



NO ASSURANCE OF AMERICANS' SAFETY FROM SUBMARINE ATTACKS, IF SHIPS CARRY CONTRABAND, IN GERMAN REPLY

Sinking of Lusitania Justifiable, Asserts Berlin Note—Evades Direct Answer to Principal Demands of Washington—Counter Proposals Rather Than Concessions Keynote.

Friendly Tone Maintained, But No Assurance of Change of Manner in Conducting Submarine Warfare Given. Offers Plan to Provide Adequate Facilities for Passenger Traffic Across Atlantic, But Wants Official Notification of Sailing Dates.

HOW SUBMARINE WAR SHOULD AFFECT U. S., IN GERMAN VIEW

Germany offers, in the reply to the American note regarding the sinking of the Lusitania and submarine warfare, which has been received by the State Department at Washington:

First. Reiterated assurance that American ships engaged in legitimate trade will not be interfered with nor the lives of Americans upon neutral ships be endangered.

Second. That German submarines will be instructed to allow American passenger ships to pass freely and safely, Germany entertaining in return the confident hope that the American Government will see that these ships do not carry contraband.

Third. That America will be permitted to place four hostile passenger steamers under the American flag to ply between North America and Europe under the same conditions, should the number of other ships available for passenger service prove inadequate.

The sinking of the Lusitania is defended in statements that if the commander of the submarine had caused the crew and passengers to take to the boats before firing a torpedo, this would have meant the sure destruction of his own vessel, and that if the Lusitania had been spared thousands of cases of munitions would have been sent to Germany's enemies.

BERLIN, July 10.

No guarantee of the safety of United States citizens traveling on ships other than those flying the Stars and Stripes is contained in the German reply.

The American demand that Germany observe the rules of "visit and search" before torpedoing merchant ships, whether belligerent or neutral, is unanswered.

Blame for the destruction of the Lusitania is placed on Great Britain because of her policy of arming merchant ships; on the owners of the ship for carrying high explosives.

Germany offers safe conduct for a certain number of certified American ships, provided these ships do not carry contraband and Germany is notified in advance of their sailing. Germany also offers to allow the United States to fly the American flag on ships of other neutral countries and, if needed, on four belligerent merchant ships for passenger traffic only.

In a previous official statement Germany had denied any intention of attacking without warning ships flying the American flag, whether carrying contraband or not.

Full Text of German Note

The full text of the reply, as published in the Berlin papers and cabled to the United States, although it is not the official translation and probably contains slight errors, follows:

"Berlin, July 8.—The undersigned has the honor to make the following reply to His Excellency Ambassador Gerard, to the note of the 10th ultimo, re the impairment of American interests by the German submarine war. The Imperial Government learned with satisfaction from the note how earnestly the Government of the United States is concerned in seeing the principles of humanity realized in the present war. Also this appeal finds ready echo in Germany, and the Imperial Government is quite willing to permit its statements and decisions in the present case to be governed by the principles of humanity just as it has done always.

The Imperial Government welcomed with gratitude when the American Government in the note of May 15 itself recalled that Germany had always permitted itself to be governed by the principles of progress and humanity in dealing with the law of maritime war. Since the time when Frederick the Great negotiated with John Adams, Benjamin Franklin and Thomas Jefferson the treaty of friendship and commerce of September 9, 1785, between Prussia and the Republic of the West, German and American statesmen have, in fact, always stood together in the struggle for the freedom of the seas and for the protection of peaceable trade. In the international proceedings which since have been conducted for the regulation of the laws of maritime war Germany and America have jointly advocated progressive principles, especially the abolishment

of the right of capture at sea and the restriction of the interests of neutrals. Germany likewise has been always tenacious of the principle that war should be conducted against the armed and organized forces of an enemy country, but that the enemy civilian population must be spared and spared in the use of its arms.

