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BRITISH WIN BACK TRENCHES IN COUNTER-ATTACK; TEUTONIC ALLES STIFFEN DEFENCE IN GALICIA

WASHINGTON MAKING READY FOR THE WORST

Preparations for Possible War
With Mexico are Going
Ahead Uninterrupted.

CARRANZA MAY PROVE AMENABLE TO REASON

Hints Received at U. S. Capital that Mexican Leader Almost Persuaded by European Influence Not to Precipitate a War.

Washington, June 22.—One fact stood out tonight, at the close of a day of many developments in the Mexican crisis. Apparently both the United States government and the de facto authorities in Mexico hope to treat the clash at Carrizal yesterday as an incident aggravating gravely strained relations, but not of itself likely to precipitate general hostilities. So far as the Washington administration is concerned, no final decision can be reached until President Wilson has received a report on the fight from American army officers. A despatch from Gen. Funston late today said Gen. Pershing had heard of the affair only through reports from field headquarters. General started immediately to get in touch with the detachment which is supposed to be returning toward the base at Colonia Dublan, more than sixty miles from the scene of the fighting. Preparations by the war department for possible war with the Mexican government went forward here today without interruption. At the same time there came hints that Gen. Carranza had been almost persuaded by European influences not to persist in a course certain to bring on a conflict.

Still Some Optimists.

Many officials here have not abandoned hope of a peaceful outcome basing their hopes against war on reports that the Carranza government is inclined to seek a peaceful way out. Whatever the European influences not to persist in a course certain to bring on a conflict. It is certain that no steps toward reprisals will be taken, at least until the report has been carefully studied. One of the first actions would be to demand the release of the Americans said to have been captured. Neither is it probable there will be any immediate move as a result of the incident Sunday at Mazatlan, where Mexican soldiers made an unprovoked attack on American blue-coats, according to an official report to the war department today from the commander of the gunboat Annapolis. Should General Pershing's report on the Carrizal fight show the Carranza forces to have been the aggressors, there also an opportunity to explain the two incidents probably would be given the de facto government before any drastic step was ordered by President Wilson. Both cases have been officially called to the attention of the United States by the Carranza government's ambassador designate, Eliseo Arrazola. No details were given, but an admission of an interpreter with the captured was quoted to blame the American commander for the trouble. Secretary Lansing made no reply to Mr. Arrazola, as he had no advice of his own.

U. S. Attitude Explained.

A circular note addressed to the south and central American diplomats by Secretary Lansing in connection with the Mexican situation was made public at the state department. The statement is a blunt statement of the purpose of the United States to defend "our national peace and the safety of our citizens," even at the cost of war. This communication was issued to the Latin American diplomats. It is understood, to reassure them of the policy of the United States and in an effort to keep intact the pan-American understanding, for which the administration has labored. Gen. Carranza took pains to see that his charges of had faith against the United States were widely circulated both here, in Latin America and in Europe. Secretary Lansing felt it advisable to counteract this. It is known

GERMANS SENT FROM VERDUN TO CHECK RUSSIAN ADVANCE

Desperate Fighting With Germans on the Aggressive at Several Places — Take Over Defence of the Kovel-Lutsk Region

Further South in Bukovina Czar's Armies Push Forward and Capture Town of Radautz 30 Miles Below Czernowitz and Only Short Distance from the Roumanian Border.

Petrograd, via London, June 22.—The last two days have brought no essential change in the situation on Gen. Brusiloff's front. Crossing the River Sereth, in Bukovina, Gen. Lechitzky's forces have progressed slightly further south in pursuit of the Austrian general, Pflanzer's army, but in the centre and along the northern flank the Russian drive has been halted by the fierce counter-offensive of the Teutonic Allies.

The defense of the Kovel-Lutsk region has been taken over entirely by German reinforcements, newly arrived from the French front, who are making a determined attempt to remain the ground lost during the first ten days of the Russian advance. One group of German forces is concentrated at Kovel, where it attempted to advance toward Kovel, but after a sharp conflict in the neighborhood of the Stokh river was forced to retire by the Russians. The second group of German forces defending Vladimir-Volynski has started an advance along the main road leading from Vladimir-Volynski to Lutsk, while a third group, with headquarters at Sokal, is likewise joining in the movement to press back the extended northern flank of Gen. Brusiloff's army.

On the other points of the front further Russian operations are being delayed by the necessity for consolidating positions already won.

Continuing the Pursuit.
"In the region of Radmisto, on the Stokh, west of Svidvika and east of Vorotchine, extremely violent fighting continues. We made no prisoners. This is explained by the expectation of our troops, who refused quarter to the Germans who had been employed with explosive bullets. In these attacks a brave detachment of that the state department has received much indirect information tending to show that German influences have been busy against the interests of the United States in Mexico, Latin America and neutral Europe.

