

P. R. T. OFFERS CITY NEW CONCESSIONS IN LEASE

STOTESBURY TO QUIT COMPANY IF LEASE FAILS

Financier and Associates Will Resign Unless City Ratifies

EXPOND POSITION AT PUBLIC HEARING

Company Holds to Demand for 5 Per Cent on \$30,000,000 Capital Stock

BALLARD MAKES PROFFER

Willing to Have City Equip Lines and Will Assume Fixed Charge of Bonds

E. T. Stotesbury said today that he and his associates in the management of the Philadelphia Rapid Transit Company would resign unless the city accepted the proposed lease of the new system of subway and elevated lines.

TWO CONCESSIONS OFFERED

Ellis Ames Ballard, chief counsel for the traction company, offered two concessions in the matter of the proposed lease of the new high-speed lines to the P. R. T.

The company is willing, Mr. Ballard said, to have the city, instead of the bond issue, equip the lines on a municipal bond issue.

Should this first concession be accepted, Mr. Ballard stated, the transit company would be willing to modify the clause of the lease which at present permits the company to increase the fare above five cents, if at the end of any six-month period the gross revenue from the system is found to be inadequate to meet all charges.

TAYLOR ADVISES STOCK BUYING

A. Merritt Taylor, former Director of Transit, who was the first speaker, advised that the city buy, at once, P. R. T. stock at its present market value of \$20 a share.

Mr. Stotesbury's defiance to the committee was presented in these words: "If those speaking for the city feel for any reason this contract cannot be accepted and that a contract should be negotiated with the Philadelphia Rapid Transit Company on terms that will take away from them that return, I and my associates will resign from the management of the company."

STOTESBURY'S OUTLINE

"In such event," Mr. Stotesbury continued, "I would regret that I had not been able to effect a solution of the new problem which the city's high-speed lines present, but I would feel that the progress already made had justified my undertaking and that the failure to achieve a solution of these new problems was due to causes entirely beyond my control."

"We have offered not only to give up our entire future, except as we may share to the extent of 10 per cent in the growth of the joint business, but to restrict ourselves to a 5 per cent dividend less than the legal rate of interest upon the money actually paid in upon this property, and scarcely more than half its earning power at the present time."

Mr. Taylor pointed out in his recommendations that the city buy Rapid Transit Company stock, that there is more than \$600,000 in the fund which has been established and to which regular contributions are made from the company's earnings (under terms

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THE WEATHER

FORECAST For Philadelphia and vicinity—Partly cloudy and somewhat unsettled tonight; Saturday fair, not much change in temperature; gentle variable winds.

LENGTH OF DAY

Day rises... 4:43 a.m. Moon rises... 2:47 a.m. Sun sets... 7:10 p.m. Moon sets... 9:45 a.m.

DELWARE RIVER TIDE CHANGES

CHESTNUT STREET Low water... 8:15 a.m. High water... 8:32 p.m. High water... 11:31 a.m. High water... 11:58 p.m.

TEMPERATURE AT EACH HOUR

81 91 101 111 121 131 141 151 161 171 181 191 201 211 221 231 241

Clash of Opinions at Transit Hearing

STOTESBURY

- 1. The new transit system is meant to build up outlying sections of the city as well as to accommodate the public. 2. It is a praiseworthy municipal project, but not a business proposition. 3. The burden should not be placed on the P. R. T.'s shoulders. 4. I sincerely think the company's proposition is liberal. 5. If the city feels that it cannot be accepted, I and my associates will resign from the P. R. T. management.

BALLARD

- 1. If the city wishes to equip the new lines, the company will assume as a fixed charge the interest and sinking fund payments upon the city bonds issued for the equipment. 2. If this is done, the company will rewrite the lease to vest in the Public Service Commission the determination of how fares should be adjusted. TAYLOR 1. Efficient transportation can only be accomplished by welding together the new municipal system and the existing P. R. T. system. 2. The city should buy, at once, P. R. T. stock at its present market value of \$20. Par is \$50.

STATE GUARD GETS CALL FOR JULY 15

Second and Sixth Regiments Here Affected by Official Order

PHILA. BOYS READY

Word was received from Washington this afternoon that the Pennsylvania National Guard will be called into Federal service on July 15.

This means that the Second and Sixth Regiments, of Philadelphia, will probably be among the first in the trenches in France.

The militia division estimates that from six weeks to two months of intensive training will suffice to put the guard units in war condition.

The entire National Guard will be called into service in three groups on July 15, 25 and August 5. The orders which will immediately mobilize the entire National Guard of the United States and which will bring the various increments of that branch into the regular army, were signed by President Wilson immediately after he affixed his signature to the draft bill.

