Two Points Made by United States Rejected by Germany in Detailed Reply.

PRIZE COURT INSISTED ON

Berlin Contends for Legality of Destruction of Any Vessel Carrying Contraband, but Is

Willing to Pay Cost. WASHINGTON, June 10 .- Germany

in reply to the latest note of the United States concerning the sinking of the ship William P. Frye by the Prinz-Fitel Friederich defends her right to destroy any vessel carrying contraband. At the same time willingness to pay damages is asserted. Reference the case to a prize court is insist-Germany reflects two points made by

the United States. One is the contention that the prize court means unnecessary delay. The other is that the
destruction of the Frye was 'unquestionably a violation of the obligations
imposed upon the imperial government
under existing treaty stipulations between the United States and Prussia."

The effect of Germany's answer today if its assertions are accented by day, if its assertions are accepted by the United States, would be to throw into the prize courts for decision all cases as to whether destruction of an American vessel constituted an ex-

treme case of military necessity. Violation of Treaty Is Denied.

The German reply says:

"Foreign Office, Berlin, June 7, 1915.—
The undersigned has the honor to make the following reply to the note of his excellency, James W. Gerard, Ambassador of the United States of America, dated April 30, 1915, Foreign Office No. 2391 on the subject of the sinking of 3291, on the subject of the sinking of the American salling vessel William P. Frye by the German auxiliary cruiser Prinz Eitel Friedrich.

"The German government cannot admit that, as the American Government assumed, the destruction of the sailing assumed, the destruction of the sailing vessel mentioned constitutes a violation of the treaties concluded between Prussia and the United States at an earlier date and now applicable to the relations between the German empire and the United States, or of the American rights derived therefrom. For these treaties did not have the intention of depriving one of the contracting parties engaged in war of the right of stopping the supply of contraband to his enemy when he recognizes the supply of such when he recognizes the supply of such as detrimental to his military interests.

"On the contrary, article 13 of the Prussian-American treaty of July 11. 1799, expressly reserves to the party at war the right to stop the carrying of contraband and to detain the contraband. It follows then that if it of contraband and to detain the contra-band. It follows, then, that if it cannot be accomplished in any other way, the stopping of the supply may in the ex-treme case be effected by the destruc-tion of the contraband and of the ship carrying it. As a matter of course, the obligation of the party at war to pay compensation to the parties interested of the neutral contracting party remains in force, whatever be the manner of stopping the supply.

p. Frye is likewise subject to the German prize jurisdiction, for the Prussian-American treaties mentioned contain no stipulation as to how the amount of the compensation provided by article 12 of the treaties cited is to be fixed,

"The German government, therefore, complies with its treaty obligations to a full extent when the prize courts instituted by it in accordance with international law proceed in pursuance to the treaty stipulation and thus award the Americans interested an equitable indemnity. There would therefore, be no foundation for a claim of the American Government unless the prize court should not grant indemnity in accordance with the prize court should not grant indemnity in accordance with the prize court should not grant indemnity in accordance with the prize court should not grant indemnity in accordance with the prize court should not grant indemnity in accordance with the court of the coast of Great Britance on the court of the war."

Discussing the Lusitania disaster, Kirchoff remarks that the chief lesson to be drawn is as to the unseaman, who is unable to rise to an emergency like the German sailor.

"The last ten days of the third month of the submarine blockade," says the Vice-Admiral, "May be produced positively brilliant results. In one week alone our submarines sank 32 enemy ships, including many of great tonage, around the coast of Great Britanian and the total of ships torpedoed now exceeds 200.

"But the greatest influence on the Course of the war."

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"For the rest, prize proceedings in the case of the Frye are indispen-sable, spart from the American claims, for the reason that other claims of the neutral and enamy interests." the neutral and enemy interested parties are to be considered in the mat-

As was stated in the note of April "As was stated in the note of April 4 last, the prize court should have to decide the question whether the destruction of the ship and cargo was legal, whether and under what conditions the property sunk was liable to confiscation, and to whom and in what amount indemnity is to be paid provided application therefor is received.