It was suggested also that Mr. Lansing might have intended the publication of the note to head off possible offers of mediation.

Word that Gen. Carranza was believed to be yielding to the European inducements to base on him in an effort to avoid war reached the state department through diplomatic channels. The Carranza cabinet, which studied yesterday the American note refusing to entertain at this time any request for withdrawal of American troops from Mexico, was reported to have found in it basis for further diplomatic interchanges.

This was construed by some Mexican City diplomats to mean that Gen. Carranza would seek a settlement of the situation without carrying out his threat to attack Pershing's men. Special Agent Rodgers has made no report on the reception of the American note. He reported that through arrangements with the Carranza government virtually all Americans in Mexico City and vicinity, numbering about five hundred, will have been placed in safety when a special train from the capital reaches Vera Cruz tomorrow. Congress was called upon today to do its share toward facilitating the organization of the National Guard army, rapidly preparing for service.

The national guard of three states, California, Kansas and Missouri, totalling at least 10,000 men, virtually was under marching orders tonight. Commanders of the central and western departments were directed to send the guardsmen, as soon as they had been designated by Gen. Funston. With the sending of navy ships to virtually every Mexican port, ready to take off American refugees, another weapon will have been placed in President Wilson's hands for use in case war does come. The ships will be so disposed that a blockade of Mexico by sea could be set up at a moment's notice, should the need arise. Congress, so far has avoided prolonged discussion of the Mexican crisis.

NEW TAX IS AGREED TO BY COMMONS

House Passes Resolution Imposing Additional Tax of 2s. on Income Derived from Foreign Investments.

London, June 22.—The House of Commons formally agreed to the resolution of Reginald McKenna, chancellor of the exchequer, imposing an additional income tax of two shillings in the pound on income derived from foreign investments. Several members opposed the resolution, and endeavored, ineffectually, to induce Mr. McKenna to accept amendments. The only concession the chancellor would make was to concede that the tax be limited for the duration of the war. Mr. McKenna stated that if the war continued for some time the government would be obliged to issue further lists of securities. It was willing to purchase in order to create dollar balances to meet its needs.

SIR SAM DID NOT WANT 'WHOLE YPRES SALIENT ABANDONED'

Merely Suggested Re-establishing of the Line in Such Way as to Render Holding Position Less Costly.

Special to The Standard.
Ottawa, June 22.—Commenting upon the fact that "General Hughes has wisely refrained from answering the babble of 'unintelligent construction' placed upon his interview regarding the capture of the Ypres salient," the Journal tonight says:

"For some reason not quite clear, but which may be surmised Sir Sam's critics have interpreted his statement to the Journal and his letter to Kitchener to mean that he wished to abandon the whole of Ypres position which is termed the 'gateway to Calais.' Needless to say, General Hughes advised nothing of the kind. What he did suggest was a re-establishment of the line near Ypres which would render the holding of the 'gateway to Calais' less difficult and costly.

KAISER PLAYING FOR FAVOR OF THE SPANISH KING.

Cartagena, Spain, June 22.—The German submarine U-35, commanded by Lieut. Von Arnault, arrived here today with a letter from Emperor William to King Alfonso. The lieutenant said the letter expressed the Emperor's thanks for the attention given by Spain to the refugees from the Kameruns. The submarine first anchored alongside the interned. German steamer Roma, but the port authorities required her to move and take up anchorage near the Spanish cruiser Catalina.

The secretary of the German embassy arrived here on a special train late last night for the purpose of receiving the letter. Accompanied by the German consul he went on board the submarine and visited the commander. A Spanish cruiser and a destroyer received orders to watch closely the movements of the submarine. Instructions were given to keep the entrances to the harbor lighted brightly with searchlights. The German submarine departed from this port shortly before daylight.

BRILLIANT COUNTER ATTACK BY THE WELSH FUSILIERS

Drive Huns Out of British Trenches In Which They Had Gained Footing and Inflict Heavy Losses on the Enemy

Attack on French Line Between Hill 304 and Bethencourt Brook Completely Repulsed After Spirited Fighting — French Airmen Prove Their Mettle in Several Engagements with Fokkers, Bringing Down Several Enemy Machines.

London, June 22.—A British official communication, made public at midnight, says:

"Early this morning (Thursday) the enemy exploded an exceptionally large mine in the neighborhood of Givenchy, just north of La Bassée Canal. The explosion was followed by a hostile bombardment of our trenches, under cover of which the enemy entered our trenches on a narrow front. Troops of the Royal Welsh Fusiliers immediately delivered a very gallant and successful counter-attack, inflicting heavy losses on the enemy and driving him completely out of our positions. Considering the size of the mine and the intensity of the fire our total casualties were comparatively light. Since then the situation in this neighborhood has been quiet.

