KISHINEFF HORRORS OUTDONE
First authoritative eyewitness story of Jewish massacres in Russia during the war. Terrible charges by an investigator on the ground. In next Sunday's SUN.

The Sun.

THE WEATHER FORECAST.
Fair to-day and to-morrow; [illegible] temperature; light [illegible] winds.
Highest temperature [illegible] 69; lowest, 52.
Detailed weather, mail and marine [illegible] page 13.

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ROCK ISLAND'S DIRECTORS DENY RIGGING MARKET

Disclaim All Knowledge of Who Boosted Stock Before Receivership.

NEVER AUTHORIZED THE LEGAL ACTION

Reid and Moore Not Blamed in Hearing Before Commerce Board.

WASHINGTON, June 4.—The recent Rock Island incident in the stock market was aired before the Interstate Commerce Commission to-day.

Samuel Untermyer, counsel for N. M. Amster of Boston, one of the Rock Island directors supposed to be opposing the Reid-Moore group, tried to show that the market for Rock Island was rigged by insiders, the price being boosted from 20 to 39 in a few days, only to collapse with the filing of an application for a receivership.

The plain intimation conveyed by Mr. Untermyer's questions was that the insiders manipulated the market with the full knowledge that a receivership application was about to be filed.

This charge was emphatically denied by the witnesses to-day, some of whom—as did Ogden Mills—plainly acknowledged that the market had been artificially inflated.

Mr. Mills said he had no knowledge who the guilty persons were, but he did not believe that Daniel G. Reid and Judge William H. Moore had anything to do with it. Mr. Mills himself admitted he had taken advantage of the pyrotechnics in Rock Island to sell 5,000 of his 10,000 shares. He parted with it at 36, just 3 points from the top.

Foreknowledge Denied.

He denied emphatically that he had any knowledge as a director of the Rock Island that the receivership was about to be filed, but he was aware that the financial condition of the road made this probable.

"There was an artificial condition of the market created in a perfectly crazy way," was the way Mr. Mills described the situation.

Facts verging on the sensational were brought out in regard to the filing of the receivership application. It developed that this action affecting this great railroad system was taken without even formal authorization on the part of the board of directors.

Furthermore the application was filed, according to the statement of some witnesses, after Mr. Amster had completed arrangements to provide the $6,000,000 necessary for the immediate needs of the road. Mr. Amster himself, it was asserted, knew nothing of the receivership application until he had read it in the newspapers.

Arthur Curtiss James of New York, another director, testified that he had no information of the receivership proceedings until 5 o'clock in the afternoon of the day before the application was filed. He described his own anxiety over the development and the efforts that were made by him and other directors to learn what was going to be done.

General Counsel's Step.

Roberts Walker, general counsel for the Rock Island, assumed responsibility for the receivership proceedings. Efforts to obtain from him a flat statement as to who had issued instructions for the filing of the application were futile.

He said he had discussed the matter with Daniel G. Reid, W. H. Moore, G. H. Hayden and other directors. He was quite certain that he had talked with five directors and knew that the general sentiment of the board was in favor of the action.

The receivership papers, it was shown, were drawn on March 29, but the application was not filed until April 20. In this interval, with the receivership papers already in typewritten form, the skyrocketing movement in Rock Island took place, followed by the collapse after the stock reached 39.

The fact was also brought out that the man who filed the receivership application against the Rock Island did so at the instance of Mr. Walker; that Mr. Walker drew both the creditors' application and the reply by the railroad. The plan was to have H. U. Mudge, president of the Rock Island, and J. E. Gorman, vice-president, appointed receivers, but Judge Carpenter selected Jacob M. Dickinson to serve with Mr. Mudge.

Robert P. Lamont of Chicago, president of the American Steel Foundries, who made the application for the receivership, disclaimed responsibility for the proceedings. He said he never would have thought of making application for a receiver had he not been asked to do so by Silas H. Strawn, an attorney of Chicago with whom he had close relations.

Strawn came to him and said that he, Strawn, had been asked by Roberts Walker, the Rock Island counsel, to procure some creditor of the Rock Island to sign the bill for the receivership.

Assumes Responsibility.

After Mr. Lamont's testimony Roberts Walker took the stand and promptly assumed full responsibility for instituting the receivership. He admitted that he had prepared the bill for the receivership on March 31.

