

CARRANZA DEMANDS HIS REPOSED FLAG

United States Declines to Recall Army Sent After Marauding Bandits.

MEXICAN CHIEF REBUKED

Gravest Consequences Will Follow Attack on American Troops, Declares Note Replying to Discourteous Message.

WASHINGTON, June 20.—The American note flatly rejecting General Carranza's demand for the withdrawal of United States troops from Mexico and rebuking the Carranza government for its discourteous tone and temper of its last communication was handed today to Eliseo Arredondo, the American Ambassador designate.

Long-continued outrages against Americans and their property both in Mexico and on the frontier are reviewed in the note and warning given that the troops will be kept in Mexico until such time as the de facto government performs the duty which the United States has not sought, of pursuing the bandits who ought to be arrested and punished by the de facto government.

It concludes with the statement that if the de facto government continues to ignore this obligation and to refuse to defend its territory by an appeal to arms against the American troops, the gravest consequences will follow.

While this Government would deeply regret such a result, the note says, it cannot recede from its settled determination to defend its natural rights and to perform its full duty in preventing further invasions of the territory of the United States.

Secretary Lansing declared, "that the Carranza government, in spite of the crimes committed and the sinister designs of Villa and his followers, did not and does not intend or desire that these outrages should be captured, destroyed or dispersed by American troops, or at the request of this Government, by Mexican troops."

The purposes of the United States Government toward Mexico, questioned in the last Mexican note announced in the following language: "If a denial is needed that this Government has had improper motives in its diplomatic representations, or has countenanced the activities of American sympathizers and the American press opposed to the de facto government, I am glad most emphatically to deny it. It is, however, a matter of common knowledge that the Mexican press has been more active than the press of the United States in endeavoring to inflame the two peoples against each other and to force the two countries into hostilities."

Note Covers Wide Ground. The text of the note in part follows: The Secretary of State has received the Secretary of Foreign Relations of the de facto government of Mexico: "Department of State, Washington, June 20, 1916. Under instructions of the chief of the de facto government of Mexico, on the subject of the presence of American troops in Mexican territory and I would be wanting in candor if I did not, before making answer to the allegations of fact and the conclusions reached by your government, express my surprise and regret which have been caused this Government by the discourteous tone and temper of this last communication from the de facto government of Mexico."

"The Government of the United States has viewed with deep concern and increasing disappointment the progress of the revolution in Mexico. Continuous bloodshed and disorders have marked its progress. For three years the Mexican republic has been torn with civil strife; the lives of Americans and other aliens have been imperiled; the property developed by American capital and enterprise have been destroyed or rendered non-productive; bandits have been permitted to roam at will through the territory contiguous to the United States and to seize, without punishment or without any attempt at resistance, the property of Americans, while the lives of citizens of the United States who ventured to remain in Mexican territory have been imperiled. To protect their interests have been taken, in some cases barbarously taken, and the murders have never been apprehended nor brought to justice. It would be difficult to find in the annals of the history of Mexico conditions more deplorable than those which have existed there during these recent years of civil war."

Promises Not Fulfilled. "The context of your note gives the impression that the object of expedition being admittedly accomplished, the United States had agreed in the memorandum to begin the withdrawal of its troops. The memorandum shows, however, that it was not alone on account of the partial dispersion of the bandits that it was decided to begin with the withdrawal of American forces, but equally on account of the assurances of the Mexican government that their forces were at the present time being augmented and strengthened to such an extent that they will be able to prevent any disorders occurring in Mexico that would in any way endanger American territory, and that they would 'continue to diligently pursue, capture or destroy any lawless bands of bandits that may still exist or hereafter exist in the northern part of Mexico,' and that it would 'make a proper disposition of such lawless bands as may be necessary to prevent the possibility of invasion of American territory from Mexico.'"

troops engaged in pursuing the Villa bands and the efforts of the de facto government to compel their withdrawal from Mexican territory by threats and show of military force instead of by aiding in the capture of the outlaws constitute a menace to the safety of the American troops and to the people of the border. "As long as this menace continues and there is an evidence of an intention on the part of the de facto government or its military commanders to use force against the American troops instead of co-operating with them, the Government of the United States will not permit millions of war or machinery for their manufacture to be exported from this country to Mexico. In view of this increasing menace, the inactivity of the Carranza forces of the lack of co-operation in the apprehension of the Villa bands and of the known encouragement and aid given to bandit leaders, it is unreasonable to expect the United States to withdraw its forces from Mexican territory until they have been completely eliminated. Their presence is the only check upon further bandit outrages and the only efficient means of protecting American property and persons on the border. General Carranza, through international

HOT SHOTS AT CARRANZA IN WILSON'S REPLY.

