lusitania on its last trip, as on earlier occasions, carried Canadian troops and war material, including no less than 5,400 cases of ammunition intended for the destruction of the brave German soldiers who are fulfilling their duty with self-sacrifice and devotion in the fatherland's service."

"The German government believes it was acting in justified self-defense in seeking with all the means of warfare at its disposition to protect the lives of its soldiers by destroying ammunition intended for the enemy."

"The British shipping company must have been aware of the danger to which the passengers aboard the Lusitania were exposed under these conditions. The company in embarking them, notwithstanding this attempted deliberately to use the lives of American citizens as protection for the ammunition aboard and acted against the clear provisions of the American law which expressly prohibits the forwarding of passengers on ships carrying ammunition and provides a penalty therefor. The company, therefore, is wantonly guilty of the death of so many passengers."

There can be no doubt, according to the definite report of the submarine's commander, which is further confirmed by all other information, that the quick sinking of the Lusitania is primarily attributable to the explosion of the ammunition shipment caused by a torpedo. The Lusitania passengers would otherwise, in all human probability, have been saved."

"The Imperial government considers the above-mentioned facts important enough to recommend them to the attentive examination of the American government."

Withholds Final Decision. "The Imperial government, while withholding its final decision on the demands advanced in connection with the sinking of the Lusitania until receipt of an answer from the American government feels impelled in conclusion, to recall here and now, that it took cognizance with satisfaction of the mediatory proposals submitted by the United States government to Berlin and London as a basis for a modus vivendi for conducting the maritime warfare between Germany and Great Britain. The Imperial government, by its readiness to enter upon a discussion of these proposals, then demonstrated its good intentions in ample fashion. The realization of these proposals was defeated, as is well known, by the declinatory attitude of the British government."

"The undersigned takes occasion, etc. (Signed) 'JAGOW.'"

Megantic Chased by Submarine. Queenstown.—The White Star liner Megantic, carrying many passengers from Liverpool to Montreal, was chased by a submarine off the South Coast of Ireland, but escaped.

Russians Have Over 600,000 Prisoners. Petrograd, via London.—Prisoners taken by Russian armies and interned in Russia up to the first of April according to figures made public, number 10,734 officers and 605,375 men.

NOTE IS SENT TO MEXICAN LEADERS BY PRESIDENT

MUST SET UP A GOVERNMENT THAT CAN BE ACCORDED RECOGNITION. WOULD UNITE ALL FACTIONS

Intervention Considered Possible if Hopeless Conditions Continue. Full Text of Note.

Washington.—In a statement to the American people President Wilson served notice on the factional leaders of Mexico that unless within "a very short time" they unite to set up a government which the world can recognize, the United States "will be constrained to decide what means should be employed by the United States in order to help Mexico save herself and serve her people."

Message Goes Forward. President Wilson's warning to Mexico that the United States cannot permit present conditions to continue went forward by telegraph to American agents who will deliver it to the factional leaders, and was at the same time made public at the White House.

The Message to Leaders. The statement, which goes to Carranza, Villa, Zapata and Garza, the principal leaders, not as a diplomatic note from the United States but as a declaration of President Wilson's attitude expressed in a statement to the American people, is as follows: "More than two years of revolutionary conditions have existed in Mexico. The purpose of the revolution was to rid Mexico of men who ignored the constitution of the republic and used their power in contempt of the right of its people; and with these purposes the people of the United States instinctively and generously sympathized. But the leaders of the revolution, in the very hour of their success have disagreed and turned their arms against one another."

"All professing the same objects, they are nevertheless unable or unwilling to co-operate. A central authority at Mexico City is no sooner set up than it is undermined and its authority denied by those who are expected to support it."

Trouble Reviewed. "Mexico is apparently no nearer a solution of her tragic troubles than she was when the revolution was first kindled. And she has been swept by civil war as if by fire. Her crops are destroyed, her fields lie unseeded, her work cattle are confiscated for the use of the armed factions, her people drawn into unavailing bloodshed, and no man seems to see or lead the way to peace and settled order. There is no proper protection either for her own citizens or for the citizens of other nations resident and at work within her territory. Mexico is starving and without a government."

