

Washington, Thursday, June 12, 1918. TEMPERATURES IN EACH HOUR.

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PRICE TWO CENTS

COURTS TO FIX P. R. T. TAX BILL ON LEASED LINES

Present War Revenue Drain on Holding Company Held Unjust

SUITS BY SUBSIDIARIES

Validity of Contracts Relieving Underlying Concerns to Be Called Into Question

The courts will be asked to determine the validity of the leases under which the Philadelphia Rapid Transit Company is now required to pay all the taxes on the earnings of its underlying companies.

Information regarding the impending litigation came out in Washington during an appeal by Ellis J. Ballard, counsel for the Rapid Transit Company, before the Ways and Means Committee of Congress for the drafting of the new tax law.

The company has notified the subsidiary companies that this payment is merely a loan and will be deducted from next year's earnings.

Subsidiaries to Bring Suit

Oswald J. Roberts, counsel for the Ridge Avenue Passenger Railway, and Dimmer Beber, counsel for the Citizens' Passenger Railway, both underlying companies of the Philadelphia Rapid Transit Company, are suing the parent company for a refund of the taxes paid on their earnings.

It is a fact that the matter will be taken into the courts, said Mr. Roberts, "I suppose it will be done after the taxes are paid on June 15 and the underlying companies stand on their rights under the leases. I fail to see how Congress can alter the terms of a contract made between parties, or how any party can ask the courts to enforce a contract changed when they deliberately made them for themselves."

He declared Mr. Ballard's computation that the P. R. T. companies have to pay increased taxes each successive year is incorrect, and said his statement that the company would have to pay 150 per cent of its earnings at the end of five years is "visionary."

Beber expressed surprise at Mr. Ballard's appearance before the Congressional Committee.

"I cannot see how the Philadelphia Rapid Transit can ask Congress to help it with its capital liability, which it incurred when it leased the subsidiary companies."

CONFESION OF WEAKNESS

"It seems to be a confession of weakness to assert they are not obliged to pay the taxes for the underlying companies when they are facing suits against them to have that plea determined in court."

"For Mr. Ballard to attempt to persuade Congress to say the taxes should be collected from the leased companies, in my opinion, is a violent interference with the right of contract. Of course, if the transit company can pay the taxes, it is no business of Congress to interfere with its obligation to pay the taxes of the underlying roads it will escape liability."

Mr. Beber expressed the belief that none of the underlying companies would accept the transit company's "loan" for the payment of the taxes.

Fears for the existence of the holding company were expressed by Mr. Beber, who declared that in five years, under the present procedure, the company would be forced to retire from the field "with its back broken, unable to measure of relief from the payment of excess profit and income taxes of its subsidiaries are adopted."

He declared the company will pay this year's taxes but that the excess profits tax this year, he declared, or the 100,000 that should be paid by the underlying companies. In addition to this the transit company must pay \$250,000 on its yearly rentals of the underlying companies.

The six-cent fare ordinance which is pending before the Finance Committee, asked Mr. Ballard's plan to the Ways and Means Committee.

Representative J. Hampton Moore, a member of the Finance Committee, said he would indorse a war tax on the increased fare, but the lawyer opposed such a move, explaining the proposed fare increase is considered a "warlike necessity."

He admitted that the company "thought itself clever" in 1907 when it was decided that the fare should be five cents and could not be changed without consent of both city and company.

He said that the fare was then raised and that was preventing a decrease in it. A nickel looked big, then, he said.

Blames Corporation Laws that are responsible for transit conditions in this city, according to Mr. Ballard. He held no company except those to whom perpetual franchises were granted could run a transit line in this city, due to the passage of legislation in 1853. He said the Legislature in that year granted perpetual franchises to several companies to operate horse cars. These franchises were changed in 1880 when cable cars made their appearance and a few years later when the first electric trolleys were operated, but permission to build transit lines was given only to those companies holding perpetual franchises.

Quoting figures on the amounts the company is required to pay, Mr. Ballard said the income and excess-profit taxes on the earnings under the act of last October amount to \$4,600, which must be paid by the Rapid Transit Company.

