

GERMANY AGREES TO PAY FOR HURT DONE TO GULFLIGHT

Gerard Cables Notes from Imperial Government Promising Indemnity for Damage to U. S. Ship.

EXPLAINS WHY ATTACK MADE

Captain of Submarine, it is Said, Saw No Neutral Markings on the Vessel.

UNAWARE IT WAS AMERICAN

WASHINGTON, June 4.—Ambassador Gerard cabled the State department today a note from the German government agreeing to pay an indemnity for the damage done by a German submarine to the American steamer Gulflight, torpedoed off the Scilly islands.

The text of the note, which was signed by the minister of foreign affairs, follows:

"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. Gerard, that the examination undertaken on the part of the German government concerning the American steamer 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 positions in relation to the steamer that they formed a regular safeguard against submarines; moreover, one of them had a wireless apparatus, which is not usual with small vessels.

No Neutral Marking.

"From this it evidently was a case of English conveyance. Since such vessels are regularly armed, the submarine could not appear and approach the steamer 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 free board, recognizable at a distance, such as are now usual on neutral vessels in the English zone of naval warfare.

"The 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 convey ships, which at once rapidly approached the point of impact, to the great depth to which it was rammed; and a conclusion of the commander that an English convey ship was concerned was in this way confirmed.

Unaware American Ship.

"That the attacked steamer carried the American flag was first observed at the moment of firing the shot. The 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 steamer.

"Upon scrutiny of the time and place of the occurrence described the German government has become convinced that the attacked steamer was actually the 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.

Expresses Regret.

"The German government expresses its regrets to the government of the United States concerning this incident and declares itself ready to furnish full reparation 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 doubts may arise over individual points to designate an expert who would

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FEATURE OF FIGHTING IN FLANDERS—English soldiers in a street trench at St. Eloi, where a bitter conflict raged.



HEAVY RAINS OVER ALL OF NEBRASKA

Lowlands Are Overflowed and Railroad Tracks Washed Out in Some Places.

CLOUDBURSTS ARE REPORTED

Drenching rains fell all over the state Thursday night and in many localities accompanied by high winds though at an early hour Friday there were no indications there was any serious damage other than to telegraph wires and telephone lines.

Around Trenton and Franklin, in the valley of the Republican river, the Burlington had some bad washout, impairing service on the southern line across the state.

Nearly an Inch Here.

In Omaha, according to the official figures of the local forecaster, the rainfall last night was 70 of an inch. It commenced to fall shortly after 10 o'clock and continued at intervals during the night. It was accompanied by considerable thunder and lightning.

Out in the state, according to early reports to the railroad offices, the rain was very heavy. At Hastings it is said that inside of one hour there was five inches of rain. Streets were flooded and continued to fall during the night.

Inland, a short distance west of Hastings, there was a heavy straight wind. Outhouses and small buildings were moved off their foundations and in some instances wrecked. In the country stacks of hay and alfalfa were scattered and a few barns blown down.

Tracks Washed Out.

According to the Burlington's morning report, torrential rains fell all through the Republican river valley and in many places the stream is from one-half to a mile wide, having spread out over the bottoms, flooding and destroying crops on the lowlands. A serious washout is reported on the main line in the vicinity of Hastings and traces of being detoured over the Union Pacific. Outlets to the river being down the extent of the damage to track, bridges and roadbed has not been ascertained.

The Rock Island officials here are advised of some bad washouts between Fairbury and Lincoln. Trains are delayed and in places the track is under a foot of water.

At Columbus, on the Union Pacific, five inches of rain fell during the night, flooding the country and greatly damaging crops. The Platte river is reported to be rising and up the Loup river, the stream is out of its banks inundating many valuable farms in the valley. This road was fortunate in not having any serious washouts. The only damage is on the Kearney branch running to the northwest, where in two or three places the roadbed has become very soft and trains are run with great caution. Along the main line there was heavy rain from Omaha entirely across the state.

Along the Northwestern the rain extended from the Missouri river as far west as Gordon, but was the heaviest in the vicinity of O'Neill and along the Elkhorn valley. On the Black Hills line, just west of O'Neill four miles of track was washed out and through service has been annulled. In the city of O'Neill during the early evening water flowed through the streets to a depth of two feet. Gooding basements and doing considerable damage. This heavy rainfall came as a cloudburst, the duration of the storm not exceeding two hours.

At Stanton there was a cloudburst. Three inches of rain is reported to have

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CABINET STAMPS NOTE OF WILSON WITH APPROVAL

Assistant Secretary of State Lansing Attends Meeting at Which the Final Draft is Endorsed.