Policy Frankly Stated. "It is time, therefore, that the government of the United States should frankly state the policy which in these extraordinary circumstances it becomes its duty to adopt. It must presently do what it has not hitherto done or felt at liberty to do—lend its active moral support to some man or group of men, if such may be found, who can rally the suffering people of Mexico to their support in an effort to ignore, if they cannot unite, the warring factions of the country, return to the constitution of the people so long in abeyance, and set up a government at Mexico City which the great powers of the world can recognize and deal with, a government with whom the program of the revolution will be a business and not merely a platform."

"I therefore publicly and very solemnly call upon the leaders of factions in Mexico to act, to act together, and to act promptly for the relief and redemption of their prostrate country. I feel it to be my duty to tell them that, if they cannot accommodate their differences and unite for this great purpose within a very short time, this government will be constrained to decide what means should be employed by the United States in order to help Mexico save herself and serve her people."

Duty of United States. "In these circumstances the people and government of the United States cannot stand indifferently and do nothing to serve her neighbor. They want nothing for themselves in Mexico. Least of all do they desire to settle her affairs for her, or claim any right to do so. But neither do they wish to see utter ruin come upon her and they deem it their duty as friends and neighbors to lend any aid they properly can to any instrumentality which promises to be effective in bringing about a settlement which will embody the real objects of the revolution—constitutional government and the rights of the people. Patriotic Mexicans are sick at heart and cry out for peace and for every self-sacrifice that may be necessary to procure it. Their people cry out for food and will presently hate as much as they fear every man, in their country or out of it, who stands between them and their daily bread."

Safe Conduct for Doctor Dernburg. Washington.—The British, French and Russian embassies here assured the state department they will give safe conduct to Dr. Bernhard Dernburg, when he leaves the United States. It has been reported he will go to Norway some time this month. A few weeks ago Doctor Dernburg as a climax to a series of speeches which aroused the resentment of the Washington government, justified the sinking of the Lusitania in a public address he decided to return to Germany.

COUNT VON BERNSTORFF



Count von Bernstorff, German Ambassador to Washington, has just been granted an interview with President Wilson regarding the American note to Germany.

WILL STAND BY WILSON

WILL STAND BY PRESIDENT IN ANY CRISIS THAT MAY COME.

Veterans March Through Torrents of Rain.—Hope for Continued Peace in America.

Richmond, Va.—Thousands of veterans survivors of the Confederacy in reunion here trudged through torrents of rain to cheer to the echo the hopes expressed by their leaders that peace in America may not be disturbed by the war in Europe.

It was a day of tribute to their own departed heroes and one of fervent hope that their sons may never have to experience the baptism of fire that was theirs. This sentiment, uppermost in addresses of the day, brought the veterans to their feet repeatedly at Convention Hall, but the climax came at the close of an address by Dr. Henry W. Battle who declared:

"Fifty years have passed since General Lee surrendered at Appomattox. Half a century of peace has brought us to this glad day in a people's history. The flag of the Union floats proudly over an undivided and indivisible people; a hundred million voices devoutly sing 'The Star Spangled Banner.' We are indeed 'at home in our father's house.' Omnipotent—God bless, protect and guide him—has his hand on the helm of the ship of state, directing her steady course through the storm-tossed waves of a world at war; our secretary of the navy is on deck; our attorney general adds his learning to the country's jurisprudence; a Southern hero who wore the gray, now wears the robe of a justice of the supreme court; in both houses of Congress Southern men hold the reins of power. Yes, we are at home in our father's house, at home to stay. Within our borders all is peace. God hath in the time, by prophets sung, when nation shall not rise up against nation and man's inhumanity to man make countless millions mourn; when every warhorse shall be hitched to a plow, when every spear shall become a pruning hook and every sword shall be converted into an implement of peace husbandry; when the Prince of Peace shall say 'I have sown up and down the earth, and the earth sitteth still and is at rest.'"

