

Hawaiian Gazette

LATEST CABLED SUGAR QUOTATIONS		
	Cents	Dollars
96° Centrifugal N. Y.	per lb	per ton
Price, Hawaiian basis	6.21	\$124.20
Last previous quotation	6.08	\$121.60

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RUSSIANS GET MASTER HOLD ON SITUATION IN WAR EAST

Say That Crucial Battle Is Pending With Austrians Beyond Czernowitz, Which Will Force General German Retirement

JUBILANT STATEMENTS IN PRESS OF PETROGRAD

Paris Thinks That Victory of Czernowitz May Have Important Diplomatic Results Affecting Czar's Rumanian Policy

(Associated Press by Federal Wireless.)
PETROGRAD, June 20.—The war office bulletins of yesterday say that the situation developed by the Eastern theater of the war, and that the retreating Austrians must now make a final stand or by further retirement allow the Czar's huge forces to gain such holdings in Hungary as automatically will make the German forces in the North of Russia retire from the positions which they have held for nearly a year—positions which were won in von Hindenburg's drive, Hungary is threatened.
 The Russians claim that unless Austria can now resist their advance on the South-western front, they will be able to sweep into Hungary, get in behind the lines of communication which protect the Central Powers' forces in Russia, and force the Germans to withdraw.
 The Petrograd press is jubilant in its comments on the situation. The claim is made that Russia's success in the further attacks on the Austro-Hungarian South-western frontier means the "swan song" of the dual monarchy.
Czernowitz Is Vital Victory
 In the capture of Czernowitz, according to figures given out today, three thousand prisoners were taken. This victory is vital on the general issue of the war, it is optimistically asserted, almost as much for its effect upon wavering Balkan states as for the tremendous possibilities it opens for an attack behind the forces which Germany is sustaining in Russia.

RUSSIAN VICTORY IS FAR-REACHING

PARIS, June 20.—The military experts here regard the diplomatic results of the Russian victory at Czernowitz as more important than the military or strategic. With Czernowitz, capital of the Bukovina, in Russian hands, it is assumed that the Russian armies will soon have, if they have not already, essential control of that province.
Would Dominate Rumania
 This, if it is followed by the successes which seem to be forecasted in an invasion of Austria will place the Russians in a position to dominate Rumania at many points. In the comments upon the result of the Russian control of the Bukovina, much more attention is given to the possible diplomatic results in the Balkans, than to the immediate military success.
Has New Card To Play
 The Bukovina was a part of Rumania twice in history, and the peoples of the two countries are much affiliated. If Russia has now wrested the Bukovina from Austria-Hungary, it is argued, she has a new card to play in the complicated Balkan diplomatic game.

SLAVS SWARMING INTO POLAND

LONDON, June 20.—An Amsterdam despatch received here today quotes the Berliner Tageblatt to the effect that Russian hordes are forcing their way into Poland from Galicia. It is stated by this paper that the Russians outnumber their foes and are advancing on Kovel, which is one of the places out of which they were driven a year ago.
 The wording of the despatch, as interpreted here, indicates that the Berlin public is being prepared for news of another defeat.
 The despatch says, however, that between Czernowitz and the Danister the Germans under General von Bethner, have gained substantial advances against heavy Russian forces.

BERLIN REPORTS RUSSIAN BREAK

LONDON, June 20.—An undated despatch says that the Germans claim success in breaking the line of the Russian advance at the Pripiet river and at Lutsk, in Volhynia. The Russians are advancing elsewhere, it is also stated.
 The Russians admit that their lines were penetrated at the two points mentioned, by German attacks, but say that new movements of troops have retrieved the setback received.

PRESIDENT WILSON WILL REBUKE CARRANZA IN CURT NOTE

Ultimatum Will Cause War Or Bring Peace

Americans and Mexicans Who Are Important Factors In Pending Crisis Along Border



Washington Will Give Mexicans Final Word

(Associated Press by Federal Wireless.)
WASHINGTON, June 20.—The issue of war or peace between the United States and Mexico hinges now on Carranza's attitude after a stern refusal of his demands of withdrawal of American troops from Mexico, which it is expected will be handed to his minister today. An incident of the day, indicating the uncompromising attitude of the administration, was a refusal of Secretary of State Lansing, to confer with Dr. Elisco Arredondo, the Mexican minister. Mr. Lansing's response to a request from Arredondo for a conference was that he was too busy.