He also admitted that he had not received the formal authorization of the board of directors to apply for a receiver, but insisted that he felt authorized to take the step because individually and informally the directors had approved of the proceeding in advance.

Mr. Untermyer and the witness had frequent clashes. The attorney drew from Mr. Walker the statement that he

Continued on Fifth Page.

NO FEES IN RUPPERT ESTATE.

100 Lawyers Seek to Be Counsel—State to Do the Work.

ALBANY, June 4.—Comptroller Travis will save the State $100,000 a year in fees paid to special attorneys, it was announced to-day, by having all estates appraised by the salaried employees, advised by the regular attorneys of the department, except in unusually intricate cases.

More than 100 lawyers have applied to the Comptroller for designation as special counsel in the appraisal of the Ruppert estate, valued at about $20,000,000, but the New York county attorney of the Comptroller's office, Lafayette B. Gleason, who is a salaried officer, is to handle this case the same as the Vanderbilt estate.

Comptroller Travis says the saving in these two estates alone in attorneys' fees will be $35,000.

AGAINST CHURCH BILLBOARDS.

Wanamaker Advises Federation to Use Newspaper Ads Only.

HARTFORD, Conn., June 4.—John Wanamaker shook up the members of the Church Clubs of the United States in a letter read at the annual convention here to-day, saying he favored daily newspaper advertising for churches and not spectacular billboards. He recommended that churchmen clean house so that their advertising of churches might be substantiated if visited by a stranger.

Officers were elected as follows: President, Dr. E. R. Gould, New York; vice-presidents, H. H. Heminway, Watertown, Conn.; W. S. Sterling, Cincinnati, and Charles S. Shoemaker, Pittsburg; secretary and treasurer, Charles F. Chase, New Britain.

"I have always been averse to any other church advertising than a modest placard on the church grounds and an advertisement in the daily newspapers," wrote Mr. Wanamaker.

$48,000,000 FOR EIGHT FORD STOCKHOLDERS

Auto Company Raises Capital to $100,000,000—Gives Half as a Bonus.

DETROIT, Mich., June 4.—The Ford Motor Company to-day authorized an increase in the company's capital stock from $2,000,000 to $100,000,000 to effect a more equitable relation between the capital stock and the net earnings.

As part of the plan the directors declared a stock dividend of 2,400 per cent., equivalent to stock of the par value of $48,000,000, which will be distributed among the company's eight stockholders in July. The remaining $50,000,000 of the new stock will be retained in the company's treasury until such time as the directors believe it advisable to issue it to meet the cost of improvements or pay future stock dividends.

In addition to the stock dividend a cash dividend of substantial amount was ordered, concerning which no details are obtainable.

The stock dividend will add $28,080,000 to the holdings of Henry Ford, president of the company, who holds 11,700 shares, or 56.5 per cent., of the present stock.

The holdings of James Couzens, vice-president and treasurer, will be increased by about $5,472,000; those of David Gray by $4,800,000, and those of John F. Dodge, Horace E. Dodge, Horace H. Rackham and John W. Anderson by about $2,400,000 each. The eighth stockholder, R. V. Couzens, will receive about $48,000 of the new stock.

The company's last statement, issued September 30, 1914, showed total assets of $61,632,257.16, of which $37,441,468.70 was cash.

More than $12,000 cars have been turned out of the Ford factory since Henry Ford began to build them. Of this large number more than 100,000 will have been built and sold during the year ending August 1 next. On these a rebate of approximately $50 for each car will be made, aggregating more than $5,000,000. The profit sharing arrangement began in January, 1914, and since that time more than $12,000,000 in profits have been paid to Ford employees.

At the present time there are over 21,000 employees on the payroll of the company, and of this number 18,000 are employed in the Detroit factories.

CITY'S LAST FARMER DIES.

Nicholas Zerrenner Insisted He Held Record.

Nicholas Zerrenner, 48, who insisted that he was the last real farmer in Manhattan, died last night at Bellevue Hospital.

His farm consisted of four city lots at 181st street and Fort George avenue. He raised vegetables and took them to the market himself. He leaves a daughter and six sons, one of whom, Henry, is a policeman.

WHITMAN, JR., HAS LUSTY CRY.

Governor, in San Francisco, Hears Son 3,000 Miles Away.

