

GERMAN EMPIRE TOTTERING TO ITS FALL; THE INTERNAL SITUATION IS MORE SERIOUS

Resignation of Von-Bethmann Hollweg But First Act in Drama That Will Sunder Fabric of Kaiser's Dominion and Have Momentous Consequences on Progress of European Struggle.

AUSTRIA READY TO QUIT DECLARES FORMER MINISTER

London, July 15.—The political turmoil which has been convulsing Germany ever since the Russian first startling success on the resumption of her offensive has culminated for the present in the resignation of the Imperial Chancellor, Dr. Von Bethmann-Hollweg, but all indications serve to show that his resignation, far from being the last act in the drama, is but the beginning of far-reaching developments which are bound to affect the fabric of the German Empire and have momentous consequences on the progress of the European struggle.

The resignation of the Chancellor came in the end quite unexpectedly, for Dr. Von Bethmann-Hollweg, in the prolonged party discussions and heads of the main committee of the Reichstag, which have been proceeding all through the week, seemed to have triumphed over his opponents, who have been clamoring for his head by making concessions which were tantamount to the formation of a kind of imperial coalition ministry.

At the same time, the Chancellor, by the declaration that Germany was defensively fighting for the freedom of her territorial possessions, evolved a formula that seemed satisfactory to both those who clamored for peace by agreement and those who demanded repudiation of the formula "no annexations and no indemnities."

In all this, Dr. Von Bethmann-Hollweg was strongly backed by the Emperor. The advent of the Crown Prince upon the scene—summoned by his imperial father to share the deliberations affecting the future of the dynasty—seems to have changed entirely the position with regard to the imperial chancellor. The Crown Prince at once took a leading part in the discussions with the party leaders, and his ancient hostility towards Dr. Von Bethmann-Hollweg, coupled with his notorious dislike for political reform, undoubtedly precipitated the chancellor's resignation. The fact that Field Marshal Von Hindenburg, chief of staff, and General Von Ludendorff, first quartermaster-general, have been most prominent throughout these discussions and that a section of the press has been clamoring for a joint dictatorship by them hardly augurs well for the realization of the Prussian franchise reform, which the Emperor has just decreed, or for the movement towards a diminution of Germany's war aims, and therefore towards peace, upon which the Austrian Emperor has been doing his utmost to persuade the German Emperor to embark.

The Bavarian ministers have been among the most active in these Berlin confabulations, and the fact that the central Catholic party has rallied to the peace gospel preached by Matthias Erzberger directly on his return from Vienna, where he saw Emperor Charles, shows that the Austrian Emperor is backed in his determination to secure peace by at least one, and that the most powerful of the states in the German Empire. Whether other southern German states will join in what appears to be a movement towards the renunciation of Prussian hegemony events in no distant future will probably show.

Dr. Von Bethmann-Hollweg's successor, Dr. George Michaelis, is a bureaucrat of the old type, whose appointment can be scarcely regarded as promising much in the direction of the parliamentaryization of Germany. Entering the Prussian civil service in 1879 at the age of twenty-two, he followed the customary placid career of Prussian officials, holding various minor posts at different provincial places until he was appointed under-secretary in the finance ministry in 1909. In February, 1917, he received the additional appointment of Prussian food commissioner, a special post authorized by the Prussian cabinet.

The only break in this monotonous routine up to 1909 was a period of four years, which he spent in Tokio as lecturer in the German Law School there.

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King George's Message To His Loyal Soldiers After Visit To Front

London, July 14.—The King returned today from his fourth visit to the front. On this occasion he was accompanied for the first time by the Queen. He issued a special order to the armies in the field saying:

"I leave you with feelings of admiration and gratitude for past achievements and with confidence in your future efforts.

"On all sides I have witnessed scenes of your triumphs. The battle fields of the Somme, the Ancre, Arras, Vimy and Messines have shown me what great results can be attained by the courage and devotion of all arms and services under efficient commanders and staffs.

"It was a great pleasure for the Queen to accompany me and become personally acquainted with the excellent arrangements for the care of sick and wounded, whose welfare are ever close to her heart. For the first three years of the Empire and the workers in the home lands behind them have risen superior to every difficulty and every trial. The splendid successes already gained in concert with our gallant Allies have advanced us well on the way towards the completion of the task we undertake.