Reply Will Be Curt

The business upon which he was engaged was in part the preparation of the reply to the lengthy note which Carranza addressed to the United States on June 1.

The reply to the Carranza note, it is stated, will be not only a curt refusal to grant the de facto government's formal demand, which was made in the language of an ultimatum, that the American troops in Mexico be withdrawn, but also a vigorous reply to the charges brought by Carranza against the good faith of

the American government. In spite of the last five years of American avoidance of military intervention in Mexico, Carranza charged that there were ulterior motives in the expedition led by General Pershing against Villa, after the Columbus raid.

Patience Is Exhausted

This attitude of the de facto president of Mexico, who was only enabled to win leadership from his rivals by the recognition of the Washington government, has exhausted the patience of the administration, and it is said that the note which Secretary Lansing will hand to Minister Arredondo, as a reply to Carranza's long effusion, will be in very forcible terms. That it may quickly lead to a formal rupture between the two governments, and war, is recognized.

Carranza Plays Politics

Under this view of the matter, it is thought, Carranza might at home claim a diplomatic triumph in his having attempted to make an American invasion of Mexico the casus belli. This might bring him great popularity in Mexico and bring together the warring factions in Mexico under his leadership.

If war has to be waged, the defeat of Mexico is regarded as quite certain, and Carranza knows this. It is believed by officials who take this view that all that the Mexican president hopes for is a war in which, after defeating

War Seems Near And Wilson Prepares

his armies, the United States will be magnanimous in making peace terms, and then he will be firmly seated in power as president of Mexico. It is thought that if America begins a real war upon Mexico, the Carranza government, if it remains in power will very soon sue for peace.

No Further Controversy

The administration is utterly ignoring all the claims and demands set forth in the Carranza note, and is pursuing its policy without regard to the views which the Mexican de facto president so carefully enunciated. The state department officials say that there will be no further controversy, and that if the Carranza government insists upon its ultimatum, war will result at once, and the rapidly mobilizing forces of the United States will be used to bring the Mexicans to terms.

The Mexican minister's request for a conference with Secretary of State Lansing is taken as an indication of Mexican alarm, caused by the President's calling out of the militia, which showed his intention to take action. The refusal of the secretary to hold another conference means, it is stated, that as far as the American government is concerned, the

CARRANZA NOTE BAIT'S ADMINISTRATION

Text of Obnoxious Note Is Insulting

The Carranza note referred to in the foregoing despatches from Washington, as one which has met with a "stern refusal", upon Carranza's reception of which refusal depends the issue of war or peace, was delivered in Washington on June 1. It has been commented on as sarcastic, offensive and even insulting in tone. It was a note of 12,000 words, demanding immediate withdrawal of American troops from Mexico, and charging in no indirect terms that the American government's professions of no intent really to invade Mexico were not made in good faith. The concluding words, reading like an ultimatum, are:

"The Mexican government therefore invites the United States to bring to an end this unsupportable situation and to support its protestations of friendship by an immediate withdrawal of American troops."
 "The American government," says the note, "has admitted that the work of the expedition which entered Mexico after the Columbus raid, now in over. But, in spite of this fact, American troops still remain on Mexican soil. To contend that political order in this country justifies the act of the American military forces is in conflict with the repeated professions of the Washington government relative to non-interference."
America Is Blamed
 The note points out that much of the trouble in Mexico is due "to the attitude of the United States in not punishing conspirators in the United States who have plotted the downfall of the present Constitutional government and to the acts of Washington in refusing to permit the shipment of arms and ammunition to enter Mexico."