ALBANY, June 4.—Gov. Whitman in San Francisco this evening heard Charles S. Whitman, Jr., crying in the Executive Mansion in Albany, 3,000 miles away. The baby's voice was carried over the new transcontinental telephone lines.

The party here were grouped about long tables in the Executive Mansion. Receivers for all had been set up and every one heard distinctly when the Governor talked with acting Governor Schoeneck.

The Governor was told that his small son wanted to speak with him and he listened intently while two nurses held the baby near the telephone and tried to get him to yell. For a few moments the infant discouraged all efforts. One nurse squeezed him vainly in the effort to get him to cry, while the other tickled the baby's toes and wiggled his arms beseeching him to "cry, Charlie," much to the amusement of the guests.

"If he won't talk he isn't a Whitman," commented the Governor at the other end of the line.

At last the efforts of the nurses were rewarded, and a loud yell went over the wires to San Francisco.

"Oh, there you are," laughed the Governor, adding that he heard the cry plainly.

WILSON TO FIX DATE OF PEACE IN MEXICO

Will Issue Ultimatum Soon, Giving Chiefs Certain Time to Agree.

PROBABLY 30 OR 60 DAYS

U. S. Will Act Then, if a Stable Government Has Not Been Set Up.

WASHINGTON, June 4.—A definite policy toward the Mexican situation has been framed by President Wilson. If Carranza, Villa and the other leaders fail "within a very short time" to compose their differences the President will issue a proclamation that will amount to an ultimatum, fixing a date when a provisional government must be established.

This ultimatum will give Mexico a certain period, probably thirty or sixty days, in which to set her house in order. If by that time the Mexican warriors have not set up a government the United States will act.

In his statement issued on Tuesday the President gave notice that the United States could not tolerate a continuance of present conditions in Mexico and that a failure on the part of the present leaders to restore order would compel the Washington Government to undertake the task.

Just how long the President will wait for Mexico to act on the notice just served is not known. The President himself said that Mexico must act in accordance with his injunction "within a very short time." It is understood that Mr. Wilson is not disposed to rush matters in Mexico and is hopeful that when the conviction is brought home to Carranza, Villa and the others concerned that this Government is in earnest, they will find a way to do the job themselves.

Hopes for Good Feeling.

The Administration appears to be hopeful that Carranza, Villa, Garcia and Zapata will be found in a conciliatory frame of mind when replies have been received from the President's pronouncement, which was forwarded to them on Tuesday.

A statement issued by the Carranza agency yesterday indicated that the First Chief was in a belligerent mood, but it is understood that he had been counselled by advisers in this country to frame a pacific communication when he replies to the President.

There appears to be absolute faith among officials here that Gen. Villa will agree to a settlement of Mexico's troubles other than by armed force and that he will promptly acquiesce in the President's proposal. Carranza's reply may force the United States to show its hand at once.

It became known to-day that in certain circumstances Carranza might be accorded recognition by the United States. The First Chief has made progress in recent months and if in the near future he should extend the sphere of his influence his claims, some officials say, would be entitled to consideration. As a general proposition, however, the Administration does not place much dependence on the ability of either Carranza or Villa or any of those now active with the two factions, to restore order in the republic.

Rebels to Be Discouraged.

When the time comes for the United States to begin the work of establishing a stable government in Mexico—a contingency that most officials believe it is bound to face in the near future—it will have the support of Europe and Latin America. The man or group to get control at Mexico city will not be harassed as were Madero and Huerta. Any revolutionists that attempt to oppose the provisional government thus established will find it impossible to secure arms and other munitions of war in this country. Such supplies will be furnished only to those in charge in Mexico city. An embargo on arms will be imposed by the President, and revolutionists, of course, will be unable to get such supplies elsewhere.

Great satisfaction has been expressed by the representatives of the Powers in this city over the new Mexican policy and assurances are given that Europe and the progressive republics to the south will uphold the United States to the utmost.

A despatch received from Carranza headquarters at Vera Cruz to-day made a good impression on Administration officials. This despatch stated that "President Wilson's note was received Thursday and is being given great consideration on all sides." This gave rise to hopes that the First Chief may prove more responsive to Washington influence in the future than in the past.

Advices received in Washington indicate that Villa and Obregon are active in the field and the outcome of their coming engagement is awaited with interest. The result of this battle may determine who is supreme in Mexico and there is a possibility, officials say, that it may result in bringing the factions together on the basis suggested in the President's note.