Frequent references to the European war were made at the convention and also at that of the United Sons of Confederate Veterans who cheered a pledge of support to the president of the United States in upholding the honor of the nation which was voiced by Clarence J. Owens of Washington, D. C.

FIERCE FIGHTING IN GALICIA.

Three Forts Taken.—Struggles Continue in East and West.

London.—German and Austrian official statements agree on the continued progress of the Teutonic allies in the Eastern war zone. Notwithstanding recent reports from Petrograd that fighting along the River San, Galicia, in the neighborhood of Przemysl was developing in favor of the Russians, it would seem that the Austro-German investment of Przemysl is drawing closer. Both Vienna and Berlin say that three of the forts of the girdle on the north front of the fortress have been carried by storm and that 2,400 prisoners and 20 guns were taken at these points.

South of the Dniester, the town of Stry has been captured and more than 9,000 prisoners taken. An unofficial Berlin report says the Russians have evacuated Radom, Poland.

Fierce fighting continues in Galicia and at some points along the western line while engagements between Austrians and Italians are becoming more spirited.

Paris admits recapture by the Germans of portions of trenches on the outskirts of the Le Pretre forest, but at other points on the western line claims progress for the Allies notable to the north of Arras, at Sochez, where heavy losses were inflicted on the Germans and in the labyrinth near Neville St. Vaast where the German works, the French assert, are falling into their hands.

Ministers May Take Offices at Once. London.—The Ministers who received Cabinet appointments in the recent re-constitution of the Government will not be required to seek parliamentary re-election as is ordinarily required by law, if a measure proposed by the Government is adopted. It is officially announced that when Parliament reconvenes a bill will be introduced providing that during the war it will not be necessary for Ministers to stand for re-election. The passage of this bill will enable the Ministers to take their seats at once.

U. S. LOSES BIG SUIT TO STEEL COMPANY

UNITED STATES STEEL CORPORATION WILL NOT BE DESOLVED BY GOVERNMENT. ACTS ARE NOT UNLAWFUL

Trenton, N. J.—The United States District Court for New Jersey handed down a unanimous decision refusing the petition of the Federal Government to dissolve the United States Steel Corporation.

As against the Government the court refused to dissolve the corporation, holding that in acquiring its foreign and home trade the concern did not violate the Sherman anti-trust act and refused all the injunctions prayed for by the Department of Justice.

As against the Steel Corporation the court held that the committee meetings participated in by 95 per cent of the steel trade of the country, including the Steel Corporation, subsequent to the famous Gary dinners of eight or nine years ago, were unlawful combinations to control prices; but as these meetings had stopped before the Government filed its complaint in October, 1911, the judges held that there was no occasion for an injunction.

The opinion of the court suggests that such practices lie within the province of the new Federal Trade Commission, but adds that if their repetition is apprehended the court will, on motion of the Government retain jurisdiction of the case for that particular purpose.

A synopsis of the decision of the senior judge, George Buefling, prepared by direction of the court, states that the keynote of the entire opinion is that this "case, a proceeding under the Sherman anti-trust law, is largely one of business facts."

In another part of the opinion the court states that "the real test of monopoly is not the size of that which is acquired, but the trade power of that which is not acquired."

AUSTRIANS TAKE PRZEMYSL.

Great Fortress is Again in Hands of Austro-German Armies.

London.—With the capture of Przemysl, the Austro-German armies achieved the main object of the great thrust they commenced against the Russians in Western Galicia a month ago. They have yet to drive the Russians farther back and establish themselves in easily defended positions which will enable them to detach forces for operation against Italy and the Allies in the west.