The note, which is addressed to Secretary Lansing, reads in part as follows:

"The Mexican government has just received advices that a group of American troops has crossed the frontier and penetrated Mexican territory and at present is near a place called El Pino, some seventy miles to the south of the frontier. This newly effected passage of troops without the consent of the Mexican government places in grave danger the harmony and good relations which ought exist between the governments of the United States and Mexico."
 "This government must consider this last act a violation of its sovereignty and thus asks in the most urgent manner that the Washington government consider with care the case and once for all define with exactitude the policy it intends to pursue with respect to the Mexican nation."

After reciting the facts which led to the first crossing of the frontier by American troops after the Villa raid at Columbus, the note insists that in contradiction of the word of General Scott and Funston another expedition crossed the boundary line, thus violating all the precepts of international law and committing an act of invasion.
American Motives Questioned
 Continuing, the note discusses Mexican protests against the alleged invasion and then refers to a second expedition of 400 men, in pursuit of raiders, which entered Mexico on May 22. The Mexican government, it is declared, cannot assume that the United States government has committed an error a second time in ordering the crossing without the consent of the government of Mexico, or that the commander of the American troops

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ONE MEXICAN STATE BEGINS WAR: YANKEES ARE DETAINED

Encounter In Which American Is Wounded and Two Are Taken Prisoners Is Reported In Radiogram To Admiral Winslow

PERSHING GOING AHEAD DESPITE MEXICAN THREATS

National Guardsmen Will Not Be Sent To Border Except As They Are Needed By Funston To Fill His Long Patrol Line

(Associated Press by Federal Wireless.)
SAN DIEGO, June 20.—Commander A. G. Kavanagh of the gunboat Annapolis has sent a radiogram to Adml. C. McR. Winslow, in command of the Pacific fleet, stating that Governor Flores of the Mexican state of Sinaloa, has virtually declared war upon the United States. He has refused to allow Americans in the state to leave, and on Sunday his forces clashed with American sailors on duty in the Gulf of California, though without exchange of shots or loss of life. Sinaloa is one of the provinces in which Carranza is supposed to hold sway.

Admiral Winslow reports a clash between American seamen and Carranzistas at Mazatlan. In the exchange of shots Boatwain's Mate I. E. Laughter was seriously wounded. Ensign O. O. Keating and assistant paymaster Andrew Mowatt were taken prisoners by the Mexicans who attacked the small American force.

Demands for the immediate release of the prisoners were made, and they are said to have been released, though there is no mention of this in the admiral's despatches. A telegram from Washington says that the Mexican embassy announces that the two men have been released.

AMERICANS ORDERED OUT OF YUCATAN

GALVESTON, June 20.—The government of the Mexican state of Yucatan has ordered all Americans to leave, issuing a proclamation stating that a condition of war exists between the United States and Mexico, according to passengers who arrived here today on the steamer Progresso. They say that panic exists among the Americans in the state, as well as among other foreigners.

POSTERS CALL PEOPLE TO ARMS

GUAYMAS, June 20.—Posters are being put up in Mexican cities calling the people to arms against the United States, and the authorities are reported to have ordered the imprisonment of all Americans. Refugees are trying to reach the United States ships Cleveland and Glacier. Not only Americans, but other foreigners are fleeing from the warlike conditions which prevail.

SIX THOUSAND MEXICANS ARMED

EL PASO, June 20.—Six thousand Carranza soldiers are reported to be between Nuevo Laredo and Lampasas, about thirty miles south of Laredo, Texas.

American Consul J. E. Johnson of Matamoros arrived at Brownsville, Texas, yesterday. He had orders from the state department to leave his post. He said that the people of the district within which he had served as consul expected their country to be attacked by the United States.

PERSHING HAS FORCE OPERATING

WASHINGTON, June 20.—Despite the threats of General Trevino that he would attack General Pershing's forces if the latter made any move except to retire towards the American border, Pershing has detachments operating southward.
 In West Namiquala he is pursuing bandits, in minor movements, and paying no attention to the Mexican threats of attack. It is not believed that the Mexicans will really make any attack upon the American forces.

It was announced last night that the national guardsmen who have been
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