

considered as an ordinary unarmed merchant vessel. The Imperial government begs in this connection to point out that the Lusitania was one of the largest and fastest English commerce steamers, constructed with government funds as auxiliary cruisers, and is expressly included in the navy list published by the British Admiralty. It is moreover known to the Imperial government from reliable information furnished by its officials and neutral passengers that for some time practically all the more valuable English merchant vessels have been provided with guns, ammunition and other weapons, and reinforced with a crew specially practiced in manning guns. According to reports at hand here, the Lusitania when she left New York undoubtedly had guns on board which were mounted under decks and masked.

The Imperial government furthermore has the honor to direct the particular attention of the American government to the fact that the British Admiralty by a secret instruction of February of this year advised the British merchant marine not only to seek protection behind neutral flags and markings, but even when so disguised to attack German submarines by ramming them. High rewards have been offered by the British government as a special incentive for the destruction of the submarines by merchant vessels, and such rewards have already been paid out. In view of these facts, which are satisfactorily known to it, the Imperial government is unable to consider English merchant vessels any longer as "undefended territory" in the zone of maritime war designated by the admiralty staff of the Imperial German navy, the German commanders are consequently no longer in a position to observe the rules of capture otherwise usual and with which they invariably complied before this. Lastly, the Imperial government must specially point out that on her last trip the Lusitania, as on earlier occasions, had Canadian troops and munitions on board, including no less than 5,400 cases of ammunition destined for the destruction of brave German soldiers who are fulfilling with self-sacrifice and devotion their duty in the service of the Fatherland. The German government believes that it acts in just self-defense when it seeks to protect the lives of its soldiers by destroying ammunition destined for the enemy with the means of war at its command. The English steamship company must have been aware of the dangers to which passengers on board the Lusitania were exposed under the circumstances. In taking them on board in spite of this the company quite deliberately tried to use the lives of American citizens as protection for the ammunition carried, and violated the clear provisions of American laws which expressly prohibit, and provide punishment for, the carrying of passengers on ships which have explosives on board. The company thereby wantonly caused the death of so many passengers. According to the express report of the submarine commander concerned, which is further confirmed by all other reports, there can be no doubt that the rapid sinking of the Lusitania was primarily due to the explosion of the cargo of ammunition caused by the torpedo. Otherwise, in all human probability, the passengers of the Lusitania would have been saved.

The Imperial government holds the facts recited above to be of sufficient importance to recommend them to a careful examination by the American government. The Imperial government begs to reserve a final statement of its position with regard to the demands made in connection with the sinking of the Lusitania until a reply is received from the American government, and believes that it should recall here that it took note with satisfaction of the proposals of good offices submitted by the American government in Berlin and London with a view to paving the way for a *modus vivendi* for the conduct of maritime war between Germany and Great Britain. The Imperial government furnished at that time ample evidence of its good will by its willingness to consider these proposals. The realization of these proposals failed, as is known, on account of their rejection by the government of Great Britain.

The undersigned requests His Excellency, the Ambassador, to bring the above to the knowledge of the American government and avails himself of the opportunity to renew, etc.

VON JAGOW.

Former Senator Bourne, who Roosevelt testified introduced Archbold of the Standard oil to him when he came a-lobbying, is at the head of the newly-organized republican press bureau in Washington. The bureau, it has been announced, has been adequately financed.

## Aiding Latin-America

[Address of Secretary of State Bryan at the banquet given in honor of the Uruguay delegation to the financial congress, at the New Willard hotel, Washington, May 27, 1915.]

Mr. O'Brien, Mr. Minister of Finance, and other guests:

I am grateful to our host, Mr. O'Brien, for the honor that he does me in allowing me to join him in paying this tribute of respect to the guest of honor, the distinguished minister of finance of Uruguay, Senor Cosio. Doctor De Pena, the illustrious representative of that republic, has won for his country a position of high favor among us. My visit to Uruguay, five years ago, had already predisposed me to hold the country in great esteem, and subsequent association with its officials has cultivated in my heart a sincere friendship. I found, when in Uruguay, that it had paid this nation a very high compliment by making our school system the model for its own educational institutions. This was the result of a visit paid by a citizen of Uruguay to the United States many years ago, and this fact suggests the possible effect of the visit to this country of those who are now attending the financial congress in this city.

I shall, for this evening, put aside the restrictions and limitations of my official position and speak to you as an individual. As secretary of state it is my duty to deal diplomatically with the government whose high official we honor tonight, but I do not desire to speak diplomatically on this occasion. I desire to speak rather as man to man, for my sympathetic interest in all that concerns Latin-America is not mere official formality; it is deep and abiding.