Whether or not they accomplish this the Teutonic Allies have won a great victory and with a suddenness which overshadows all past operations of the war. It was only 10 weeks ago that Przemysl fell to the Russians after a six-months investment which was interrupted for a short time in November by an Austrian advance. With the surrender of the fortress, there fell into the Russian hands, according to official reports, 120,000 Austrians and 600 guns and an immense amount of war material. Most of the forts, however, had been destroyed by the Austrians and this is considered in military circles here to account for the fact that the fortress succumbed so quickly to the Austro-German attack.

New British Cabinet Meets.

London.—Both houses of parliament met for the first time since the formation of the new coalition ministry. The new members of the cabinet could not take their places on the ministerial benches owing to the law which made them ineligible to sit until they were re-elected by their various constituencies.

This situation, however, was speedily remedied, for the house of commons passed in all its stages a bill removing this disability for the period of the war. The House of Lords passed the first reading of the bill.

Business Conditions Improve. Washington.—General business and financial conditions throughout the country as observed by agents of the 12 regional banks are set forth in the monthly bulletin of the Federal Reserve Board. Improvement was reported by most of the agents. Others noted that the demand from Europe for war supplies was keeping many industries busy. The Richmond agent reported "very little change in general business conditions during May."

Hope for the future, "has been increased in presence of timely rains."

MISS MABEL BOARDMAN



Miss Boardman, of the American Red Cross, forwarded a suggestion to the White House that an embargo be declared on war munitions to Mexico. The society did not make the suggestion.

SPEAKS OF NATIONS UNITY

GREATER DAYS LIE BEFORE THIS NATION THAN IT EVER YET HAS SEEN

President, Bryan, Daniels and Others Speak at Memorial Services Held at Arlington.

Washington.—Eulogies of America's soldier and sailor dead were voiced by President Wilson, Secretary Bryan, Secretary Daniels and Governor Willis of Ohio at Memorial Day exercises at Arlington National Cemetery.

President Wilson, cheered on his arrival and departure and during his address, carefully avoided any direct reference to problems facing the United States. He was enthusiastically applauded when he declared that "greater days lie before this Nation than it ever yet has seen, and the solemn consciousness of those who bear office in this time is that they must make their best endeavor to embody in what they do and say the best things in the United States."

Governor Willis evoked applause when he said "the President of the United States is making a successful effort to keep us out of the broils of Europe" and added, "now is the time to keep cool, think carefully and stand by the President. He and his Cabinet know vastly more of our delicate relations with European belligerents than the rest of us can possibly know; let us hold up his hand in the patriotic effort he is making in this crisis."

The president sat in the midst of veterans of two wars during the exercises and uttered an audible "amen" at the conclusion of an invocation by Bishop Earl Cranston of Washington, who prayed that the United States might be led aright in the present crisis.

VETERANS GATHER IN CAMP.

Survivors of Southern Army Through Richmond.

Richmond, Va.—Richmond on the eve of the 25th annual reunion of the United Confederate Veterans was thronged with survivors of the armies of the South. Assembled around peaceful camp fires, they paid silent tribute to their departed heroes, contrasting their contentment with the turbulent camps and seething trenches of Europe.

On scores of special trains the Southern hosts poured into Richmond throughout the day and night, the old Capital of the Confederacy was ablaze with light and her streets thronged with cheering veterans and reverent youths. Preliminary events were the memorial exercises for the Confederate dead, the dedication of a memorial to the Confederate women of Virginia and the arrival of General George P. Harrison of Alabama, who has been designated commander-in-chief of the reunion by Gen. Bennett H. Young, who is detained in Cleveland, Ohio, by illness.

Russians Claim Victories. London.—The great battle on the San, to which the Russians fell back after retreating over half Galicia still rages, but the Russians assert that they have assumed the offensive. London takes this statement to mean that another mighty German effort has expended itself.

Though the fate of Przemysl is still uncertain Allied circles contend that the Austro-German forces have failed to crush the Russians in Galicia and that their rush forward, costing thousands of lives, has fallen short just as did the repeated thrusts at Warsaw and Calais. The official Austrian statement claims no noteworthy advances in the East, dismissing the Przemysl region with the brief declaration that "the fighting continues" and asserting that there have been no serious engagements elsewhere on the Eastern front.