All increments that are not already in the service will be ordered mustered in in three lots.

The orders to this effect have been sent to the adjutant general of the various States by the militia branch of the War Department.

"Thousand guardsmen" of the Second and Sixth Regiments are getting ready. Recruited up to full peace strength, the regiment has a waiting list of several hundred men who have passed physical tests and who will now be ordered to raise the command to a war footing.

With six batteries of 125 men each, a supply company, a hospital corps and a headquarters company, including a band, the regiment numbers 1100 men and officers. For war purposes the number will be increased to about 2500.

Other States called on July 15 are New York, Ohio, Michigan, West Virginia, Wisconsin, Minnesota, Iowa, South Dakota, North Dakota, Nebraska.

The following will be called on July 25: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Delaware, Maryland, District of Columbia, Virginia, North Carolina, South Carolina, Tennessee, Illinois, Missouri, Wyoming, Idaho, Washington and Oregon.

The following will be called on August 5: Indiana, Kentucky, Georgia, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, Texas, Kansas, Colorado, New Mexico, California, Arizona, Utah.

As has been pointed out by the War Department, the general plan which was agreed on at the recent conference of adjutants was to bring the guard into active service to act as a first line while the regular army was being extended to war strength through the breaking up of certain of its regimental units which were to be expanded into additional regiments. This will now be done.

War strength of the National Guard is about 440,000.

WHAT MAY HAPPEN IN BASEBALL TODAY

NATIONAL LEAGUE

Club Won Lost P.C. Win Loss

AMERICAN LEAGUE

Club Won Lost P.C. Win Loss

RETROACTIVE TAX RETAINED IN HOUSE

Increase of a Third in 1916 Income Levy Survives Attacks

MEANS HUNDRED MILLION

WASHINGTON, May 18.—The House today voted 123 to 34 to retain in the war revenue bill the section providing for a retroactive levy on incomes for the year 1916.

This section provides that in addition to the tax already paid on 1916 incomes the taxpayer shall pay by September 15 an additional tax on one-third of the amount already paid.

During a brief debate the retroactive feature was assailed by Representatives Madden, Cannon and others, but the House stood by the Ways and Means committee.

An amendment offered by Representative Dill of Washington, requiring that all income tax returns shall be made public by the Treasury Department, was defeated. This completed the income tax section and debate was begun on the excess profits section.

After rejecting all proposed amendments to the section the House approved the tax as recommended by the Ways and Means Committee. The bill carries an additional tax of 8 per cent on excess profits, making the total levy under the new bill and the existing law 16 per cent.

"It is bad enough," Madden said, "to make the income tax rates for this year extend back to January 1 instead of after the passage of the bill. This is an injustice, but the American people will stand some injustice in the present emergency. A most unheard-of proposition is that contained in this section which goes back to 1916 and levies an additional 12 1/2 per cent on the income tax which a man has already paid for last year."

"The American people should have the feeling that their representatives are not doing their duty. They can have no confidence in their representatives if they are to include in retroactive legislation of this sort."

Mr. Madden argued that the taxpayer paid his 1916 tax in the belief that it ended the matter and he adjusted his business and savings accordingly. The proposed legislation, he said, would deprive men of their savings and disarrange their businesses.

ALEX STOPS THE CUBS' STREAK; PHILS WIN, 3-1

Bert Niehoff's Homer Helps the Great Break Up League Leader's Winning

Cubs Bear Beating

Table with columns: CHICAGO, AB, R, H, O, A, E. Rows for Zeider, Plack, Boyle, Merkle, Williams, Mann, Wilson, Best, Niehoff, Workman, Douglas, Prendergast, Walter, Demaree, Totals.

Table with columns: PHILADELPHIA, AB, R, H, O, A, E. Rows for Paskert, Bancroft, Merkle, Cravath, Whitely, Ludrus, Niehoff, Killefer, Alexander, Totals.

Philadelphia's victory today was a complete surprise to the Cubs, who had won 11 of their last 12 games.

The game was a close one until the eighth inning, when Philadelphia's lead was extended to 3-1.

Bert Niehoff's home run in the eighth inning was the key to Philadelphia's victory.

The Cubs' losing streak now stands at 11 games, their longest since 1914.

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DERBY WANTS U.S. BODY BLOW TO FINISH WAR

Asserts Full Force of America Essential to Peace

MUST STRIKE HARD AND ACT QUICKLY

Kitchener's Successor Says Germany Prepared for Long Struggle

GREAT ARMY NECESSARY

By LOWELL MELLETT, Special Cable Editor of the United Press and Reuters London.