WITH THE AMERICAN FLIERS "OVER THERE"



JEFFERSON IN TROUBLE AGAIN

Former Policeboat Pilot Held on Disorderly Conduct Charge

Granville S. Jefferson, former policeboat pilot, 1419 West Vango street, was held in \$400 bail today for court on a charge of disorderly conduct by Magistrate Rooney at the Fifteenth and Locust streets police station.

Jefferson, who is a nephew of former City Treasurer McCleach, was discharged from the naval reserve at Cape May six months ago, after trial by court-martial. He was acquitted in 1915 of a charge of murder in connection with the death of James Fitzsimmons, a porter, in a saloon on Ninth street, above Chestnut Street, New York, in 1915. Jefferson shot the porter several times.

Jefferson is alleged to have called Night Police Superintendent Leary by telephone early today, demanding that the police raid a hotel near Ninth and Market streets.

Leary questioned Jefferson and the latter is said to have become abusive. Leary then called detectives and while Jefferson was kept in conversation, the detectives went to the postoffice and arrested him in a telephone booth.

MAY TRY SKIP-STOPS HERE

William Potter and Railway Experts to Consider Plan Today

A plan to reduce stopping points of trolley cars in this city as a means of saving fuel will be threshed out at a conference today between William Potter, fuel administrator for Pennsylvania, and members of the executive committee of street railways of Pennsylvania.

The new system, if adopted, would relocate the stopping points so as best to serve the interests of the car riders, and would reduce the time required to make the runs.

This "skip-stop" system has been worked successfully in Washington and other cities. All of the stopping points are plainly marked by signs bearing the words "Car Stops." The new system would bring some of the stops on the near side of the street, some on the far side and others in the middle of the block. It would reduce the number of stops by 25 per cent, and the time required to make the runs by 10 per cent.

The temperature registered 71 degrees, while the humidity stood at 86. The readings standing as a combined warning that the day will be more or less of a relief, however, by rain-washed streets and generally cool conditions after the passing of the thunder clouds.

TRANSPORT SUNK; 40 MISSING

Cunarder Ausonia Victim of U-Boat in Mid-Atlantic

New York, June 12.—The British transport Ausonia, of the Cunard Line, has been torpedoed by a German submarine in the Atlantic, on her way from Liverpool to New York, according to private cable dispatches received here yesterday.

She left a British port on May 25, and was some hundreds of miles out in the Atlantic when she was hit. The survivors were picked up by an eastbound steamship, and search is being made for the missing members of the crew, which numbered 130 officers and men.

In June, 1917, the Ausonia was attacked by a submarine and was sunk by a torpedo. She managed to reach port, and was repaired.

She was a steel vessel of 8152 gross tonnage, built in 1907 for the Canadian Pacific, and had twin-screw engines, which gave her a speed of 14 knots.

NEW ARCHBISHOP HERE JULY

Formal Documents From Rome Reach Mgr. Dougherty

Bishop Denis J. Dougherty, of the Catholic diocese of Buffalo, has received the formal documents elevating him to the archbishopric of Philadelphia. He has canceled all local engagements and appointments so he might have time to prepare for his departure from Buffalo early in July.