"Since the decision of the prize court must first be awaited before any position is taken by the German government, the simplest way for the American interested parties to settle their claims would be to enter them in the competent records in accordance with the provision of the Competent records in accordance with the provision of the Competent records in accordance with the provision of the Competent records in accordance with the provision of the Competent records in accordance with the provision of the Competent records in accordance with the provision of the Competent records accordance with the provision of the Competent records accordance with the provision of the prize court must be seen to the competent records accordance with the provision of the prize court must be seen to the competent records accordance to the competent records accordance to the court must be seen to the competent records accordance to the court must be seen to ance with the provision of the German

ance with the provision of the German code of prize proceeding.

"The undersigned begs to suggest that the Ambassador bring the above to the knowledge of his government and avail himself, etc.

"VON JAGOW,

"Minister for Foreign Affairs."

OLD CHAMBER ENDS WORK

Bare Quorum Meets to Adopt Rules of New Organization

Obsequies over the old Chamber of Commerce were held at noon yesterday in the green room of the new Chamber, when 20 members, a bare quorum, gathered and adopted the by-laws of the new organization, as well as a reso-lution to put through the new Chamber

of Commerce organization.

Directors of the old Chamber will meet soon and resign, as well as take into the directorate those elected to manage the affairs of the new Chamber.

reconciliably as to the means of securing it. If it were merely a personal difference it would be a matter of little moment, for all the presumptions are on his side—the presumptions that go with power and authority. He is your President, I am a private citizen with cout office or title—but one of the hundred oil Company today announced a reduction of 1 cent in the price of gasoline. The new price is 8.8 cents a gallon. The reduction is effective throughout the United States. Last June, gasoline sold for 12 cents a gallon. Since then the company has made several reductions.

Teconciliably as to the means of securing it. If it were merely a personal difference it would be a matter of little spised as weakness by worshippers of Mars, abideth when all else fails. "When Mr. Bryan met newspaper men at his home to give out his statement he was clad in a military-looking khaki riding suit, having just returned from a horseback ride in the country. "I rode out in the woods today," he persons: it is between systems, and I rely for vindication wholly upon throughout the United States. Last June, gasoline sold for 12 cents a gallon. Since then the company has made several reductions.

"Among the influences which governments employ in dealing with each other there are two which are presented as weakness by worshippers of spised as weakness by worshippers of Mars, abideth when all else fails. "When Mr. Bryan met newspaper men at his home to give out his statement he was clad in a military-looking khaki riding suit, having just returned from a horseback ride in the country. "I rode out in the woods today," he said, "and chopped down a tree. Chopping is my chief exercise lately."

Asked how big the tree was, he said it was 18 inches thick and that he thought woodchopping the finest exercise in the country.

WE'VE PUT UP WITH THIS PERSON ABOUT LONG ENOUGH.



German Says Submarines Will Enter Mediterranean Next.

BRITISH SAILOR SCORNED

Vice - Admiral Kirchoff Declares Chief Peril Is Lack of Discipline on Part of Unseamanlike English Crews.

saving apparatus. About hair the crew of the Lusitania was saved, or we should say, saved themselves, while scarcely one-fifth of the passengers escaped. That says much. Whoever travels by English ships can count himself lost in the event of a mishap. That was the case before, and is still the case now."

ERYAN HAS NEW DIPLOMACY

(Continued From First Page.) ecretary says he will be ready to rest

his case.

The statement tonight, entitled by the ex-Secretary "The Real Issue," is us follows:

"To the American people: You now have before you the text of the note to Germany—the note which it would to Germany—the note which it would have been my official duty to sign had I remained Secretary of State. I ask you to sit in judgment upon my decision to resign rather than to share responsibility for it. I am sure you will credit me with honorable motives, but that is not enough. Good intentions could not atone for a mistake at such a time, on such a subject and under such circumstances. If your verdict is against me, I ask no mercy; I

under such circumstances. If your verdict is against me, I ask no mercy; I desire none if I have acted unwisely.