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"While this Government would deeply regret such a result, it cannot recede from its settled determination to defend its natural rights and to perform its full duty in preventing further invasions of the territory of the United States and in removing the peril which Americans along the international boundary have borne so long with patience and forbearance."

"I am reluctant to be forced to the conclusion which might be drawn from the circumstances that the de facto government, in spite of the crimes committed and the sinister designs of Villa and his followers, did not and does not intend or desire that these outrages should be captured, destroyed or dispersed by American troops or, at the request of this Government, by Mexican troops."

"If a denial is needed that this Government has had improper motives in its diplomatic representations, or has countenanced the activities of American sympathizers and the American press opposed to the de facto government, I am glad most emphatically to deny it. It is, however, a matter of common knowledge that the Mexican press has been more active than the press of the United States in endeavoring to inflame the two peoples against each other and to force the two countries into hostilities."

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"It was because of these assurances and because of General Scott's confidence that they would be carried out that he stated in the memorandum that the American forces would be 'gradually withdrawn.' It is to be noted that while the American Government was willing to ratify the agreement, General Carranza refused to do so, as General Obregon stated, because, among other things, the conditions imposed upon the Mexican government.

Notwithstanding the assurances in the memorandum, it is well known that the forces of the de facto government have not carried on a vigorous pursuit of the remaining bandits and that no proper distribution of forces to prevent the invasion of American territory has been made, as will be shown by the further facts hereinafter set forth. Embargo to Be Continued. "Candor compels me to add that the unceasing hostility of the subordinate military commanders of the de facto government toward the American

troops engaged in pursuing the Villa bands and the efforts of the de facto government to compel their withdrawal from Mexican territory by threats and show of military force instead of by aiding in the capture of the outlaws constitute a menace to the safety of the American troops and to the people of the border. "As long as this menace continues and there is an evidence of an intention on the part of the de facto government or its military commanders to use force against the American troops instead of co-operating with them, the Government of the United States will not permit millions of war or machinery for their manufacture to be exported from this country to Mexico. In view of this increasing menace, the inactivity of the Carranza forces of the lack of co-operation in the apprehension of the Villa bands and of the known encouragement and aid given to bandit leaders, it is unreasonable to expect the United States to withdraw its forces from Mexican territory until they have been completely eliminated. Their presence is the only check upon further bandit outrages and the only efficient means of protecting American property and persons on the border. General Carranza, through international

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BERLIN SURE JAPAN WILL HELP MEXICO

Germany Overjoyed at Crisis, Believing War Would Halt Munitions Shipments.

ITURBE'S VISIT RECALLED

Former Mexican General's Trip to Tokio of April Regarded as Obtaining Assurance of Support by Nipponese.

BERLIN, via Amsterdam, June 20.—(Special).—All Germany awaits with eager expectation the development of the American-Mexico crisis. The news received here as to what is happening and of how far the crisis has shaped itself toward the brink of war is, of course, meager. It would be folly to conceal that nothing would be hailed with greater joy throughout the German Empire than the word that war had broken out between the United States and her southern neighbor. The German Empire is taken for granted the minute the United States engaged in a war with Mexico the shipments to the allies of arms and munitions which the supplies would be forthwith reduced to considerable extent, if not stopped altogether.

Japan Regarded as Guiding Hand. As regards the German viewpoint concerning the trouble between the United States and Mexico, the question to which the greatest significance attaches is that which was seen by press and public here in the astonishing policy of the Mexican de facto government, for it was argued, and is argued now, that Mexico would never have dared assuming this attitude were it not relying upon outside aid.

Japan's Opportunity Seen. Such aid, it is further pointed out, could come only from one place—Japan. That country, according to the German view, could select no more appropriate moment for the realization of its long-fostered dream to seize the supremacy of the Pacific than this time. An amazing intimation was made to the correspondent tonight in a private conversation with an official of the Foreign Office, who, for obvious reasons cannot be quoted. He called attention to an El Paso dispatch printed in American papers on April 15 to the effect that General Ramon Iturbe, formerly commander of the Mexican troops in Sinaloa, had passed through El Paso en route for Japan on an official mission.

The inevitable inference left by the official was, of course, that when Carranza's impertinent note threatening to resort to arms was delivered in Washington, General Iturbe was here ample time to reach Tokio and dispose of his "official mission," and that he had "encouraged" the news to Mexico City, which resulted in the Carranza challenge.

ULTIMATUM IS SERVED

LONGSHOREMEN THREATEN REFUSAL OF STEVEDORE STRIKE.

Disbanding of Strikebreakers Under Arms Demanded and Employers Refuse to Sign Up.