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WASHINGTON DISAPPOINTED, BUT NOT ALARMED BY REPLY

WASHINGTON, July 10.—Disappointing, but not alarming, was the view privately expressed here today by administration circles of the contents of the German Government reply to the American note regarding the sinking of the Lusitania and submarine warfare.

President Wilson's demand for a change in the text of the German note was not expected to be met, and it was felt that the text of the German note would be received from Paris sources.

The reply having been prepared, it was said the President will come to Washington to discuss it with his Cabinet before its dispatch to Berlin. It was thought unlikely this would be sooner than week after next, though it was said it might possibly be the latter part of next week.

In State Department circles it was stated that the offer by Germany not to attack without warning ships flying the American flag, whether carrying contraband or not, was a concession.

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THE WEATHER

FORECAST for Philadelphia and vicinity—Partly cloudy tonight and Sunday, becoming mostly cloudy by Sunday afternoon. Temperature not much change in temperature, light variable winds.

MEANING OF MOVES IN TODAY'S WAR NEWS

The third battle of Ypres, with the English still continuing the offensive, may be regarded as preliminary to the resistance which the British, supported by French artillery, will put up when the promised German drive on Calais materializes. Not to be taken at a disadvantage, Sir John French is endeavoring to make whatever gains he can before the coming of the German onslaught, to consolidate his positions, and thus make the possibility of German success more remote.

The reported repulse of German attacks by the French from Flanders to the Vosges despite the fierceness and tenacity of the Teutons, serves to prove that the French are both capable and determined to resist any concerted offensive that may be contemplated by the enemy. The only apparent vulnerable French line seems to be in Alsace.

The series of battles developing in South Poland give promise of severe fighting between the Austro-German allies and the forces of the Grand Duke. Supplementary reports on the Russian victory south of Lublin substantiate the fact that the Russians are actively on the offensive and unless the unexpected occurs they should be able to continue their opposition with good chances of success.

FRENCH ARMY REPULSES FOE ON LONG FRONT

Teuton Attacks From Flanders to Vosges Hurlled Back During the Night.

Allied Aviators Bombard Railway Stations at Arnville and Bayonville—Shell Enemy's Military Barracks at Norray.

Assaults of Kaiser's Troops North of Arras, Between Angres and Souchez, Fail—Artillery Duels Continue in Apremont and Le Pretre Forests.

PARIS, July 10.

German attacks along the front from Flanders to the Vosges were repulsed by French troops during the night, according to a communique issued by the French War Office this afternoon.

Allied aviators have been particularly active during the last 24 hours, bombarding the German railway station at Arnville and Bayonville as well as the German barracks at Norray.

The text of the communique follows: "In the region to the north of Arras a few attempted attacks by the Germans on our positions along the road from Angres to Souchez were repulsed last night.

"At the 'Labyrinth' there was a fight with grenades without change in the front on either side.

"In Champagne on the Berthes-Benuefour front, between Hill 106 and the forts

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FIGHT ON TRANSIT IN COURT; ENEMY ASKS INJUNCTION

Files "Taxpayer's Suit" to Halt \$6,000,000 Loan and Construction Work.

David E. Dallam Asks Restraining Order in Court of Common Pleas—Taylor Says It "Involves Technical Legislative Questions."

Suit to restrain the city of Philadelphia from borrowing any part of the \$6,000,000 transit loan recently authorized by Council and likewise to restrain the city from proceeding with the construction of the Broad street subway and the Frankford elevated lines, was filed today in Common Pleas Court No. 1 by David E. Dallam, an Organization taxpayer.

The bill names Mayor Blankenbaker, Controller John M. Watson, City Treasurer McCaskey, City Solicitor Ryan and A. Merritt Taylor, Director of the Department of City Transit, as the city officials to be restrained from proceeding with the flotation of the loan and with the transit program.

The rumor has been current in political circles for several months that a Republican

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CABINET CRISIS NEAR AS BRITISH MINISTERS MEET

Feud Between Lloyd-George and Kitchener Threatens to Cause New Rupture.