The Russians claim victories virtually along the entire front, especially beyond the Dniester, where they say they have taken 7,000 prisoners.

GERMAN HAS TALK WITH PRESIDENT

COUNT VON BERNSTORFF VERY HOPEFUL AFTER INTERVIEW WITH WILSON. NO ANNOUNCEMENTS MADE

No Changes Will Be Made in the Plan to Send Response to the German Reply.

Washington.—President Wilson emphasized in an informal talk with Count von Bernstorff, the German Ambassador, the intense feeling of the American people over the sinking of the Lusitania and other violations of American rights on the high seas and impressed on him that the United States would insist on an adherence by Germany to the accepted principles of international law as they affect neutrals.

No announcements were made after the conference, which had been arranged at the Ambassador's request; but it was stated authoritatively that there would be no change in the plan to send in response to the German reply to the Lusitania note an inquiry to ascertain definitely whether the Imperial Government will abide by international law or follow its own rules of maritime warfare.

In 20 minutes conversation the President and the Ambassador exchanged views on the delicate situation which has arisen in the relations between the United States and Germany. Their meeting was cordial, their conversation friendly and they discussed fundamentals and not details. Count von Bernstorff later told friends that the interview had been satisfactory and that the President had spoken clearly and frankly. The Ambassador felt hopeful when he returned to his Embassy.

In official and diplomatic quarters opinion was divided as to the effect of the conference. Some thought it would be beneficial and bring from Germany a conciliatory reply to the next American communication. Others pointed out that the German Ambassador similarly was hopeful when President Wilson's note of May 13 was dispatched and that he recommended several methods to the German Foreign Office of meeting the American position satisfactorily.

GOOD RESULTS APPARENT.

Plan to Continue Work of Pan-American Congress.

Washington.—Plans to continue the work begun by the recent Pan-American Financial Conference through permanent, although unofficial committees were announced in a statement by Secretary McAdoo of the Treasury. The Secretary expressed confidence that "practical results of the most advantageous sort to the United States and all the countries of South and Central America" would follow the conference.

"Some of the Governments in South America, I am told," he said, "have already made financial arrangements with some of our bankers and negotiations are pending between other South American countries and our bankers with every prospect that they will be consummated."

Mr. McAdoo said the conference showed "absolute unanimity of opinion as to the vital necessity for improved ocean transportation facilities," and added: "If through private enterprise or the action of our Government adequate steamship facilities could be promptly supplied, there is no doubt that we could secure and retain the largest part of the valuable trade with South and Central America. It would be a great advantage to this nation if politics could be eliminated from the ship question."

Archangel Open for Navigation.

London.—Archangel, the only large seaport on the north coast of the Russian Empire, is officially declared open to navigation, according to a Lloyds dispatch.

Villa Representative Pleased. New York.—General Villa's representative in New York City, Francisco Urquidí said he was much pleased with President Wilson's new Mexican policy. "That is fine," Senator Urquidí said after reading the president's pronouncement to the Mexican leaders "that is just what we expected from President Wilson. To be perfectly frank, I might say that we, the Villa people—have tried on more than one occasion, to do just what President Wilson has suggested. Mr. Carranza, however, is a very hard-headed man."

Broke Diving Record 13 Times. San Francisco.—Thirteen descents were made in search for the submerged submarine F-4 at Honolulu, T. H., and every one broke a former world's record, according to Chief Gunner George D. Stillson, who is here after completing his work as chief of the diving operations. Five of the descents were made to a depth of 306 feet, he said, and eight to 275 feet. The former world's record was 275 feet. He said a telephone device was used in communicating with the men under water for the first time.

Getting Control of Typhus. Washington.—Encouraging reports from the campaign against typhus in Serbia came to the state department in dispatches from Nish. Suppression of the plague was said to be going steadily forward in the districts where American Red Cross officers are at work.