"The war will not be over until the full weight of America has been thrown into the scales," Lord Derby, England's Secretary of State for War, declared today.

Germany is prepared for a long struggle, he said, and the Allies must strike hard and act quickly.

The bigger the blow America is able to deliver—the sooner she delivers it—the quicker will be the war end and the new order of things be assured.

America has a big part to play in this struggle to abolish the world menace of militarism, America must strike hard. We hope she will strike quickly.

How the British war head suddenly paused, leaning back in his chair, faced the blinding glare of the sun, and reiterated as though seeking to protect his thought across the ocean.

"The war will not be over until the full weight of America has been thrown into the scales—her full weight," he emphasized.

Don't let America be misled, Germany's active propaganda fight now is directed against the Allies in every way possible.

Germany is endeavoring to lead the Allies to believe that the war's end is in sight. Germany would like this to be so.

"Germany has reached—if not passed—the crest of her military strength. She knows that her army and she is ready by so many men. She is ready to quit—on her own terms."

READY FOR LONG FIGHT "She is ready to fight a long, long time yet before accepting the terms that the world's democracy demands to safeguard the future."

It has been and still will be a terrible fight, Lord Kitchener, sitting in this very chair, said. Not until the British people feel themselves exerting their full strength did they realize how widely he spoke.

"My America's realization not so long delayed, Kitchener's message comes to Americans afresh. I hope they get that message."

It was late in the evening on Thursday that I first talked with Lord Derby. The room was dimly lighted, and the War Secretary, as he spoke these last words, paused and smoked furiously and earnestly. His face and form were half hidden. In the haze of tobacco smoke and dim light the room was easy for the imagination to color up the phlegmatic gray eyes of the silent "man who knows"—Kitchener—was sitting at the base.

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FLAMES SWEEP BIG EXPLOSIVES FACTORY

Thousands of Tons of Chlorobenzol Explode With Deafening Detonations—Million Loss

By ROBERT W. MAXWELL, PHILADELPHIA, May 18.—Alexander, the great Alex—stopped the Cubs' winning streak on their eleventh game, and the Phillies won the opening game of the series from the National League pacemakers. The final score was 3 to 1.

"Bill" Killefer was the feature batter of the day. He beat out a hit, and also connected for a pair of single runs.

"Kill" also played a fine defensive game. He had eight putouts, seven Cubs having been fanned by Alex.

LATEST SPORTS

PHILLIES WIN OPENER FROM CHICAGO

Table with columns: CHICAGO, PHILLIES, Douglas, Prendergast, Demaree and Wilson; Alexander and Killefer.

ATHLETICS Postponed CLEVELAND Rain

NATIONAL LEAGUE

Table with columns: CINCINNATI, BOSTON, BROOKLYN, PITTSBURGH, NEW YORK, ST. LOUIS.

AMERICAN LEAGUE

Table with columns: NEW YORK, DETROIT, CLEVELAND, PHILADELPHIA, BOSTON, CHICAGO.

OTHER GAMES

Table with columns: GYM ACADEMY, EPISCOPAL ACAD., NORTHEAST, WEST PHILA. H.

ADDITIONAL RACING RESULTS

Fourth Windsor race, handicap, 3-year-olds and up, 6 furlongs—Shikes, 105, Claver, \$10.00, \$4.10, \$2.90, won; Tianan, 98, Scherzer, \$7.30, \$3.50, second; Panzaretta, 132, Mott, \$2.50, third. Time, 1:11.

Fourth Windsor race, 3-year-olds and up, 1 mile—Bogart, 114, Mott, \$5.20, \$4.90, \$3.20, won; Europe, 103, Smith, \$0.70, \$0.50, second; Zephyr, 105, Bogt, \$7.40, third. Time, 1:33-4-5.

Sixth Windsor race, claiming, 4-year-olds and up, 1 1/8 miles—Reno, 108, Gaugel, \$10.30, \$6.00, \$3.50, won; Flying Feet, 105, Gaugel, \$14.30, \$7.20, second; Petit Bleu, 103, Molesworth, \$3.00, third. Time, 1:57 1-5.

Fifth Louisville race, 1 mile 70 yards—Jovial, 89, Judy, \$14.90, \$3.00, \$3.00, won; Rapids, 103, Shillings, \$3.30, \$2.50, second; Sun Maid, 105, Luder, \$2.30, third. Time, 1:47 1-5.

Sixth Louisville race, 4 1/2 furlongs—Pinehurst, 104, Murphy, \$5.00, \$2.60, \$2.40, won; Pretty Baby, 107, Goose, \$2.60, \$2.20, second; Sam Nancy, 105, Mehan, \$2.00, third. Time, .55.