Coalition Government Discusses Munitions Problem, Following Meeting of French and English Leaders in Calais.

LONDON, July 10.

While rumors of another ministerial crisis spread about London today, the Cabinet met in special session to discuss the results of the conference of French and English war leaders and statesmen, at Calais, on Tuesday.

The munitions problem, it was understood, was the central topic both at the Calais conference and at today's Cabinet meeting. Munitions is the question about which the new split in the Cabinet is rumored to be developing. For that reason today's special meeting was regarded as highly significant and most important.

Minister of Munitions Lloyd George, rumored to be on the verge of a break with Lord Kitchener because General von Donop remains at the War Office as master of ordnance, did not attend the Calais conference, though the French Undersecretary for War, Albert Thompson, who holds a similar position in the French Government, was among the statesmen at Calais. Lloyd-George only recently returned from a special visit to France, where he obtained the ideas of the Anglo-French commanders and of French officials on the ammunition problem.

Lord Kitchener, Premier Asquith, Lord Greaves, First Lord of the Admiralty, Lord Curzon, and Sir John French represented Great Britain at Calais. The French Prime Minister, Rene Viviani; Foreign Minister Theophile Delcasse; War Minister Millerand; Undersecretary Thompson; Marine Minister Augusteure and General Joffre represented France.

here by the disagreement between Lloyd-George and Lord Kitchener over the continuance in office of Major General Sir Stanley von Donop. Lloyd-George insists upon Von Donop's retirement and Lord Kitchener insists with equal stubbornness that the Master General be retained.

At the same time the Northcliffe press and a group in Parliament are protesting against what they characterize as an effort to bring Lord Kitchener, former Lord Chancellor, back into the Cabinet. The seriousness of the attack on Major General von Donop is indicated by the Daily Chronicle today in a statement that "in some quarters it is rumored that if Major General von Donop does not resign Mr. Lloyd-George will, and that if Major General von Donop does resign Lord Kitchener also will go."

SECOND FIRE ON MINNEHARA GIVES CREW FIERCE FIGHT

Tons of Water Poured Into Hold. Fire Boat Aids.

HALIFAX, July 10.—Fire started again today in hold No. 3 of the British steamship Minnehara. Clouds of smoke were followed by bursts of flames and hatches had to be battered down while tons of water were poured upon the fire. A fireboat went to the assistance of the steamer on the Minnehara, who are fighting the flames.

Before the fire started stevedores had removed some of the freight from the hold. The fact that many wooden cases were smashed indicated that an explosion was responsible for the original conflagration. There was a quantity of whisky in the hold and the theory was advanced that spontaneous combustion might have caused the explosion rather than a bomb.

The Kensington Star: The John Tenney Jones celebrated the fourth of the month by having six sides of a quarter of a sheep in dress suit.

MEXICO CITY HAS BEEN INVESTED; SAYS SILLIMAN

U. S. Consul Informs State Department Gonzales Has Captured Villa Guadalupe.

Suburb Has 40,000 Inhabitants and Is Only Three Miles Northeast of the Capital, Which Now Is Completely Surrounded.

WASHINGTON, July 10.—Mexico City has been completely invested by the Carranza attacking army under the command of General Pablo Gonzales, Consul Silliman notified the State Department today. He reports that Gonzales has established headquarters in the suburb of Guadalupe.

The capture of Villa Guadalupe, which is a town of 40,000 inhabitants only three miles northeast of Mexico City, was announced here by the Carranza agency upon a receipt of a dispatch from General Carranza at Vera Cruz. Carranza's dispatch read: "I have received from General Pablo Gonzales a dispatch dated July 8, in which he announced the investment and capture of Villa Guadalupe."

Both the Villa and Carranza agencies claim victory in the battle at Aguascalientes between forces under the command of General Villa and three Carranza armies commanded by General Martin Triana. Each side declares the other's forces are shattered beyond recovery, and there is no immediate means of determining the truth.