"A man in public life must act according to his conscience, but, however conscientiously he acts, he must be prepared to accept without complaint any condemnation which his own errors may bring upon him; he must be willing to bear any deserved punishment from ostracism to execution. But hear me before you pass sentence.

not only desire it, but with equal fer-vor we pray for it, but we differ ir-reconciliably as to the means of secur-

persuasion. Force speaks with firm-ness and acts through the ultimatum; persuasion employs argument, courts investigation and depends upon nego-tlation. Force represents the old system—the system that must pass away; tem—the system that must pass away;
the persuasion represents the new system—the system that has been growing, all too slowly, it is true, but growing for 1900 years. In the old system
war is the chief cornerstone—war,
which at its best is little better than
war at its worst; the new system contemplates an universal protherhood established through the uplifting power
of example.

of example.

"If I correctly interpret the note to Germany, it conforms to the standards of the old system rather than to the rules of the new, and I cheerfully admit that it is abundantly supported by precedents—precedents written in characters of blood upon almost every page of human history. Austria fur-nishes the most precedent; it was Austria's firmness that dictated the ulti-matum against Serbia, which set the world at war."

International Law Is Cited.

"According to general principles of international law any exercise of the control over the trade in contraband is subject to the decision of the prize courts, even though such right may be restricted by special treaties.

"Ansterdam, May 20.—(Correspondence of the Associated Press.)—
The next important field for German nied responsibility for the war and it is only charitable that we should credit all of them with good faith. They destroyed war vessels and all members of the parties concerned. Our military interests and our judical standpoint, the view with the correspondence of the Associated Press.)—
The next important field for German subclined his desire for peace and declaimed his desire for peace and declai All Declare Desire for Peace.

peace and, faithfully following precedent, they went so near the fire that they were, one after another, sucked into the contest. Never before have the frightful follies of this fatal system been so clearly revealed as now.

"The most civilized and enlightened—aye, the most Christian, of the nations of Europe, are grappling with each other as if in a death struggle. They are sacrificing the best and bravest of their sons on the battlefield; they are converting their gardens into cometeries and their homes into houses of mourning; they are taxing the wealth of today and laying a burden of debt on the toil of the future; they have filled the air with thunderboits more deadly than those of Jove and they have multiplied the perils of the crew of the trawler Velocity, which has been sunk at sea by a German submarine, were landed at Hartle-pool today after being 52 hours at sea in a small boat without food or water. The men were in a terrible state of exhaustion when picked up by the vessel which nad been captured by the British and put into their own service. Forty-one members of the torpedo-boats' crews were rescued. The two vessels' full complement of men numbered 35 each. These craft were torpedoed early today off the east coast of England.

The trawler Letty was blown up today off Dogger Bank, in the North Sea. The crew of the trawler Velocity, which has been sunk at sea by a German and the provided the perils of the crew of the trawler Velocity. tions of Europe, are grappling with each other as if in a death struggle. They are sacrificing the best and bravest of their sons on the battlefield; they are converting their gardens into cometeries and their homes into houses of mourning; they are taxing the wealth of today and laying a burden of debt on the toil of the future; they have filled the air with thunderhoits more deadly than those of Jove and they have multiplied the perils of the deep. Adding fresh fuel to the flame of hate, they have daily devised new horrors, until one side is endeavoring to drown non-combatant men and women and children at sea; while the other side seeks to starve non-combatant men, women and children on land.

England.

The trawler Letty was blown up to-day off Dogger Bank, in the North Sea. The crew of the trawler Velocity, which has been sunk at sea by a German submarine, were landed at Hartle-pool today after being 52 hours at sea in a small boat without food or water. The men were in a terrible state of exhaustion when picked up by the vessel which brought them to port.

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Other Claims to Be Considered.