"There are doubtless fierce struggles still to come and heavy strains on our endurance to be borne. But the road before us long or short the spirit and pluck which have brought us so far will never fail, and under God's guidance final and complete victory in our just cause is assured."



RAILWAY ESTIMATES CAUSED DISCUSSION IN HOUSE SATURDAY

Hon. Frank Cochrane Called Upon to Answer Questions.

VALLEY RAILWAY TIME WAS EXTENDED

Minister Gives Information Regarding Mr. Gutelius' Position and New Halifax Terminal.

Ottawa, July 15.—That a definite announcement in regard to the railway policy of the government following the report of the Drayton-Acworth commission, will be made before the end of the session was the announcement made in parliament on Saturday afternoon, by Hon. Frank Cochrane when railway supplies were being considered in committee. The discussion leading up to this announcement concerned a vote of \$120,000 to pay the cost of the enquiry.

Mr. W. M. German of Wellaud said that before the vote was passed there should be a definite pronouncement by the government as to its railway policy.

Mr. Cochrane gave the assurance that the house before the end of the session would be fully informed as to the intentions and policy of the government. He repeated that there was no object at the moment in his giving his personal opinion.

Mr. E. M. MacDonald asked if any steps had been taken by the government to provide for the interest on certain railway bonds which fell due on June 30th and which had not been met.

Mr. Cochrane said that insofar as the G. T. P. is concerned he understood that the government had paid out of last year's vote by parliament, as to the C. N. R. he could not say.

Hon. Frank Oliver said that he desired to commend Sir Henry Drayton the chairman of the commission of enquiry for his generous action in giving to the patriotic fund the \$15,000 he had earned as chairman of the commission.

Change in I. C. R. Status.

Replying to a question by Mr. E. M. MacDonald, Mr. Cochrane said that the government had prepared an amendment to the railway act designating to bring the I. C. R. under the jurisdiction of the railway board.

When the house met Hon. Frank Oliver urged the government to expedite as much as possible the printing of the report of W. P. O'Connor, I. C. R. cost of living commissioner, of his investigation into cold storage problems in Canada. He said this report had apparently aroused a very interesting discussion in the public press, and said that it should be in the hands of the members as early as possible.

To Amend Fisheries Act.

Third reading was given Mr. Hazen's bill to amend the Fisheries Act. Its chief provision changes the name of dogfish to greyfish, also gives power to the minister to regulate fish guards in frigate channels in the western provinces.

Hon. Charles Macell asked the minister as to action taken by the food controller regarding fish.

Mr. Hazen said he had not yet had any communication from the food controller, on the subject, but he had given instructions to his department to facilitate any action which Hon. W. J. Hanna might take. He presumed that the food controller, taking cognizance of the amount of fish which was taken in Canadian inland waters and sent to the United States, contemplated making an effort to have this supply of fish made more available for the Canadian market.

Valley Railway Bill Passed.

Several other government measures were disposed of, including the bill to amend the most and canned foods act, which defines the weight of canned lobsters, the bill to extend the time of construction of the St. John Valley Railway, and the bill to amend the interest act.

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French and Russians Both Score Successes

FRENCH DRIVE GERMANS BACK ON BIG FRONT

Capture Trenches on Line of 800 Yards
Many Hun Prisoners Left in Hands of the Victorious French

Paris, July 15.—A strongly organized network of German trenches on a front of more than 800 yards and 300 yards in depth, north of Mont Haut and northwest of the Teton in the Champagne, was captured by the French in a brilliant attack last night with 350 prisoners, the war office announced today.

The Germans made a heavy attack on the salient west of Cerny on the Aisne front and penetrated to a support trench, but after an all night battle they were ejected except from some front line elements on a front of about 500 yards. The text of the statement reads:

"With the assistance of artillery fire of several hours duration the Germans last night delivered a powerful attack on the salient west of Cerny. Very violent fighting continued all night with alternate advances and retirements. In spite of the large enemy effectiveness and the intensive use of liquid fire the assaults were finally ejected from the support trench which they had penetrated and were able to retain only a front of about five hundred yards.