Sixth Jamaica race, maiden 2-year-olds, \$500, 5 furlongs—Empress, 112, O'Brien, 4 to 1, 8 to 5, 4 to 3, won; Lucullite, 115, Butwell, 17 to 5, 4 to 3, 2 to 5, second; Ultimatum, 115, Shuttiger, 3 to 1, 5 to 3, 3 to 5, third. Time: 1:01.

Seventh Windsor race, 2-year-olds, selling, 4 1/2 furlongs—Zudora, 103, Molesworth, \$50.50, \$20.10, \$11.30, won; Gift, 107, Taylor, \$25.40, \$15.80, second; Acis, 107, Claver, \$0.20, third. Time, 1:30-4-5.

PHILADELPHIA GIRLS LEAD WELLESLEY "SOLDIERS"

Two Philadelphia girls are leading lights in the spirit of patriotism that has gripped Wellesley College. Miss Emma Barrett, of 3609 North Nineteenth street, has been chosen battalion chief of the 1000 students and members of the faculty who have enlisted for military drill.

Miss Elizabeth Maris, of Lansdowne, has been chosen to lead the senior company, one of the six companies which comprises the battalion.

COL. GARDNER ASSIGNED TO GOVERNORS ISLAND

WASHINGTON, May 18.—Colonel Augustus T. Gardner, Adjutant General's Reserve Corps, who resigned his seat in Congress as Representative from Massachusetts to join the colors, was today assigned to active duty at Governors Island, N. Y. He originally stated he would be sent to the Southeastern Department.

GERMANS FIRE LENS; MAY QUIT PRESENT LINES

British Believe Teutons Are Preparing to Retreat

SEEK TO COVER MOVES BY FIERCE ATTACKS

Retirement to Douai-Cambrai Line Foreseen by Allies

ITALIANS DRIVE AHEAD

By WILLIAM PHILIP SIMMS, WITH THE BRITISH ARMIES IN THE FIELDS, May 18.

Lens is being set aflame. Fires and explosions in France's "coal city" were plainly visible from the British lines throughout last night. The Germans plainly know the danger they are running now of a British sweep that will close their circle about the city and trap them there.

It is possible the destruction of buildings in Lens may indicate a withdrawal from the city. The same program of burning and blowing up of buildings has been followed by the Germans in every city and town they have evacuated.

Plans for the last two days has turned the battlefield of dust into one of mud. There were only minor operations in progress early today. Around Bullecourt, just taken by the British, it was quiet.

North of the Scarpe the mud was so thick that there were no infantry operations reported early today.

As this dispatch is filed a small action is in progress near Gavrelle, which is apparently going well for the British. No details are available yet.

One of the first aeroplanes of the day was hugged into over Gavrelle just before this action began. Machine-gun fire from the trenches brought the German down.

LONDON, May 18.—Learning at terrible cost to them that the British and French hold on the Hindenburg outer line at Bullecourt and Craonne cannot be shaken, Germany seems to be making ready for another "strategic retreat."

The weather has been rainy, hampering big operations during the last two days, according to British front dispatches today. Field Marshal Haig's official report today bore out this indication of inactivity. He said:

"Northwest of Arras, two hostile raiding parties were beaten off early in the night."

No mention was made of further fighting at Bullecourt or elsewhere on the Hindenburg line.

From the French front today came word that the enemy was adopting precisely the same tactics in "covering" its destroying tanks and villages and in transferring forces as those which preceded the other famous retreat of the Hindenburg line.

In view of the latest British success achieved at Bullecourt, strengthening the present grip on the Hindenburg line, military experts here predicted a German retirement would probably be around the two pivots of the Hindenburg line—at Lens and Laon—possibly starting a complete movement between those two cities to the Douai-Cambrai permanent section of the long-prepared Hindenburg front.

Meanwhile the greatest interest outside of its own fighting front was centered here on the great success which is attending the Italian drive toward Trient. Unofficial dispatches made the Italian victories of the last few days even more brilliant than the official statements have indicated. General Cadorna's forces were today reported a bare twelve miles from Trieste and advancing hour by hour, while inflicting heavy losses on the enemy.

ITALIANS TAKE ENTIRE AUSTRIAN STRONGHOLD TO THE EAST OF PLAVA

PARIS, May 18.—Persistent German attacks on the northeastern slope of the Craonne were repulsed by French grenade fire, today's official statement reported.

In Champagne, the War Office said, there was considerable artillery activity. In Lorraine French reconnoissances penetrated German lines.

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