"For the rest, prize proceedings in the case of the Frye are indispensable, apart from the American claims, and the imperfect nature of the lifest in the case of the Frye are indispensable, apart from the American claims, and the imperfect nature of the lifest in the case of the Frye are indispensable, apart from the American claims, and the imperfect nature of the lifest in the case of the Frye are indispensable, apart from the American claims, and the imperfect nature of the lifest in the case of the Frye are indispensable. Tree Known by its Fruit.

"And they are so absorbed in alter-

"And they are so absorbed in alterand they are so apscreed in alternate retaliations and in competitive cruelties that they seem, for the time being, blind to the right of neutrals and deaf to the appeals of humanity. A tree is known by its fruit. The war in Europe is the ripened fruit of the old system.

"This is what firmness, supported

This is what firmness, supported by force, has done in the old world. Shall we invite it to cross the Atlantic? Already the jingoes of our own country have caught the rabies from the dogs of war; shall the opponents of organized slaughter be slient while the disease spreads? of organized slaughte

the disease spreads?
"As an humble follower of the Prince of Peace; as a devoted believer in the prophecy that they that take the sword shall perjsh by the sword," I beg to be counted among those who earnestly urge the adoption of a course in this matter which will leave no doubt of our Government's willingness to con-tinue negotiations with Germany until an amicable understanding is reached, or at least until the stress of war is over, we can appeal from Philip drunk

"Some nation must lead the world out of the black night of war into the light of that day when 'swords shall be beaten into plowshares." Why not make that honor ours? Some day-why phaint any condemnation which his own errors may bring upon him; he must be willing to bear any deserved punishment from ostracism to execution. But hear me before you pass sentence.

"The President and I agree in purpose; we desire a peaceful solution of the dispute which has arisen between the United States and Germany. We not only desire it, but with equal fervor we pray for it, but we differ irall things; in love which, though despised as weakness by worshippers of Mars, abideth when all else fails.

"W. J. BRYAN."

When Mr. Bryan met newspaper men

German Submarines Send Torpedo Boats Down.

STEAMER IS DESTROYED

Six Trawlers Wrecked Also-Many of Two Naval Crews and All Hands on One Fishing Craft Lose Lives at Sea.

picked up at sea.

A news dispatch received here from Maas Luis says the crews of the traw-lers Qui Vive and Edward were rescued Dutch steamer and brought into

AT SAN FRANCISCSO FAIR.

Exhibitors of Evaporated Fruits From Several Parts of State, and Jelly Display, Take High Honors.

EXPOSITION GROUNDS, SAN FRAN-CISCO, June 10 .- (Special.) -In addition to the gold medal for the best horticultural exhibits Oregon has received the following: Rogue River Valley, gold medal for collective exhibit of procwith carnage to Philip sobered by the memories of an historic friendship and by a recollection of the innumerable ties of kinship that bind the fatherland to the United States."

Trust Placed in Love.

Trust Placed in Love. ley Association, silver medal for evap-orated loganberries and blackberries; W. Prickett, of Lebanon, silver medal for loganberries; Mrs. Robert Warner, bronze medal for collective exhibit of

There are 150,000 people on the grounds today and the Oregon building and all the special award booths were packed with interested people.

Six Million See Exposition.

SAN FRANCISCO, June 10.—The attendance at the Panama-Pacific Exposition has passed the 6,000,000 mark, the bureau of admissions announced today. This is an average daily attendance of 55,000 since the opening, February 20.

CASTORIA For Infants and Children. The Kind You Have Always Bought

BERLIN TENSE AS

Conciliatory Effect of Resignation of Secretary Bryan Manifest.

ONE QUESTION UPPERMOST

What Will United States Do?" Is Asked in All Quarters; Lokal Anzeiger Hints at Possibility of Understanding.

BERLIN, via London, June 11 .- The first sections of the American note to Germany arrived in Berlin late today and the other sections began coming in early in the evening. The note will be deciphered and presented to Herr von Jagow, the German Foreign Secretary,

tomorrow.