The artillery activity was likewise lively in the sector of Craonne.

In the Champagne, after important artillery preparations, our troops at 7.25 p.m. attacked the German positions at two points of the front. Conducted with exceptional vigor the attacks were successful in attaining all the objectives. North of Mont Haut and on the slopes east of Teton our soldiers gave proof of their spirit by capturing to a width of 800 metres and to a depth of 300 metres the network of pincer fully organized enemy trenches. The Germans reacted violently, their counter-attacks following each other the remainder of the night. All around our fire caused heavy losses, after hand-to-hand fighting. The positions captured were completely maintained. The prisoners numbered 350, including nine officers.

Gatherings of enemy troops for relief were under fire by our artillery and strongly harassed.

"On the left bank of the Meuse, Verdun, there was marked by very lively actions on Hill 304 and Dead Man's Hill. West of Dead Man's Hill we repulsed an enemy attack. In the Avocourt Wood there was great patrol activity. We made prisoners, on the right bank, enemy reconnaissance parties attempted to reach our lines at the extremity of Courleres Wood. They were dispersed by our fire."

BIG PASSENGER LINER IS ASHORE OFF CAPE RACE

The Kristianfjord Lost Her Bearings in Fog and Ran on the Rocks—1,100 People Aboard, All Saved.

St. John's, Nfld., July 15.—The Norwegian-America liner Kristianfjord, with eight hundred passengers and three hundred of crew went ashore at four o'clock this morning, several miles west of Cape Race. She was on voyage from New York to Bergen and struck the land in dense fog, but in calm weather, and is believed not seriously damaged.

The passengers were conveyed in the ship's boats to Portugal Cove, eight miles distant, which is the nearest station to the railway. A special train from St. John's was despatched at noon and is expected back at daylight with six hundred male passengers, mostly stevedores.

The steamer Sable with one hundred and twenty women is due after midnight, and the steamer Fortis with as many more follows about daylight. The crew are discharging the cargo, and it is hoped to refloat the ship tomorrow.

The liner lost her bearings during the night in a heavy storm which was accompanied by fog.

RUSSIANS ARE STILL DRIVING FOR BIG GAINS

1,000 Austrians Taken Prisoners in Saturday's Fight
Lodziany Region in Eastern Galicia Scene of Sanguinary Engagements.

Petrograd, July 15.—Atiaska yesterday by Russian troops in the Lodziany region southwest of Kutais in Eastern Galicia, resulted in the Austrians losing their positions, 1,000 men in prisoners and a number of guns, the war office announced today.

Elsewhere the Russians held their ground against attacks and took more than 600 additional prisoners. The text of the official statement reads:

"Western front:—On the Lower Lomnica artillery fire has taken place. Southwest of Kaluusz the enemy several times attacked our troops occupying the Dobro-Novica front all the attacks were repulsed. As a result of the battles in this region we captured sixteen officers and more than 500 of the rank and file.

"In the region of Lodziany (18 miles southwest of Kutais) as the final result of a series of stubborn attacks our troops have driven the Austrians from their positions and have taken more than 1,000 prisoners and a number of guns.

"At the crossing of the River Lomnica near Perehinsko the enemy is conducting an offensive with the object of throwing our detachments back to the right bank of the Lomnica.

"Our offensive on the Silykiasen front is meeting with stubborn resistance from the enemy.

"In consequence of heavy rains the rivers Lomnica and Danister are rapidly rising and the small streams which run into them will soon turn into rivers and cause the roads in their neighborhood to be inundated.

"On the remainder of this front there is nothing to report.

"Roumanian front:—The situation is unchanged.

"Caucasus front:—In the direction of Van our scouts have driven back the enemy's advance guards on the left bank of the River Arsh-Barasi ten versta west of Vastan. Our advance detachments dialogued the Turks from the region north of Serdest and from the heights twenty versta southwest of Van.

"On the Black Sea, one of our submarines sank two laden schooners in the Bosphorus region."

CONSCRIPTIONIST LIBERALS TO HOLD CAUCUS TODAY

Unionist Government Composed of Conservatives and Loyal Liberals Almost Certain to Follow

Administration, as Re-Constructed, Would Then Probably Appeal to the Country for Endorsement of Win-the-War Policy—Laurier's Day Done.