Gen Funston to Aid.

The United States Government is co-operating to the fullest extent with the American Red Cross in the work that is about to be done to relieve the starving people of Mexico. Acting by direction of the President the Secretary of War to-day ordered Gen. Funston, who is in command of the troops on the border, to take all army warehouses in that region available for the concentration and distribution of Red Cross supplies.

It was decided to-day that all supplies sent to Mexico shall be consigned to American consular officials in that country, who will supervise their distribution.

Advices received at the State Department confirmed reports that have come from other sources that conditions in Mexico are deplorable. One despatch stated that food was scarce at Aguascalients, the headquarters of the Convention Government, and that prices are daily advancing. Villa currency was dropped to about 4½ cents a peso and traders are disinclined to sell their goods at that rate.

The Carranza agency has been notified that 8,000 sacks of corn reached Vera Cruz to-day, that a cargo of flour is expected in that city to-morrow and that the authorities will see to it that bakers sell bread at cost. The Carranza agency

Continued on Fifth Page.

FEARS LYNCHING OF FRANK.

Mayor Asks for Troops at Anti-Commutation Meeting.

ATLANTA, June 4.—Fearing that a riot may result from a mass meeting called for the State Capitol grounds to-morrow night to protest against the commutation of the death sentence of Leo M. Frank, Mayor Woodward wrote to Gov. Slaton to-day urging that troops be placed at the gathering. The Mayor said that the jail where Frank is confined is within a block of the Capitol and that during the excitement at the meeting an attack may be made on the prison.

Gov. Slaton has not indicated what action he will take. The proposed meeting has been well advertised and is part of the movement to hold protest mass meetings in every Georgia county.

The call says the meeting is in "defence of trial by jury" and for the "support of the integrity of the Constitution and Government of Georgia by Georgians in Georgia."

GERMAN SPIES SENTENCED.

Muller to Be Shot, Hahn to Serve Seven Years in Prison.

Special Cable Despatch to THE SUN.

LONDON, June 4.—The trial of the two alleged spies Muller and Hahn, which was held in camera in the Old Bailey before the Lord Chief Justice, was concluded this afternoon.

The jury found both prisoners guilty. Muller was sentenced to death by shooting and will be handed over to competent military authorities for execution, subject to his right of appeal to the Court of Criminal Appeal.

Hahn was sentenced to seven years penal servitude. The men were arrested at the same time as Anton Kupferle, who later committed suicide in his cell.

OLD, OLD SWINDLE IS WORKED ANEW

Canadian Drops $17,400 to "Wiretappers"—Six Men Arrested.

Six alleged wiretappers—one of them Fred Gondorf, brother of Charles Gondorf, the so-called king of the wiretappers—were nabbed along Broadway last evening and locked up in Police Headquarters. They are accused of having swindled William O'Reilly of 52 Colborne street, Toronto, out of $17,400 by that moss grown "sure thing method of getting the manager of the telegraph company to hold back the winners in the races."

The men who were picked up along Broadway by detectives working directly under the eye of Capt. Gildea of the second branch detective bureau are Fred Gondorf of 158 West 158th street; James Fitzgerald, alias Old Fitch; John Morris, alias Beefy Morris; Harry Miller, alias Dutch Schultz; James W. Ryan, known as the Postal Kid, and George Mitchell, called the Kentucky Gentleman.

The story which O'Reilly told to a priest, who is said to have informed Police Commissioner Woods, is that O'Reilly when in Buffalo last winter met a man named Douglas, who said he had a brother working for the Western Union. O'Reilly was led to believe that he could make money by getting advance information as to the winners of horse races and then dashing into a poolroom and making a bet on them.

O'Reilly came to the city, met a bunch of the men, wagered $200 and won. He went to a house in West Forty-seventh street where the men under arrest are said to have been operating. Delighted with his winning he arrived in town with $10,000 on April 10, which he lost. He returned a few weeks afterward with $7,400 more, which he promptly dropped. Then he went home sadder, but not wiser, until he charged to mention his losses to the priest.

The men will be arraigned to-day.

GERMAN TROOPS SENT WEST?

Closing of Belgian Frontier May Mean Change in Campaign.

Special Cable Despatch to THE SUN.