STANDS BY LAW OF THE SEA

Germany Must Answer Question Relative to Right to Imperil Lives of Noncombatants.

COUNT SENDS AGENT TO BERLIN

BULLETIN.

WASHINGTON, June 4.—President Wilson's second note to Germany was approved in principle at today's cabinet meeting and will be forwarded to Berlin as soon as the president has had opportunity to make certain changes in phraseology. The note it became known after the meeting, will be vigorous in tone and will deny allegations in the last German communication that the Lusitania was armed and carrying explosives prohibited by American law.

The note, a rough draft of which had been completed by the president before the meeting, was subjected to careful analysis by members of the cabinet and afterwards it was understood they agreed generally on its basic provisions. The president went automobiling after the conference, but expected to begin work tonight in revising the language of the note.

Counselor Lansing, as the president's chief adviser on questions of international law, sat in today's cabinet meeting. Previously he has attended only in the absence of Secretary Bryan.

No Conclusion Reached. Following the cabinet meeting, the members were unusually reticent, but there were some indications that the note had not finally been disposed of. "We reached no final conclusion about anything," said one.

In answer to questions, Secretary Bryan said:

"I cannot divulge anything that happens in cabinet meetings. The meeting lasted two hours. It was attended by the president, Secretary Bryan, and the cabinet members. He also had been in constant consultation with Counselor Lansing and also Attorney General Gregory, who investigated affidavits that the Lusitania carried guns. The government is convinced there is no ground for that contention and the note will so inform Germany.

White House officials said today that while the president had penned the note himself he had consulted with Secretary Bryan over the particulars and details. He also had been in constant consultation with Counselor Lansing and also Attorney General Gregory, who investigated affidavits that the Lusitania carried guns. The government is convinced there is no ground for that contention and the note will so inform Germany.

Bernstorff Sends Special Report.

While the president and the cabinet were discussing the note a German agent was on his way to Berlin to present a first hand report of the interview which Count von Bernstorff, the German ambassador, had Wednesday with President Wilson.

Officials at the German embassy refused to discuss that development, but it became known authoritatively that Meyer Gerhardt, who sailed from New York yesterday for Copenhagen on the steamer United States with a guarantee of safe conduct obtained by the American government from the allies, is the man. He is an attaché of the German colonial office and has been in the United States several months representing the German Red Cross.

The dispatch of the envoy was the basis of much confidence in German quarters here, where it was believed an understanding on submarine warfare satisfactory to both Germany and the United States could be evolved.

The day's cabinet meeting began with all members practically agreed that the United States cannot consider the German reply responsive and must insist, before diplomatic correspondence can proceed further, upon an affirmative or negative answer to the principle that lives of non-combatants cannot lawfully be imperiled on the high seas, but must be transferred to safety before a legitimate prize is destroyed.

The purpose of the United States is to keep its rejoinder on the same plane as the note of May 13. Should a negative

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Berlin Paper Says United States Has Taken Side of Great Britain

BERLIN, June 4.—(Via London)—The Kreuz Zeitung in its issue today publishes the substance of the interview given to the Associated Press May 30, by Gottlieb Von Jagow, imperial foreign secretary, on Germany's answer to the Washington note concerning the Lusitania case, in which the secretary said he believed it essential to establish a common basis of fact before entering upon a discussion of the issues involved.

This is done, the paper explains, on the strength of the report reaching Berlin from the Reuter Telegram company of London, that the "forthcoming American note to Germany forehadows a severance of diplomatic relations with Germany.

"We want to remind America once more that Great Britain bears the responsibility for the submarine war. Germany would have stopped it, had Great Britain been

willing to give up its war of starvation. At one time America could have exerted pressure on Great Britain to this end, but it did not do so.

"Now that the war of starvation has failed, America comes forward with the unusual proposal that we shall stop the submarine war. Naturally there can be no talk of this. Foreign Secretary Von Jagow has pointed out what can be done for the safety of American passengers and American ships. Americans again have been shown the way to reconciliation and the protection of their real interests.

"But it appears, if one may trust the reports about the new note, that they do not wish to find this way, but rather do they desire to lend their moral support to Great Britain, in whose interests they long ago gave up real neutrality. Let them do it. The value of diplomatic relations with the United States has to us become rather imaginary."

BRITISH LINER SUNK BY GERMAN SUBSEA

No Passengers Aboard and Crew of Iona, Torpedoed Off Coast of England, Landed.