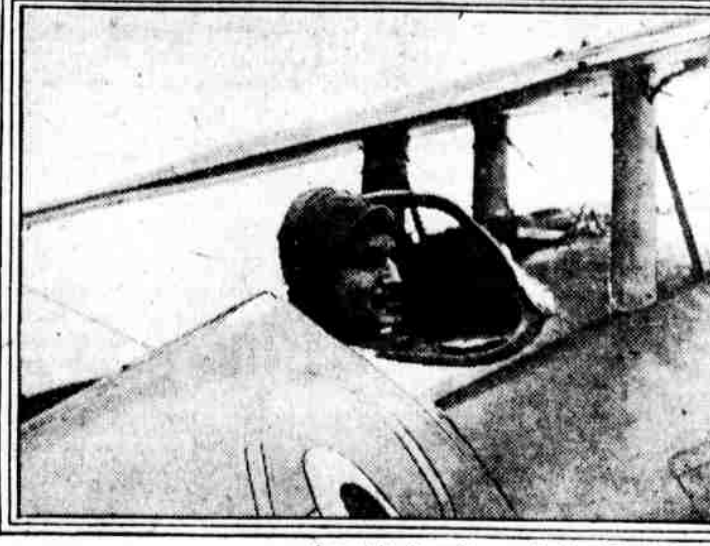
Bishop Dougherty could not say when he would be installed as Archbishop of Philadelphia, but it was said by others close to him the ceremony might be held in mid-July. It is certain the prelate will go into a retreat soon, and this method of rest and spiritual recuperation may extend more than a week.

T. P. SHONTS OPERATED UPON

New York Trolley Companies' President in Serious Condition

New York, June 12.—Theodore P. Shonts, president of the Interborough Rapid Transit Company and of the New York City Street Railway Company, was operated upon yesterday for a severe internal trouble, passed the ordeal splendidly, it was said today.

Dr. J. Bentley Sauler, who performed the operation, said his patient's condition was serious, but that he hoped for recovery Mr. Shonts has been ill several weeks.



The upper photograph shows American soldiers righting one of our planes which came down bottom-side-up. Below is Lieutenant Douglas Campbell, of California, the first "ace" with the American Expeditionary Force, who has been wounded in a battle in the air.

U. S. MAY SEND AID TO RUSSIA

Supported Chester M. Anderson Throughout Campaign, Senator Declares

INDORSE WHOLE TICKET

All Republican candidates, city and State, for election next autumn, were indorsed today by the Republican City Committee, at its annual reorganization session following the May primary.

David H. Lane offered the resolution and amendment and moved its adoption. Senator Vare seconded the motion, saying that a year ago he pledged himself to support Senator Sprout for the nomination for Governor.

After a committee had been named to select one for the committee seats which the local weatherman said that in all probability clearing conditions would follow the storm and that the remainder of the day would be fair. Present indications are that tonight will be cooler.

The heavy pull of clouds which yesterday morning had been over the city, again began to fall and flashes of lightning and the roll of thunder gave unmistakable evidence that the storm-force was in earnest.

Through the refusal of James A. Carey to accept the Fifth Ward seat, "Ike" Deutch, Carey's foe, who figured so prominently in the Fifth Ward murder case, probably will get the seat.

At noon the members of the Vares-controlled committee, together with the chairman of the ward committees and the local candidates, were the guests of Senator Sprout at a luncheon in the Hotel Adelphi.

Sheriff Harry C. Ransley retains his post as chairman of the committee, and Magistrate Thomas F. Watson remains head of the Twenty-ninth Ward executive director as a result of the reorganization. No changes in the personnel of the officials of the committee were considered.

State Republicans will gather here Friday for a meeting of the State committee in the Bellevue-Stratford Hotel, at which will H. Hays, Republican national chairman, will try to pour oil on the troubled factional waters, and on Saturday Judge Bonniwell, the Democratic gubernatorial nominee, will confer with his supporters at a meeting in the Hotel Adelphi.

PATROL VESSEL BATTLES U-BOAT

Authenticated Case of Clash Between Naval Vessel and Raider

WASHINGTON, June 12.—An American coast patrol vessel had a battle with a German U-boat raider. From an unquestionable source today came the fact, together with the fact that the navy has had a mass of reports from patrol commanders. None of these has been made public.

Reports have been received here of a battle between a tanker and a U-boat in which a destroyer arrived in time to fire on the raider, which disappeared.

The rescue seventy miles at sea of an ensign and enlisted man of the American navy was reported to the Navy Department today by the steamer Gorgas.

No details were given, but it is supposed the men were victims of a sea-plane accident while searching for German submarines.

A dispatch from Norfolk, Va., says the crews of the steamers Walter D. Noyes and the Pabos, upon arrival there, reported that they had been fired upon by submarines Sunday night off the Virginia coast.