LONDON, June 5.—The *Daily Mail* correspondent at Rotterdam says:

"It is regarded as significant that the capture of Przemysl by the Austro-Germans has been followed by the strict closing again of the Belgian frontier. This measure hitherto has presaged the movement of German troops."

GREEK RULER HAS RELAPSE.

Fever Returns and Physicians Delay Their Departure.

Special Cable Despatch to THE SUN.

ATHENS, via London, June 4.—King Constantine's fever returned suddenly last evening and his temperature rose to 100. The German physicians attendant upon the King, who were about to leave Athens, postponed their departure.

The relapse apparently is due to the emotion occasioned by the tremendous popular demonstration of loyalty and affection outside the palace on the King's name day, when there was a torchlight procession with great and prolonged cheering. The King was unable to leave his bed, but the windows of his chamber were open so that he might hear the ovation.

ARRESTS IN BASEBALL POOL.

Philadelphia Detertives Say N. Y. State Senators Back Plan.

PHILADELPHIA, June 4.—Three men accused of being agents of a baseball pool, were arrested to-day, charged with violating the gambling laws of this State. It is said that 50,000 Philadelphia people play the pool weekly.

Daniel Lucas of Norristown, who is charged with being the general agent for Pennsylvania of the Baseball News Company of New York, was taken into custody at a cigar store which, the police say, was the local headquarters for the syndicate. Ten thousand coupons for next week's play were found in Lucas's possession, the detectives say.

Edward Witthun and Barton Weaver are the other prisoners. Two New York Senators are backers of the plan, according to a confession the detectives say they got from one of the accused men.

CONFESSES HE TRIED CUNARD BLACKMAIL

Demanded $20,000 on Threats to Destroy Ships and Piers.

BEGINS WITH LUSITANIA

Dodges Many Traps—Caught as He Mails Fourteenth Letter.

Frederick A. Stillwaggon, who says he is an American citizen, born in Holland, was arrested yesterday afternoon just outside the Federal Building, charged with having sent fourteen blackmailing letters to the Cunard Steamship Company.

In all of these letters the writer demanded $20,000. Before the Lusitania was sunk the letters threatened that the liner would be blown up unless the money was paid as directed. In letters written since the Lusitania disaster the writer took unto himself the credit for that tragedy and said he had done it to prove that he was in earnest. He said that the steamship Transylvania and the piers and docks of the steamship company here would next feel the strength of his hand.

The writer stated in the letter that he was a German spy, dissatisfied with the money he was drawing from the German Government, which "was getting too cheap since the war." He promised that if paid $20,000 and put on a regular yearly salary he would disclose the innermost workings of the German spy system as it affected the United States. He mentioned particularly the activities of spies at the Bethlehem Steel Works, the Boston Harbor and the Sayville wireless station.

After a short examination at Police Headquarters, Stillwaggon, who had been arrested a few seconds after the last letter of the blackmailing series had been dropped into the chute in the Post Office, admitted that he had sent all of the letters and signed an affidavit to this effect.

Whole Story False, He Says.

He denied that any one was working with him. He said that he had never been a German spy and that he had no foreknowledge of the sinking of the Lusitania. He had gone into this scheme, he said, because he "needed the money," having lost the savings of years in the fish business. He "thought the Cunard people might fall for it, because $20,000 would mean so little to them."

Capt. Tunney, who directed the activities of a squad of detectives for six weeks before the letter writer was finally rounded up, says that he does not believe that Stillwaggon has any connections with the German spy system, and that there is nothing more to the situation than appears on the surface.

The writer of the blackmailing letters was one of the most annoying offenders the police have had to deal with in many months. Any hint of a big bomb outrage is enough to set the detective bureau on edge, and the letters received by the Cunard Line contained threats of a bomb outrage on a large scale.

For more than six weeks detectives have been working on the case day and night. The Cunard Line has policed its piers with private detectives. On four occasions Capt. Tunney had his "plant" all arranged so that he felt positive he would capture his man before the night was over, but on each occasion Stillwaggon proved too wary to walk into the trap.

The police were called in immediately after the Cunard Line had received the first letter of the series on April 12. The letter was signed "Your enemy for the present." It was about 2,000 words in length and was written in pen and ink. It directed that the Cunard Line office boy should be sent with a package containing $20,000 in 100 $100 bills and 50 $20 bills to North Henry and Driggs street, Williamsburg, at the entrance of Winthrop Park.