The Villistas declare they pretend to retreat at Aguascalientes, allowed the opposing armies to come within six miles of the town, and then attacking defeated them so badly that it was believed they had made their last effort. General Triana was said to have been killed.

The Carranza version of the battle of Aguascalientes was given in a dispatch to the Constitutionalist agency from El Paso, as follows: "The Villistas defeat near Aguascalientes and the retreat upon Zacatecas as fast as the troops can move and the camp equipment and trains be shifted, as reported yesterday, was fully confirmed from official sources today."

TONNELLATE DI FERRO SUI FORTI DI GORIZIA

Gli Austriaci si Fortificano Dietro le Alpi Giulie—Attacchi Respinti dagli Italiani.

Telegrammi da Roma dicono che gli Italiani stanno devastando un uragano di fuoco e di ferro sulle opere fortificate di Gorizia ed in genere di tutto il fronte dell'Isonzo, compiendo così uno sforzo vigorosissimo e decisivo per ridurre principalmente la fortezza di Gorizia.

Un telegramma alla Tribuna dice che gli austriaci, convinti di non potere opporsi a lungo all'avanzata italiana sul fronte dell'Isonzo, stanno costruendo nuove opere di fortificazione lungo una nuova linea che va da Trieste sino a Gratz ed a Klagenfurt. Evidentemente essi prevedono che, una volta superata la catena della Alpi Giulie, il generale Cadorna si spingerà più oltre ad est ed a nord, mirando verso il cuore dell'Austria verso Vienna. A questi lavori gli austriaci hanno impiegato migliaia di prigionieri russi.

Un dispaccio al Giornale d'Italia dice che una nave da guerra italiana ha catturato una nave austriaca ben riuscita un notissimo tesoro che si andava a stivare in un combustibile a bordo di un vapore appartenente ad una nave italiana.

(L'opera in le parole in italiano a più dettagliate notizie sulla guerra, in italiano.)

QUICK NEWS

CREW OF TORPEDOED VESSEL TAKEN TO LIVERPOOL

LONDON, July 10.—The crew of the steamship Cito, sunk by a German submarine, is being brought into Liverpool, according to dispatches to Lloyds this afternoon.

RUSSIANS GUARD SWEDISH FRONTIER; AMERICAN REPORTS

NEW YORK, July 10.—Fearing that Sweden is about to enter the war as an ally to Germany, Russia is rushing troops and digging trenches along the Swedish frontier, according to Frank G. Ormsby, an American salesman, who arrived in New York today on the Russian-American liner Czar, from Archangel, Russia.

BOMB FOR WILSON FOUND IN BALTIMORE STREET

BALTIMORE, July 10.—A crude bomb, bearing the initials of the President and addressed to the White House, was found lying on the sidewalk today. The police lean to the belief that the bomb is the work of some crank.

INVESTIGATION PROVED THE THING NOT VERY DANGEROUS

The investigation proved the thing not very dangerous. The affair is made of cotton and piano wire wound about a large cartridge. On its outside was written: "W. W. White House, Washington. Handle with care." The police are investigating.

SUPREME COURT JUDGE DENIES BECKER PLEA

RANGELEY, Me., July 10.—Justice Hughes, of the United States Supreme Court, today denied the application for a writ of error on behalf of former Police Lieutenant Becker, of New York, who is under death sentence for the murder of Herman Rosenthal. The denial was based on the justice's opinion that no "substantial" Federal question was involved.

LARGE INCREASE OF INTERNAL REVENUE

Internal revenue tax receipts for the first district of Pennsylvania, comprising Philadelphia, Bucks, Berks, Schuylkill, Delaware, Montgomery, Lehigh and Chester Counties show an increase of \$2,452,826.69 for the fiscal year ended June 30, 1915, over the year preceding. The aggregate collected was \$16,347,199.32. About \$10,000,000 of this was tax on luxuries. There is a marked increase in the individual and the corporation income taxes. The receipts on distilled spirits almost doubled, \$3,297,376.31 being collected. The total figures for 1915 were \$10,973,878.59 and for 1914, \$12,901,916.70.