Secretary Daniels has taken the position that only absolutely authenticated cases of sinking or capture will be announced.

But it may be said flatly that one of the many reports indicates beyond doubt that a patrol vessel fired on a submarine and dropped depth bombs about her.

The effect can only be conjectured. A second case, not quite so clear-cut, yet believed by some officials to be authentic, is also on record.

Neither of the above-mentioned incidents includes the case where a United States submarine sank a German U-boat.

U. S. MARINES ROUT ENEMY AT BELLEAU

Artillery Aids French Counter-Attack West of Montdidier

DEFENDERS OF WOOD BADLY SLAUGHTERED

Survivors of Dashing Attack Flee in Great Disorder

300 PRISONERS TAKEN

Captives Declare They Had No Fresh Food in Sixty Hours

With the American Armies in France, June 12.

American marines have entirely cleared the important Belleau Wood, five miles west of Chateau-Thierry, of enemy forces, it was established today.

The German defenders were slaughtered in great numbers and those who survived fled in disorder.

American artillery preparation began at 3:30 yesterday morning. An hour later the marines attacked. They were under orders to push through to the northeastern limits of Belleau Wood and carried out their instructions to the letter.

In addition to inflicting heavy casualties the marines took at least 300 prisoners, including ten officers, and captured two three-inch field pieces, some machine-guns and many machine guns. Their own casualties were light with the exception of those suffered at one point where a machine-gun nest held out for some time.

Belleau Wood was defended by crack Prussian and Saxon troops, the flower of the Kaiser's army, but they were no match for the dauntless United States Marines, who swept through the northern fringes of the wood, driving out the Germans.

Glad to Be Prisoners

Prisoners taken by the marines are extremely youthful and look well cared for, though some of them said they have had little to eat lately. Several who served on the western front said they liked it better there than on this front.

Many of the German regiments, they said, are recruited from Jews. These are unwilling to fight and are compelled to go into battle by machine-guns placed in the rear of their lines. After they have entered the fighting line they are chained to guns and weapons.

While the fighting was under way the Germans launched an attack at 5 a. m. against the American units holding Bourbesches, on the right. The assault was repulsed with great slaughter, the masses of the enemy being broken up by artillery and rifle fire.

Machine Gunners Surrender

On Monday night the Americans reduced a group of machine gunners who had previously been surrounded in the wood. The gun crews surrendered without a struggle and the Americans captured all of the guns. Continuous shelling from all sides prevented the Germans from putting up any resistance.

Two 75-millimeter field guns were captured, being the first cannon to fall into the hands of the Americans.

American storming units advanced upon the German defensive positions charging the gunners with the bayonet and shattering the German ranks and brought them back to their former positions.

They did not have time to put their guns out of commission.

Immediately after their capture, marines attached ropes to the pieces and

ITALIANS SINK 2 DREADNOUGHTS

Pair of Torpedoboats Boldly Attack Big Battleships

WASHINGTON, June 12.—Two Austrian dreadnoughts of the Viribus Untis class were sunk by two small Italian torpedoboats near the Dalmatian Islands June 10, it was officially announced today.

The torpedoboats, under command of Captains Rizzo and Luigi de Milazzo, struck boldly through a line of enemy destroyers and attacked the two leading ships of a battle squadron, which was steaming in fleet formation.

The first torpedo was fired at the first ship in the line and one torpedo at the ship immediately following.

The little Italian craft returned safely, the statements said, having damaged one of the Austrian destroyers which pursued them.

There are four battleships of the Viribus Untis type, displacing 25,000 tons. Recently three Italian sailors penetrated Pola harbor in a "sea tank" torpedoing another Austrian battleship of the Viribus Untis type.

CURE U. S. WOUNDED QUICKLY

Gorgas Announces 80 Per Cent Restored in Four Weeks

WASHINGTON, June 12.—Eighty per cent of the American troops wounded in battle are now being cured and returned to their forces within three or four weeks, Surgeon General Gorgas announced today. It formerly required months of attention in military hospitals before they could return to the fighting.