Special to The Standard.

Ottawa, July 15.—Tomorrow's caucus of the twenty-six loyal Liberals who supported compulsory service, and repudiated Sir Wilfrid Laurier's leadership, is awaited with tense interest.

Tonight there are few in Ottawa acquainted with the political situation who do not believe that the result of its deliberations will be an upheaval in Canadian politics. The truth is that unless something entirely unforeseen occurs the country is on the eve of a chain of events which will see the entry of a number of compulsory service Liberals into Sir Robert Borden's cabinet and the appeal of this combined loyal Liberal and Conservative party to the country to uphold a national government in prosecuting the war. Union government may be consummated within the next fortnight, an appeal to the country to sustain the union is possible within a month.

The situation as it is at present may be summed up as follows: The twenty-six loyal Liberals who voted for compulsory service realize that they can no longer follow Sir Wilfrid Laurier. The present Liberal leader has simply ceased to be national, the whole trend of his policies being sectional and unpatriotic. A reunion of the party is impossible, unless the loyal Liberals are prepared to sacrifice their principles and become the willing tools of the racial fanatics from Quebec who are sustained and championed by Sir Wilfrid. This they are determined not to do, but have decided instead to nominate their own leaders who will support the government in carrying on the war and at the same time be more representative of the patriotic Liberals throughout the country.

At tomorrow's caucus, which will probably be presided over by Mr. A. K. MacLean, an entirely new line of policy will be drawn up, and three or four of the leaders appointed as a committee to negotiate with the government. Hitherto Sir Robert Borden has been hampered in his negotiations with the Liberals for the reason that there was no organized group to deal with. After tomorrow's caucus it is expected that the difficulty will be removed and negotiations with the Prime Minister are likely to be immediately begun.

Unless, as already said, something unforeseen occurs, the result will be that five loyal Liberals, a representative labor man and one of the biggest western grain growers will enter a union government. With union government accomplished an appeal to the country is almost certain. Such an election would be fought out with loyal Liberals and Conservatives on the one side, and extreme partisans of the Wm. Pugsley and MacDonald type and Quebec racialists on the other.

An overwhelming victory for the union government would be assured. The political atmosphere would be cleared and Canada would be placed in a position where the new government, comprised of the best brains and the best patriotism in the country, could sustain the loyal effort with which the country began the war three years ago.

ANTI-CONSCRIPTIONIST MOB IN MONTREAL ATTACKS SOLDIER

Sunday Afternoon Meeting of Protest Broke Up in Row When Soldier Refuted False Statements.

Montreal, July 15.—Lieut.-Col. I. P. Rexford, formerly officer commanding the 87th Guards Overseas Battalion, declared that there are many Canadian soldiers in England who are kept there to prevent their physical condition becoming known to the people in Canada.

"It is not so," Col. Rexford shouted in English. Immediately the crowd broke up, although only a comparatively small number could have heard the denunciation, and hundreds followed a few who dashed towards the Highlander as the most conspicuous target. Col. Rexford was in muff. When the crowd realized that Col. Rexford had made the remark both he and the soldier were hustled. Under escort of Mayor Martin and the police, who ordered them to leave the vicinity for their own safety, the two boarded a street car. About 5,000 persons followed them to the car lines and when they had boarded the car, stones were thrown and the car windows broken.

Before leaving His Royal Highness saw the massed pipe bands of the corps on parade and heard the pipes play the "Retreat," which is something the enemy will never hear.

DUKE OF CONNAUGHT VISITS CANADIANS

His Royal Highness Climbed Vimy Ridge and Inspected the Troops.

Canadian Headquarters in France, Saturday, July 14, via London, July 15.—(By Stewart Lyon, special corres-

pondent of the Canadian Press)—His Royal Highness the Duke of Connaught has been paying a visit to the Canadian corps. During his stay he climbed Vimy Ridge and looked over the plain of Douai toward Lens. The ex-governor-general of Canada also inspected some of the Dominion's troops, including a detachment of the Princess Patricia's Regiment which carried the colors the Princess herself embroidered and presented to the unit before it left Ottawa late in 1914. It is stated that the Patricia's is the only regiment which carries its colors into action.

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