ROMANIAN KING REPORTED ILL

ZURICH, Switz., July 10.—A dispatch from Vienna says that it is reported there that King Ferdinand of Rumania is ill.

TURKS SEND PEACE DELEGATES, SWISS HEAR

SOFIA, July 10.—The newspaper Mir asserted today that the Turkish delegates were on the way to Switzerland to attempt to reach terms of peace with the Allies.

ASIA MINOR COAST SHELLED FROM SEA AND AIR

ATHENS, July 10.—Allied warships, accompanied by air flotillas, are conducting a systematic bombardment of Asia Minor coast towns from the Gulf of Adramyti to the Gulf of Phoenix, according to Mytilene dispatches today. Smyrna, Vourla and Aivali have been heavily shelled.

3370 GERMAN PRISONERS IN BOTHA'S HANDS

PRETORIA, July 10.—Official announcement was made here today that 3370 Germans, of whom 204 were officers, surrendered to the British army of General Louis Botha, which now completely dominates German Southwest Africa. General Botha's force captured 37 field guns and 22 machine guns. It is expected that the British Government will make German Southwest Africa part of the Union of South Africa.

CHICAGO CARPENTERS WIN THREE MONTHS' STRIKE

CHICAGO, July 10.—The strike of 16,000 carpenters which has tied up millions of dollars' worth of building operations in Chicago since last April was called off today. A committee of carpenters after an all-night meeting with representatives of the contractors' association signed a three-year agreement calling for 70 cents an hour for carpenters—the wage for which the men went on strike.

HAMBURG-AMERICAN LINE REPORTED BANKRUPT

LONDON, July 10. The Daily Express Copenhagen correspondent telegraphs: "It is announced here that the Hamburg-American line has been declared bankrupt. It is stated that the company, since the beginning of the war, has been losing \$200,000 daily, representing the expenses of ships compelled to remain in neutral harbors and the loss of interest on capital lying idle."

DESTROYERS CONVOYED ADRIATIC THROUGH WAR ZONE

LONDON, July 10.—Because of reports that submarines were waiting for her the White Star liner Adriatic was convoyed by British destroyers from the moment she entered the war zone off the Irish coast until she reached Liverpool, it was learned here today. Some of her officers complained that the Admiralty did not give the line advance information that she was to receive an escort. Had this been done, they said the liner would have carried her full complement of passengers.

RULE LIQUOR OUT OF PUBLICATION

Whisky and brandy have been eliminated from the United States Pharmacopoeia as a result of a decision made by the Revising Committee of that publication at Washington yesterday. It is understood that the action was taken only after a bitter discussion by the 51 members of the committee, who, with the exception of Dr. Harvey W. Wiley, were elected by the United States Pharmacopoeial Convention.

ONE KILLED WHEN SUBMARINE SINKS BRITISH SHIP

LONDON, July 10.—The British steamship Earl of Ellesmere was sunk by a German submarine today. One member of the crew was killed. The Ellesmere was bound from Durriana to Manchester, its home port.

ARCHBISHOP QUIGLEY BARELY ALIVE

ROCHESTER, N. Y., July 10.—Archbishop James E. Quigley, of Chicago, is still sinking. The condition of the patient is such as to indicate that death may come at any minute.

BEAR CUB'S DEATH AT ZOO MOURNED

Children who frequent the Zoological Gardens are mourning today the death of "Solomon," a 6-month-old grizzly bear cub, supposed to have died yesterday when he caught his head between bars in his pen. The cub had climbed its feet to the top of the pen and was attempting to squeeze in the outside, when his head became wedged. His remains might have been obtained had not his mother become frantic and attempted to attack the keepers.