Army surgeons are being instructed at the rate of 100 a month in latest

FRENCH STOP ENEMY RUSH AT EVERY POINT ALONG OISE; BALK MARNE LINE ATTACK

MOUNDS OF TEUTONS CARPET BATTLE HILLS

Limit of Human Endurance Reached in Noyon Sector by Kaiser's War-Maddened Hordes Engulfed in Sea of Blood

By WALTER DURANTY Special Cable to Evening Public Ledger Copyright, 1918, by New York Times Co. With the French Armies, June 12.

As the battle continues, it seems that the second week of June will rank as one of the bloodiest and most decisive periods in the world's history.

It is the veritable climax of four years of struggle. In the last twenty-four hours the violence of the fighting has increased still further. The limit of human endurance has been forced yet another notch higher.

Along a front of nearly twenty miles the Germans are driving more than a quarter of a million men forward through a sea of blood. The defenders say that it is as though the whole of the German army is engaged against them; no sooner is one battalion annihilated than another takes its place and another and another.

A handful of dismounted cavalry, greatly employed for liaison work, fought their way back Monday to the French lines from the surrounded hill of Plemont. They reported that the survivors of the French battalion occupying the position were still holding out when they left, and that no fewer than fourteen attacks had already been repulsed.

Hideous Carpet of Dead The grassy slopes of the hill bore a hideous carpet of thousands of German dead, over which new forces still advanced with the same madness of sacrifice as the Carthaginians of old, flinging their children, their possessions and themselves into Moloch's furnace. The bloody religion of militarism that Germany has followed for forty years has led its votaries to culminating orgies of destruction.

But the defenders are not appalled by the fury of the struggle, nor by numbers. Each position is held until every foot of ground has been paid for by German blood. Again and again a swift counter-attack, delivered at the right moment, has wrested from the assailant the fruits of the success he won so dearly and forced him to pay a toll of lives twice over.

In the villages thus retaken, the defenders are not appalled by the fury of the struggle, nor by numbers. Each position is held until every foot of ground has been paid for by German blood. Again and again a swift counter-attack, delivered at the right moment, has wrested from the assailant the fruits of the success he won so dearly and forced him to pay a toll of lives twice over.

CALL DRAFT BOARD BEFORE GRAND JURY

A downtown draft board, said to be controlled by politicians, will be held before the Federal Grand Jury next week. Assistant District Attorney T. Henry Walnut said this statement this afternoon. This board is said to have placed its political friends in deferred classes and sent its political enemies to camp.

LIGHTNING STRIKES HOUSE; FOUR BURNED TO DEATH

ROME, N. Y., June 12.—Four small children of Mr. and Mrs. Arthur Hennes were burned to death here today when their home was struck by lightning during a terrific electric storm.

NO AMERICANS LOST IN AUSONIA SINKING

WASHINGTON, June 12.—Official report of the sinking of the Cunard liner Ausonia, used as a British transport, was received by the Navy Department today. No American lives were involved as far as the department knows. The steamship was torpedoed while westward bound.

FRENCH STRONGLY RESIST ATTACKS AUSTRALIAN RAID SURPRISES FOE

Reserves Break German Ranks and Drive Foe to Old Positions

OISE REGION ABANDONED MANY PRISONERS TAKEN

By C. H. PERRIS Special Cable to Evening Public Ledger Copyright, 1918, by New York Times Co. With the French Armies, June 12.

The evacuation of the Dreuilcourt-Ribeourt angle was carried out yesterday. This region of deep valleys and thickly wooded hills was very favorable ground for the tactics of "infiltration," and when once it was turned by way of the Matz its defenders, would have risked useless loss of life and material by holding out. The longer line of the Matz, five miles from the German point of departure, now marks the front on this side.

Further west the French have done better. Monday night the new enemy offensive with masses of fresh troops had thrown them back along the Aronde valley. The French reserves were ready to intervene, however, and a fine counter-attack broke the German ranks and brought them back to their former positions south of Belleu and Marquise.