This conference has brought together a great many financiers, some of whom are among us tonight. I am glad to meet with them but am afraid that I can not claim a place among financiers; in fact, if I were accused of being a financier I think I could abundantly prove an alibi, but I shall venture to utilize this occasion to present two suggestions of a financial character. Possibly, if I were a financier I would know better than to present them, but whether they are acceptable or not they will at least testify to my earnest desire to have our nation exhibit a neighborly spirit toward our sister republics, and render them every possible service.

The first suggestion I have had in mind since my visit to South America five years ago. I then learned that there was but little if any direct communication between the banks of South America and the banks of the United States. During my connection with the state department I have been increasingly impressed with the disadvantages from which we suffer in this respect, both as to South America and Central America.

The new currency law authorizes the establishment of branch banks in other countries, and this provision is already being put into use. Several branch banks have been established in Latin-America, and the state department will give every legitimate encouragement to the extension of our banking system in foreign countries. It takes time, however, for a plan like this to be developed, and I feel so deeply interested in the welfare of our neighboring republics that I venture to suggest the propriety of establishing a system of exchange through the direct action of the respective governments. I see no reason why a plan might not be drafted by which credit established by the deposit of money with our government could be transferred by cable to any other government and thus be available for immediate use. In like manner a credit similarly established by deposit of money with any other government could be made available here. This would not require any large extension of our present money order system and, until branch banks can be established in them, would, it seems to me, be of considerable advantage in our dealings with the Latin-American countries.

The second suggestion is somewhat bolder and yet I think the plan entirely practicable. I have found that the greatest obstacle to the development of the smaller republics in Latin-America is the high rate of interest which these governments are compelled to pay. For instance, one of the delegates to this conference has informed me that his government is paying eight per cent interest on a twenty-year loan. How can we expect the early development of these countries under such an oppressive rate of interest? I do not know of any more neighborly service that

our government can render than to underwrite such loans as may be necessary for the internal development of these countries.

The plan which I suggest is a simple one, viz: Whenever one of these republics desires a loan for an improvement of substantial and permanent benefit, let its government issue bonds drawing, say, four per cent, and deposit them with our government as security. Then let our government issue its own bonds at three per cent and put them on the market; the demand here is, I am sure, sufficient to absorb any such bonds as we would be called upon to issue. The one per cent difference between the interest paid by the Latin American republic on its four per cent bonds, and the interest paid on our three per cent bonds would create a sinking fund which would, within a generation, retire the bonds. Thus, by the loaning of our credit to these sister republics we would hasten development, and render them a great service without incurring any real risk ourselves, for we need not fear that any of these governments would default in the payment of such an obligation, and who will doubt that such a disinterested service, rendered by us, would cement forever the friendship between our country and the countries assisted?

The good will so evident here has led me to venture these suggestions; whether you approve them or not I am sure you will accept them in the spirit in which they are offered.

And now allow me to propose the health of the president of Uruguay, the prosperity of the republic and the welfare of her people.

### ANOTHER BLUSHING HONOR

Dean Harlan of the law department of the Maryland university, in presenting Secretary Bryan the degree of Doctor of Laws, said:

"In accordance with the immemorial usage of academic societies, which are accustomed on festal occasions to bestow upon eminent men, personal tokens of appreciation and regard, I have the honor by virtue of the mandate of the regents of this university to present to you, in order that he may receive the honorary degree of Doctor of Laws— William Jennings Bryan.

"A Bachelor and Master of Arts of Illinois College; a Bachelor of Laws of Union College of Law; a Doctor of Laws of the University of Nebraska and of other institutions of learning; distinguished as lawyer, statesman, patriot, editor, author, orator; a master of the art of public speaking, more widely known than any living American for the power and eloquence of his forensic oratory, having exercised by tongue and pen a most profound influence upon the national life for over a quarter of a century; constant advocate of peace and righteousness and justice among men; strong upholder of the doctrine of the equal rights of all, and of the rule of the people; fearless denunciator of public wrongs; exemplar and teacher of virtue, temperance and sobriety; long prominent in public life and in the discussion of governmental policies; at present a cabinet officer of the highest rank, presidential adviser, holding the portfolio of secretary of state, in charge of foreign affairs, international relations and diplomatic matters at one of the most trying and critical periods in our national existence, when to preserve the national peace with national honor requires the wisest handling of most difficult situations; a name already written large in American History."

The republican press bureau deliberately hints that the reason why Secretary Bryan is so indefatigable in his peace efforts is that he has an eye on the \$40,000 Nobel peace prize. The moral calibre of a man can be judged with great accuracy by noting the motives that he reads into the acts of others. A man who is incapable of doing an ignoble thing never conceives of another doing it. A man who reads motives into the acts of others does but register, for the scrutiny of others, the inner workings of his own mind—what he would do himself.

The most noteworthy and important gathering of the past month was the conference at Washington in which nineteen American countries were represented, and at which a full exchange of views on international relations was had. The Wilson administration bids fair to have to its credit an achievement, in the cementing together in a really solid manner of these Americas, that will be truly worth while.