SAN FRANCISCO, June 20.—Union longshoremen served an ultimatum today upon Pacific Coast shipowners who have recruited bands of armed strikebreakers, that the stevedores would refuse to handle the cargo of any vessel unless the strikebreakers were disbanded before that time. The threat to quit again was said to have been made by the union men here Sunday night of Thomas Olsen, a union stevedore, supposedly by non-union men, stevedores and union associates of Olsen, it was said today, will suspend stevedoring on the Pacific Coast for one hour tomorrow during his refusal to meet the union longshoremen's demands and their statement that no lumber will be sold here until the strike is settled, it is feared, will throw hundreds of building trades workers out of employment. The longshoremen, operators of lumber-carrying vessels and warehouse firms declined to enter the temporary agreement with the strikers.

ROSEBURG, Or., June 20.—(Special).—Percy Earl, aged 14 years and a former resident of Sutherlin, was drowned while bathing in a river near Saver, Polk County, last Thursday, according to word received here. The body has been recovered and will be taken to Sutherlin for burial. In addition to his mother, Earl is survived by three sisters.

SEA PLANES TO BE TESTED

Atlantic Fleet's Fire to Be Directed From Balloons.

WASHINGTON, June 20.—For the first time in the history of the American Navy experiments to determine the availability of hydro-aeroplanes for scout duty at sea are to be undertaken during the Summer maneuvers of the Atlantic fleet. Six zeppelins are now being put aboard the armored cruiser North Carolina, station ship at the Pensacola naval aviation station, which has been ordered to take part in the maneuvers. The North Carolina will be fitted also with a hydrogen generator, hoist and carry a kite balloon for observation and fire spotting. United States officers in the basket of the balloon, connected with the ship by telephone, will direct the fire of the guns. If the plan works out successfully, every fighting vessel of the Navy will be similarly equipped.

HORSE AND MULE BIDS DUE

Government to Advertise for 62,344 Animals for Border Service.

KANSAS CITY, June 20.—The Government is in the market for 62,344 horses and mules for use on the Mexican border. Orders to advertise for that number were received from Washington today by Charles C. E. Hawkins, Quartermaster of the United States Army. Bids will be opened here next Monday. No specifications are mentioned in the advertisement, except that horses and mules must be of mature age.

Two Steamers Sunk, One Is Missed. LONDON, June 20.—Lloyd's announces that the Italian steamer Apollonia was fired at by a submarine off Porto Maurizio, in Northern Italy in the Mediterranean but was not hit. The steamers Boacy and Olga, the latter

Sipman Wolfe & Co. Merchandise of Merit Only. The June Sale of Suits For Every Man—Of Every Age. One of the most noteworthy features of this big sale is the smart styles introduced; there are styles and sizes here for every man. These suits are correctly tailored—of worsteds, cassimeres, chevots and serges, in blue, gray, black and fancy patterns. One, two, and three-button models, including the popular pinch-back. Every Suit in Stock Is Reduced. \$30.00 Suits \$19.50 \$25.00 Suits \$17.50 \$16.50 Suits \$12.50

Continuing the Sale of New Summer Wash Fabrics. In addition to Our Regular Specials We Have Just Received a Shipment of the FINEST AMERICAN VOILES at 50c. Reproducing the imported fabrics in weave, texture and patterns. In the new checkboard design, and in a satin stripe. In pink, blue, green, black and lavender. Reproducing in every way the finest \$1.25 imported voiles. Full 36 inches wide. Never before shown. A THREE-COLOR VOILE FOR 25c. This is another entirely new weave, which goes on sale Wednesday for the first time. In a combination stripe combining three colors. In Addition We Are Continuing Our Offerings of 35c Figured Voile 25c 75c Silk Mixtures 60c 75c Novelty Voile 48c 35c White Voiles 25c 60c Silk Mixtures 49c New English Voiles 75c

We Offer Today Original Models In the Most Exquisite Midsummer Trimmed Crepe de Chine Hats. In all white with a touch of color in the applied flower trimmings, or in the ribbon. At the Most Exceptional Price \$7.50. This is the finest collection of trimmed midsummer hats we have ever offered at this price.

Pretty Crepe de Chine Blouses \$2.98. Regular \$4.50 materials and more expensive styles. Dressy and tailored models, with tucking, hemstitching and button trimming, in novel effects. Colors, flesh, maize, rose, peach and white. The quality silk in these waists is unusual, never sold at such a remarkably low price before.

INTERNATIONAL BANK PLAN Exclusion of Germans in Trade Is Discussed by Enemies. LONDON, June 20.—Although the London morning papers all deny re-

IF GAS IS CHEAPER as thousands of Portland homes find it to be; If gas is more convenient—as everyone knows it is; If gas is quicker—as those who have wanted hot water in hurry have found it to be; If the price is so low and the terms so easy that it can be purchased for a quarter a week; Why hesitate? Gas Water Heater Week June 19-24 Special Price, Including Connection, \$13.95 Payable \$1.00 Down, \$1.00 Per Month Portland Gas & Coke Co.