SHIP BOUND FOR MONTREAL

MONTREAL, June 4.—The Thompson liner Iona, for Montreal, with freight from Middleboro, England, and carrying no passengers, was torpedoed and sunk off the north coast of England at noon yesterday, according to a report received by agents of the line here tonight. The captain and crew were landed at Kirkwall, Scotland.

Decision in Steel Case Causes Boom in Stock Market

NEW YORK, June 4.—The victory of the United States Steel corporation in the government's dissolution suit caused an outburst of bullish enthusiasm at the opening of today's stock market. Steel was the outstanding feature, although its initial quotation was somewhat belated. The first transaction consisted of one lot of 25,000 shares at 49 1/2, compared with yesterday's close of 47 1/2. The next sale was a lot of 2,000 shares at 49 1/2, followed by 1,500 at 49 1/2, after which it reacted slightly. In the first fifteen minutes 50,000 shares of Steel changed hands.

United States Steel preferred rose 3/4 points, and throughout the list there were gains ranging from 2 to 4 points. International Harvester, whose affairs are now under federal review, opened with a gain of 1/4 points, and American Can, which is also being investigated by the federal government, opened with a sale of 7,000 shares at 45 to 45 1/2, against yesterday's close of 45.

Distillery securities advanced 3/4 points over yesterday. Trading slackened toward the end of the first hour, but the turnover in that time exceeded 400,000 shares. Profits-taking continued, with the result that some early gains were altogether lost, while others were reduced to minor fractions. Steel held better than other leaders, yielding less than half its gain. Harvester, American Can and Distillers fell 1/2, 1/2 and 3/4 points respectively from their high prices.

The later session recorded a succession of declines in most part of the list. The only conspicuous exceptions to this tendency were Amalgamated Copper, Westinghouse and General Electric, which scored their highest quotations in the final hour. Total sales amounted to 1,500,000 shares.

Reports of Villa and Carranza Read Like Those Over Sea

EL PASO, June 4.—Reports from south of Juarez, where fighting has been going on this week between the armies of General Francisco Villa and General Alvaro Obregon, continue to conflict. The Carranza agents declared no decided advantage had been gained on either side and declared the Villistas army has been cleared completely out of the Tampico oil district.

WASHINGTON, June 4.—British authorities in Mexico City are arranging to take out foreigners by horseback and automobile to points from which there is train service to Vera Cruz. The Brazilian minister in charge of the American Brazilians reported today that Mr. Cummings, a former British consul, would start Tuesday with a party on horseback for Pachuca. The British charge d'affaires will take a party of foreigners on Wednesday to Pachuca by automobile.

President Wilson's statement was received yesterday in Mexico City for transmission to Generals Garza and Zapata. Department officials believe it has by this time been delivered to General Villa and therefore is in the hands of all Mexican leaders.

Dispatches to the Carranza agency here, from Vera Cruz, indicated that Carranza has begun taking steps to distribute food.

TURNERS SEND MESSAGE TO PRESIDENT WILSON

INDIANAPOLIS, Ind., June 4.—The national executive committee of the North American Gymnastic union today sent to President Wilson a message stating that "We would consider it the greatest calamity in the history of our republic if present negotiations would lead to open rupture with Germany in the face of repeated evidence of that government's true friendship for our country."

The message states that "The union has about 3,000 members in 23 Turner societies in America.

TEUTONS MAKE FORCE MARCHES TOWARD LEMBERG

Report Reaches London that Advance Guard of Vitorious Troops is Near the Dniester River.

GENERAL MACKENZEN IS SAFE

Attempt to Drive Wedge Between Russian Armies North of Przemysl Succeeds.

ALLIES ARE ACTIVE IN WEST

LONDON, June 4.—The words, "Przemysl lost," constitute the leading headlines in English newspapers today.

The big loop which the Austro-German forces had made around Przemysl stronghold has been drawn to a straight line. At the same time to the southeast, Stry has been left behind, as General Von Linsingen's forces are pushing their way northward toward the Dniester, with Lemberg presumably as their objective, seeking to avoid the great marshes to the west. It is reported that some of these forces have already reached the Dniester line, near Mikolajow, with Lemberg only about twenty-five miles away.

To the north of Przemysl General Mackenzen is now safe, having dared to drive a wedge between the Russian armies on the lower San and the fortress, and made good.

The belief here is that the Germans have set their hearts upon Lemberg and that they will not for some time be content to assume the defensive.

Some commentators suggest today that the allies in the west will now initiate an offensive movement in the hope of relieving the pressure on the Russians.