James W. Gerard, the American Ambassador, called on Herr von Jagow and was closeted with him more than half an hour in the course of the after-

The American newspapers announced that the communication had been dispatched yesterday and there was an atmosphere of tense expectation in press circles regarding the contents of the note, concerning which such contradictory statements have been telegraphed from London graphed from London.

Bryan's Action Regarded Scriously.

The resignation of William J. Bryan had made apparent the earnestness with which the American Administration was considering the question of submarine warfare and guarantees for the safety of Americans in this con-

the safety of Americans in this connection. The feeling which had existed in certain quarters that the negotiations could not pass beyond the stage
of exchanging notes and expressing
views began to fade rapidly when it
was seen the situation was serious
enough to lead to the retirement of the
head of the Cabinet.

The one question heard today in all
quarters, naval, military, diplomatic
and civil, was, "What will the United
States do, and what is the significance
of Mr. Bryan's retirement?" That the
resignation of the Secretary of State
had not been without effect was shown
hy a conciliatory article captioned
"America," prominently displayed in
double-leaded type by the Lokal Anzeiger.

"America," prominently displayed in double-leaded type by the Lokal Anzeiger.

This article, which appears in the position reserved for communications of the utmost importance, says:

"President Wilson allowed his first adviser, who had made known his pacificist theories, to depart in this critical hour. No compromise between their attitudes was possible, therefore. Attempts to reach a peaceful solution, nevertheless, should not be abandoned. This is not the counsel of faint-heartedness, but of an earnest will not to make worse our political relations. Considerations of humanity may naturally be taken into consideration, so far as the military situation and the policy of the empire will permit.

"It easily may be believed that honorable and unprejudiced negotiations between the parties concerned may lead to an understanding. Neither party should sacrifice anything; neither needs to do so. It is necessary to walt and see whether President Wilson's note leaves the door open for advantageous negotiations.

It is not known definitely whether this article was inspired, but there is good reason to believe it largely repre-sents the attitude of at least some of those personally responsible for the re lations between Germany and the United States. The outcome of the Ger. man-American relations depends on the extent to which this attitude is shared in other quarters of co-ordinate and higher scope.

ARGENTINA APPLAUDS WILSON

Press Criticises What it Terms "Excessive Pacificism" of Bryan. BUENOS AIRES, June 10 .- The Ar

gentine press applauds the attitude of President Wilson with respect to the American note to Germany. The Diarlo criticises what it terms the "excessive pacificism" of Mr. Bryan. and says "one must recognize that President Wilson is right and has act-ed according to the dictates of the National and universal conscience in he matter of right and justice."

POSLAM SAFE; SEVERAL HIGHEST AWARDS WON

If you have work for Poslam to do in the way of wadicating Pimples, Ec sema or any surface disorder, do not harm. It is antiseptic, kills germ life, soothes, cools and comforts, stopping all itching as soon as applied.

Itching troubles of the most stubborn sort are so quickly mastered by Poslam that every one so affected should have its immediate benefit.

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AUTHOR PIONEER IS DEAD will be graduated by the two local

Henry Woodward, Survivor of Indian Wars, Passes at Roseburg.

ROSEBURG, Or., June 10.—(Special.)

—Henry Woodward author of the Shively Opera-House, and the high school students will receive their diplomas tomorrow night. 88 years. Mr. Woodward located in Douglas

County in 1851. He helped put down the Indian uprisings and secured the treaty from the Coquilles, by whom he was held several days while they debated whether or not to kill him.

144 Pupils to Graduate. OREGON CITY, June 10.—(Special.)
-One hundred and forty-four pupils

grammar schools and the Oregon City high school. Ninty-nine of the graduates are from the two grammar schools and 45 from the high school. The classes are the largest that have been graduated here.

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making musie-you can make it-all music is available to you through the wonderful PIANOLA-let us show you how easy it is to play the PIANOLA, how easy it is to acquire a PIANOLA-

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