A charge of black troops, supported by tanks, at Forts farm and Loges farm, southwest of Marquise, was one of the chief incidents of this admirable recoil.

Further west the village of Mery was recovered just before midnight. The strength of the French resistance on this flank greatly limits the value of such success as the enemy has obtained.

Inhuman Logic of Germans Rarely has the inhuman logic of the German war doctrine been more relentlessly pursued than today. It may be within the strict limits of military science and true doctrine, I neither deny nor admit it, but leave the facts to speak for themselves.

Monday night Von Hutier had to face the prospect of a success so small that it would have been indistinguishable in the future. The aim of his operation to level the battlefield from Montdidier to Chateau Thierry is important, but can hardly be called vital. It is only one step of many toward a proposed decision, and an earlier alternative might, perhaps, have been found.

But in the orthodox German doctrine, when the plan has been adopted and beginning made, prudent calculation

Attacks Are Rehearsed The Australians have since as well as a spirit, because courage alone without the most severe training and disciplined action at every moment of attack, with every man knowing his own part and the part of his neighbor, and the most severe training and disciplined action at every moment of attack, with every man knowing his own part and the part of his neighbor, and the most severe training and disciplined action at every moment of attack, with every man knowing his own part and the part of his neighbor.

Germans Hit Simultaneously on Two Fronts

ALLIES ADVANCE EAST OF MERY

Foil Foe's Attempt to Push Again to Aronde

TEUTON LOSS THERE CALLED HEAVIEST

Ludendorff Delivers Heavy Blow South of the Aisne

HIT AT VILLERS WOOD

Haig Reports Raiding and Artillery on Lens-Albert Front

Paris, June 12. The Germans, striking along the entire Oise front yesterday evening and last night, were blocked at every point by the stalwart and gallant French resistance.

The battle is still raging, the War Office reported today.

The French blocked an attempt to throw them back to the Aronde, on the ground they took from the yesterday.

A simultaneous attack on the western portion of the Marne front was repulsed.

The Allied advance east of Mery progressed.

The Picardy and Flanders fronts were quiet. Unsuccessful raids on artillery firing west of Lens and the Albert line were noted in a report issued today by the London War Office.

French Communiqué

"Between Montdidier and the Oise the battle is going on without change," the communique said.

"Yesterday evening and last night German attempts on the left were broken up. The French progressed east of Mery and Senlis wood."

"The Germans attempted to throw us back upon the Aronde River. In spite of the violence of the shock, the heaviest enemy losses they had to succeed."

"On the right the Germans, despite repeated efforts, did not succeed in reaching the south bank of the Matz, was holding the mat Bochescourt and Marets-sur-Matz."

"According to new indications, today's counter-attack prevented a powerful German attack under preparation on the same front."

"Prisoners taken by a single French division belonged to four German divisions."

"South of the Aisne the Germans attacked this morning between the river and Villers-Cotterets forest, the most violent combats are going along the Domiers-Outry-Ambloy front."

HAIG REPORTS RAIDS AND ARTILLERY ALLIES MAKE GAINS

London, June 12.—Raiding operations and artillery were reported by Field Marshal Haig today.

"An attack on one of our posts at Aveluy wood (near Albert) last night was repulsed. The statement of the right wing the Germans, at 11 o'clock of life, were able to press on through the Oise valley, past the station of Mery, and evacuated the Dreuilcourt-Ribeourt angle in order to avoid being cut off."

Field's Heavy Blows General Foch struck twice with hammer blows against the German front of nearly eight miles between Rubescourt and St. Mary. The Germans back to their former positions, but the French tanks, lunged forward by waves sweeping all before them. The French advanced to the approaches of Le Fresnoy. The statement of the right wing the Germans, at 11 o'clock of life, were able to press on through the Oise valley, past the station of Mery, and evacuated the Dreuilcourt-Ribeourt angle in order to avoid being cut off."

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