"Further south during the night (Wednesday) we exploded a mine in the neighborhood of the Hohensollern road, and occupied the lip of the crater.

"Today (Thursday) passed quietly everywhere. Southeast of Arrmentieres our artillery was successful in silencing enemy guns which were shelling behind our lines near the Ploegsteert Wood.

"Yesterday (Wednesday) in the air there was a marked decrease in activity by the enemy, while our machines carried out a great deal of successful work in co-operation with the artillery."

Thrust at French Line Falls.

Paris, June 22.—The official communication, issued tonight, reads:

"In the region to the south of Lasignat, a strong German reconnaissance attacked one of our advance positions after artillery preparation. Repulsed by our fire, the enemy dispersed, leaving several dead on the ground.

"On both banks of the Meuse the bombardment, with shells of heavy caliber, continued throughout the day with extreme violence. On the left bank the enemy energetically directed his fire against our positions on Hill 304 and Le Mort Homme, and on our second lines in the region of Esnes and Chattancourt.

"At six o'clock in the evening an attack, directed against our trenches between Hill 304 and the Bethencourt Brook, was completely repulsed after a spirited fighting.

"On the right bank a counter-attack carried out by us in the afternoon enabled us to re-occupy the greater part of the elements where the enemy had gained a footing last night between Fumin Wood and Chenois.

RETURN OF VENIZELOS IS PROBABLE NOW

Zamais Not Strong Enough to Counteract Pro-German Influence.

NEW MINISTRY ONE OF ALLIES DEMANDS.

With Athens Government's Compliance to Entente Demands Greek Problem Assumes a Less Alarming Aspect.

London, June 22.—The urgency of the Greek problem has greatly diminished since last October, when Premier Venizelos was driven from power by King Constantine and his court and the pro-German element in the Greek army, but the news that the Greek government had accepted the demands of the allied government for the demobilization of the army, dissolution of the Greek chamber, and a general election was received in Great Britain with much relief and satisfaction. When, on the fall of Venizelos, the Allies landed a force at Salonika the attitude of Greece was a burning question and apprehension was felt in all the allied countries, especially France, at the prospect of German military activity in the near east.

Later, however, with the Russian success in Asia Minor, less anxiety was felt on this ground. Nevertheless the recent Bulgarian occupation of the Greek frontier of Port Ruppel, and the renewal of German activities in Athens, proved that danger still existed. Thereupon the allied powers began to apply further pressure in the shape of a partial blockade of Greek ports. The rumor was current that Greece had signed an agreement with Bulgaria for the peaceful evacuation of all the frontier forts.

Finally, the Entente Allies presented a note containing drastic demands, which, as announced, have been accepted, and ex-Premier Zamais has been called upon to form a ministry, of which he will be head of the foreign department. Mr. Zamais is a neutralist, with a leaning, it is stated, toward the Entente Allies. The view is held here that his age and temperament make it doubtful whether he will be able to counteract the pro-German influence, and it is expected that it will not be long before Mr. Venizelos is again in power.

The Entente's Demands.

London, June 22.—The British government last night issued the full text of the Entente Allies' note to Greece. It contains four demands as follows:

"First—Real and complete demobilization of the Greek army, which must with the least possible delay, be placed on a peace footing.

"Second—The immediate replacing of the present Greek cabinet by a business cabinet, having no political color and offering all necessary guarantees for the application of benevolent neutrality toward the Allied powers, and sincere consultation of the national wishes.

"Third—The immediate dissolution of the chamber, followed by new elections after the period required by the constitution, and after general demobilization has restored the electoral body to normal conditions.

"Fourth—Replacement of certain police functionaries, whose attitude, inspired by foreign influence, has facilitated attempts against peaceable citizens, as well as insults against the Allied legations and those under their jurisdiction." (See also page 3.)

Greatest Allied Drive of the War Now Preparing on Western Front, Doctors Just Returned Report

New York, June 22.—An offensive movement on a greater magnitude than anything heretofore attempted is under preparation by the British and French along the entire western front, according to Dr. J. S. O'Mally and F. C. Jacobs, of Chicago, recently connected with an American hospital corps in France, who arrived here today on the steamer Noordam from Falmouth.

According to the physicians, this offensive was planned to begin in April, but was forestalled by the unexpected efforts of the Germans before Verdun. Evidence that the offensive movement is yet to take place, they said, is the vast quantities of munitions that are being gathered and stored in convenient localities, and the establishment of numerous hospital bases, fully equipped back of the lines.