Boy on Skates to Take Money.

A boy on roller skates would demand the package, said the writer. The Cunard office boy must give it to him and be careful not to follow him. No dummy packages must be sent under pain of the most dire results. The police must not be informed. The Cunard messenger must wear a white ribbon in his coat lapel.

A few days later another letter was received. It was of the same tenor. All the letters are very long. Capt. Tunney began to station detectives, with samples of the handwriting, at all the branch offices where these letters had been mailed.

On May 10, after the Lusitania had been sunk, a letter was received in which the writer said:

"I gave you fair warning about the Lusitania, but you spoke to the police and now you must pay the price. I intend to keep it up unless you pay. You can save the Transylvania if you follow my instructions." Then he directed that the $20,000 be delivered to him at the entrance of Proctor's Theatre in Fifty-eighth street.

The police dressed Detective George Barnetz's son, George, Jr., who is 18 years old, in short trousers, fixed up a package exactly the size of a package containing the bills demanded and sent him to Proctor's. The boy stayed at Proctor's entrance until long past 7:30, but no one asked him for the package in his hands.

On two of the other three occasions when young Barnetz was sent with the dummy package boys on roller skates approached him and asked for the package. Each time the boy skated away with the package, but no man waited to get it. The detectives learned that each of the boys was paid 10 cents to go for the package, but the man who hired them seemed too distrustful to wait.

Detectives Fennelly and Schumelski were at the main post office yesterday afternoon when a letter addressed to the Cunard Line was dropped down one of the Broadway chutes. The writing was that of the blackmailer. Schumelski opened the window and saw the man who had dropped it. Fennelly ran out into Broadway and arrested him.

Stillwaggon said he is 39 years old and lives at 7 Shell road, Winston, L. I., with his wife and seven children, of whom the eldest is 18 years and the youngest six months. He looks much younger than 39 years.

On June 11 last Joseph Burton, a negro, was arrested for demanding $10,000 from the Cunard company, under threat of blowing up a liner. He arranged to have the money thrown off a West Shore railroad train. A special train was made up for the purpose. When the negro signalled for the money the train was stopped and Burton was caught.

WILSON ASKS A DEFINITE REPLY ON SUBMARINE WAR

GERMANY EXPRESSES REGRET FOR ATTACK ON THE GULFLIGHT AND PROMISES REPARATION

WASHINGTON, June 4.—The following is the text of a note received from the German Foreign Office relative to the attacks upon the American ships Gulflight and Cushing:

Referring to the note of May 28, the undersigned has the honor to inform his Excellency the Ambassador of the United States of America, Mr. James W. Gerard, that the examination undertaken on the part of the German Government concerning the American steamers Gulflight and Cushing has led to the following conclusions:

In regard to the attack on the steamer Gulflight the commander of a German submarine saw on the afternoon of May 1, in the vicinity of the Scilly Islands, a large merchant steamer coming in his direction, which was accompanied by two smaller vessels. These latter took such position in relation to the steamer that they formed a regulation safeguard against submarines; moreover, one of them had a wireless apparatus, which is not usual with small vessels.

From this it evidently was a case of English convoy vessels. Since such vessels are regularly armed the submarine could not approach the steamer on the surface of the water without running the danger of destruction. It was, on the other hand, to be assumed that the steamer was of considerable value to the British Government since it was so guarded.

The commander could see no neutral markings on it of any kind; that is, distinctive marks painted on the freeboard, recognizable at a distance, such as are now usual on neutral ships in the English zone of naval warfare.

In consequence he arrived at the conclusion from all the circumstances that he had to deal with an English steamer, submerged and attacked.

The torpedo came in the immediate neighborhood of one of the convoy ships, which at once rapidly approached the point of firing, so that the submarine was forced to go to a great depth to avoid being rammed; the conclusion of the commander that an English convoy ship was concerned was in this way confirmed.

That the attacked steamer carried the American flag was first observed at the moment of firing the shot. The fact that the steamship was pursuing a course which led neither to nor from America was a further reason why it did not occur to the commander of the submarine that he was dealing with an American steamship.

Upon scrutiny of the time and place of the occurrence described the German Government has been convinced that the attacked steamship was actually the American steamship Gulflight. There can be no doubt, according to the attendant circumstances, that the attack is to be attributed to an unfortunate accident and not to the fault of the commander.