French Official Report.

PARIS, June 4.—The French War office today gave out the following statement on the progress of hostilities:

"On the east of Sugar refinery of Souchez, our troops advancing in the direction of Souchez village, captured an isolated wayside tavern, where the enemy had established a position. We made about fifty men prisoners and captured three machine guns.

"Our troops, furthermore, made fresh progress in the labyrinth."

"Along the rest of the front there have been artillery exchanges."

Russian Countess Convicted of Murder in Italy is Pardoned

MILAN, June 3.—(Via Paris, June 4.)—Countess Marie Tarnowsky, sentenced in May, 1910, to eight years' imprisonment for complicity in the murder of Count Karamarovsky at Venice in November, 1907, has been pardoned and released.

The trial of the countess, with Dr. Nanauff and Attorney Priklouff, accused of complicity with her in the crime, was one of the most remarkable in the criminal annals of Italy. All three were found guilty, the trial, which lasted nearly 100 days, was attended by many representatives of the aristocracy. The countess, whose beauty and manner won the sympathy of Venetians, was accused of causing the jealous youth, Nanauff, to journey from Vienna to Venice and kill the count. The Moscow lawyer, Priklouff, was indicted for following Nanauff to Venice with the intention of killing him after the count's murder. Both charged the countess with being responsible for the plot and each asserted she had promised to marry him after the count was out of the way.

Count Karamarovsky insured his life for \$50,000 in favor of the countess in 1907 and went with her to Vienna after he had promised to marry her.

German Garrison in Libau is Isolated

LONDON, June 4.—Russian forces operating south of Libau have cut that city off from Memel, depriving the Germans of their base of supplies, says a Reuter dispatch from Petrograd. At the same time the Russians took Polangen (on the Baltic in Courland) and the village of Rutzen, south of Libau. Another Russian force is approaching Libau from the north. With this city enveloped, the Germans have an outlet only to the sea.

Steamship Adriatic is Safe in Liverpool

MONTREAL, June 4.—The Canadian Pacific received today a cablegram from Liverpool announcing the arrival there of the White Star liner Adriatic, which sailed May 31 from New York with Sir Thomas Shaughnessy, president of the railway, aboard.

Remember

To Send Your WANT AD To The OMAHA BEE Early SATURDAY For Our BIG SUNDAY PAPER If You Cannot Bring It to the Office, Telephone It to Us. BEE WANT ADS Get the Big Results Telephone Tyler 1000 THE OMAHA BEE Everybody Reads Bee Want Ads.

The Weather

Forecast till 7 P. M. Saturday: For Omaha, Council Bluffs and vicinity: Unsettled; not much change in temperature.

Temperature at Omaha Yesterday:

Table with 2 columns: Hours and Degrees. Shows temperature fluctuations from 58 to 75 degrees.

Comparative Local Record. 1915, 1914, 1913, 1912.

Highest yesterday: 75. Lowest yesterday: 58. Mean temperature: 66. Excess for the day: 14. Precipitation: 0.00. Excess for the period: 1.49 inches.

Reports from Stations at 7 P. M. Station and State Temp. High-Temp. in est. fall.

Table with 2 columns: Station and State Temp. Lists temperatures for various locations like Cheyenne, Davenport, Denver, etc.

Prussian Losses Are Over Million

AMSTERDAM, June 4.—(Via London).—The Telegraph states that according to German casualty lists Prussian losses alone have reached a total of 1,388,000. Recent casualty lists contain the names of fifty-six airmen, of whom eleven were killed and thirty-five wounded, the remaining ten being missing.

Big General Store at Sheridan Burned

SHERIDAN, Wyo., June 4.—Fire today destroyed the general store of the Sheridan Commercial company with a loss estimated between \$75,000 and \$100,000.

ONE ZEPPELIN FLIES ACROSS CITY OF LONDON

BERLIN, June 3 (Via Wireless to London, June 4).—A Wolff bureau correspondent says he learns from a good source that in the last Zeppelin raid on London, one airplane reached Finchley, in the northern outskirts of London, and declares that it must, therefore, have flown over the greater part of the city. The correspondent says he hears from the same source that the damage caused by the raid was much greater than has been announced.

Sunday Free Movie Coupon. By special arrangement with eight of the best high class moving picture theaters in Omaha and suburbs, The Bee is able to give its readers the exceptional privilege of a free ticket for certain performances.

The Sunday Bee Best of All. For further particulars about this opportunity, see the Want Ad Section of The Bee today.