The German Government expresses its regrets to the Government of the United States concerning this incident and declares itself ready to furnish full recompense for the damage thereby sustained by American citizens.

It is left to the discretion of the American Government to present a statement of this damage, or, if doubt may arise over individual points, to designate an expert who would have to determine, together with a German expert, the amount of the damage.

It has not yet been possible by means of an inquiry to clear up fully the case of the American ship Cushing. Official reports available report only one merchant steamship attacked by a German flying machine in the vicinity of Nordhind lightship.

The German aviator was forced to consider the vessel as hostile because it carried no flag and further because of no recognizable neutral markings. The attack of four bombs was, of course, not aimed at any American ship.

However, that the ship attacked was the American steamer Cushing is possible, considering the time and place of the occurrence; nevertheless, the German Government accordingly requests from the American Government that it communicate to the German Government the material which was submitted for judgment in order that with this as a basis a further position can be taken in the matter.

The undersigned leaves it to the Ambassador to bring the foregoing to the immediate attention of his Government and takes this opportunity to renew to him the assurance of his most distinguished consideration.

MINISTER OF FOREIGN AFFAIRS.

1,000,000 SHELLS MONTHLY FOR BRITAIN

Such Is Promise of Manchester in Reply to Lloyd George's Speech.

Special Cable Despatch to THE SUN.

LONDON, June 4.—The *Daily Mail* says that David Lloyd George is enthusiastic over the results of his visit to Manchester and is convinced that the response to his appeal will be magnificent.

The speech of the new Minister of Munitions was received with much applause and committees already have been appointed in Lancashire. Col. Sir Percy Girouard, chosen as chief organizer of the Department of Munitions, told the committees that Mr. Lloyd George aimed to secure an output of a quarter of a million shells monthly. The reply was a promise of a million shells monthly soon.

TO DROP UNION RULES.

Lloyd George Says Every Man in England Must Work.

LIVERPOOL, June 4.—David Lloyd George, the Minister of Munitions, urged upon the employers and employees of Liverpool to-day the urgent necessity of the suspension of all union regulations during the war. This must be done, he said, so that every available man and woman in the kingdom can get to work.

The Minister, continuing his campaign for the organization of the munition trades of the country, said that if every labor unionist could be brought back from the front and all put to work they could not produce what the Government needs. He reiterated that he was not asking a favor but demanding as a matter of right what every country has a right to demand from patriotic citizens.

London More Optimistic Regarding Result of War.

Special Correspondence to THE SUN.

LONDON, May 25.—The advent of the coalition Government has had a most beneficial result upon the general situation in London. The tone of depression noticeable for the last two or three weeks about the way the war is getting on seems to have disappeared and an optimistic note is heard. This may be due in part to the confidence in the new Government, but it is also due in a great measure to the widespread belief that Germany cannot stand the enormous expenditure of ammunition for her heavy artillery. Many think that before long the Germans will be found to be seriously short in that respect.

GERMAN LOSSES NOW EXCEED TWO MILLION

Prussian Casualties Indicate Two-thirds of Kaiser's Trained Army Gone.

Special Cable Despatch to THE SUN.

AMSTERDAM, via London, June 4.—The *Telegraaf* says that the German casualty lists show that the Prussian losses alone have reached a total of 1,388,000 men.

The same newspaper quotes recent casualty lists as giving the names of fifty-six aviators. Of these eleven were killed, thirty-five wounded and ten missing.

The peace strength of the Prussian army is 480,000 men—in other words, the Prussian losses to date are given as nearly three times the entire peace strength of the Prussian army.

The peace strength of the Bavarian army is three army corps, 120,000 men, that of the Saxon army 80,000 men and of the Wuerttemberg army 40,000 men. Assuming that the war strength of these kingdoms bears a similar ratio to the peace strength to the ratio prevailing in Prussia and that the losses in these armies in proportion to their strength are similar to those of the Prussian army the figures would indicate that the losses of these three armies to date are roughly 720,000 men, which, added to the 1,388,000 men lost by Prussia, gives a total German loss of 2,108,000 men.

The total war strength of the German field army before the present war began was estimated at 1,850,000 men, behind which was an estimated strength of 1,500,000 men, wholly or partially trained, to supply the waste of war, making a total paper strength of 3,350,000 men, not including the garrison units or the Landsturm.

It would appear therefore that an equivalent of two-thirds of the entire paper strength of the trained German army already has been wiped out. The total losses estimated, however, must be reduced by the considerable number of wounded who have recovered and returned to the front.

BEGIN BIG GALLIPOLI ATTACK.

Allies Start General Assault Upon Turkish Positions.

Special Cable Despatch to THE SUN.

LONDON, June 5 (Saturday).—The *Times* correspondent at Mitylene cables that a general assault upon the Turkish positions on the Gallipoli Peninsula began yesterday morning.

U. S. Note Demands Direct Statement From Germany on Future Policy.

ACCURACY OF FACTS TAKEN FOR GRANTED

Message, Approved by Cabinet, Will Be Cabled to Berlin at Once.

WASHINGTON HOPEFUL AFTER LATEST NOTE

Charge That Lusitania Was Armed Not Discussed by President.

WASHINGTON, June 4.—President Wilson's note replying to the recent German communication on submarine operations was approved by the Cabinet today and will go forward to Berlin within the next twenty-four hours.

The two important features in President Wilson's note are:

A request for a direct expression from Germany as to whether or not she intends to abide by the principles of international law and humanity in the conduct of her submarine operations.

A statement that the facts set forth in the President's first note in regard to the character of the Lusitania and her cargo are accurate.

Included in the note also will be what amounts to a reiteration of the demands made by the President in his first communication. These included a disavowal of intention to attack American lives or property, reparation in so far as reparation is possible and prompt steps to insure this Government against a recurrence of the Lusitania outrage.

The statement in regard to the accuracy of facts contained in the first note will amount to an answer to the German charge that the Lusitania was an auxiliary cruiser in that she had two masked guns concealed below deck. The President has made a careful investigation of all the facts in connection with this charge. He has personally received the assurance of Collector Malone that there were no guns on the Lusitania, and in other ways has satisfied himself beyond a doubt that the United States Government stated the exact facts in its first communication to Germany.

No Discussion of Facts Needed.

It is understood that the President has made the situation as easy as possible for Germany on the assumption that the Imperial Government has been misinformed. The statement in the President's note as to facts, however, has been phrased in such a way as to indicate clearly that no discussion of facts seems necessary and will not be acceptable until at least Germany has declared herself on the principles involved.

The general effect of the President's note will be the reiteration of his first communication with special emphasis laid upon the necessity of Germany promptly giving Americans assurances of protection on the high seas in conformity with the principles of international law.

Next to the action of the Cabinet the most interesting development here today in the international situation was the receipt of a note from the German Foreign Office acknowledging in great detail its blame for the torpedoing of the American ship Gulflight, expressing regret and declaring itself ready to furnish full compensation for the damage sustained. In the note there is also partial acknowledgement of blame for the dropping of bombs from an aeroplane upon the American ship Cushing. Before Germany formally acknowledges her responsibility for the Cushing case, however, she asks the United States for all the facts in the possession of the State Department so as to enable her to form a just judgment.

The tone of this latest communication was viewed with favor in Washington. It was regarded as evidencing a desire by Germany to do everything possible to remove these two cases from the list of embarrassments between the two Governments. The note, according to the view of officials here, practically eliminates these two cases from further consideration, except as they strengthen the demand of the United States that Germany give some assurances for the future and say whether or not she intends to abide by the acknowledged rules of international law.

Wilson's Views Confirmed.

The details of the Gulflight case, given by the German Foreign Office served to emphasize the very arguments which President Wilson set forth in his recent note. The German communication, as viewed here shows the impossibility of carrying on submarine operations without mistakes and supports this sentence in the President's note:

"Manifestly submarines cannot be used against merchantmen, as the last few weeks have shown, without an inevitable violation of many sacred principles of justice and humanity."

There were reports after to-day's Cabinet meeting that Secretary of State Bryan had stood out strongly for a yielding to Germany's request for an investigation of facts. In reply to these reports the statement was made authoritatively that there were no serious differences of opinion in the Cabinet.

Mr. Bryan played a larger part in the preparation of this note than he did in the drafting of the first one, and the general belief is that the President and he came to a satisfactory understanding on the note before it was submitted to the Cabinet. They had a conference regarding the situation before the Cabinet meeting and Mr. Bryan also was at the White House last night. At