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PORT ARTHUR FALLS

Sensational, but Unconfirmed, Rumor from Paris Says City Has Been Reduced.

ALLEGED THE FIGHT COST 10,000 LIVES
In the Absence of Confirmatory Dispatches
Doubt Attaches to Report.

HEAVY SHELLING EVIDENTLY GOING ON

Special from One Foo Says That a Bombardment is in Progress.

HOT FIRE DIRECTED BY JAPS UPON DALNY

**Japanese Fleet Clears Channel
and Begins Operations
Upon City.**

LONDON, May 14.—A telegram from Paris says a rumor is current there that Port Arthur has fallen and 10,000 men were killed during the engagement. Nothing confirmatory is obtainable in London.

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The above rumor is probably false. Neither St. Petersburg nor Tokio have had any intimation of the beginning of an attack on Port Arthur.

Fight in Progress at Daire.
CHICAGO, May 14.—A special from Che Foo to the Daily News says that when the Daily News dispatch host Kwan ar-

nived off Dulny early this morning a heavy bombardment was in progress. As the channel was thickly mined by the Russians and the Japanese admiral, Katsaoka, had issued strict orders that non-combatant boats were to be excluded it was impossible to get within the roadstead. Hence an accurate report of the proceedings is impossible. As far as it was possible to ascertain the armored cruiser Yakumo, four other cruisers, one gunboat and one battleship having cleared the channel entered the harbor shortly after daylight and began a heavy fire, which was still in progress

noon. It is estimated that 2,000 Japanese troops are investing the town and there is every reason to believe that they delivered the assault this afternoon and are in possession of the city.

It is understood that the landing of the second army was completed yesterday at Fiweto. There are now 50,000 Japanese troops on the peninsula.

Estimate of Jap Forces.

ST. PETERSBURG, May 14.—The army organ is insisting to believe that Hai Cui, the Japanese admiral, has said

the division of guards now marching in that direction probably will sweep northward toward Liao Yang, followed by the forces now at Suyan Chow and, combining with the division reported to be at Somak, make a combined attack on Liao Yang.

The Fremy's expert estimates the forces advancing against Liao Yang at 100,000 men, with 50,000 horses and 470 guns and believes the Russians are retiring upon their base.

"It is a critical and anxious moment," the paper continues. "General Kouropatkin allowing the enemy to take the offensive for a favorable moment to strike a decisive blow."

Although the issue price of the new Rus-

loan is still a secret here, the newspapers express satisfaction with its terms. The Novoe Vremya points out that 7 per cent was paid during the Turkish war and that now the rate is only 5 per cent, whereas the Japanese are paying at least 6 per cent on a smaller amount.

The emperor has accepted \$700,000 for the navy from Count Stroganov for the patriotic emergency fund, consisting of several million rubles deposited in the In-

The army medical department completed its prophylactic measures for the far east and is now able to cope with any epidemic among the troops. A disinfecting apparatus is being sent broadcast to the army. Every soldier was vaccinated after passing Baikal. Smallpox is the only contagious disease reported by the Siberian hospitals. There have been three cases at Chita, fourteen at Verkhneudinsk and Flint Adin.

JESSEN NOT IN THE ENGAGEMENT

St. Petersburg Hears with Satisfaction Loss of Japanese Vessel.

ST. PETERSBURG, May 14, 4:51 p. m.—The admiralty denies the rumored engagement of Rear Admiral Jessen's squadron. A telegram from Vladivostok this morning reports all well there.

Grand Duke Alexis, the high admiral, has been at Cronstadt since yesterday with

Vice Admiral Rojestvensky, the commander of the Baltic fleet, and Vice Admiral Avelian, the chief of the admiralty, inspecting the new Pacific squadron.

The admiralty admits having received a message from Port Arthur several days old, in which Rear Admiral Vittelsoff reports that everything was as well as could be expected.

There is no further information regarding Japanese activity around Port Arthur.

The Tokio dispatch recording Admiral Katakata's operations and the loss of the Japanese torpedo boat in Kerr bay, near Fort Dalry, was read by the admiralty with the greatest attention and some satisfaction. It was considered to indicate that determined operations will be undertaken against the fortress.

tion of the parts at Fort Dalny. A member of the staff said to the correspondent of the Associated Press:

"Fort Dalny would not be of the slightest use in the defense of Fort Arthur, while it would be a splendid place for the besiegers to land."

RUMORS OF EFFORTS FOR PEACE

German Political Circles Consider Time Not Ripe for Such Move.

BERLIN, May 14.—Nothing is known at the Foreign office regarding the report telegraphed from Berlin that there is a strong possibility of peace through the war party urging the czar to end the trouble. It is pointed out in serious political circles knowing the view of the Foreign office that the time is not yet ripe for peace.

The German government is aware that strong currents in France and Great Britain are working for peace and that even high political influences in Russia itself are moving in the same direction.

It is admitted here that these efforts would be materially strengthened if the Russians succeed in checking the Japanese advance at Mukden.

Russia cannot, however, be satisfied with a mere negative result of the military operations. The government of Emperor Nicholas feels the necessity for re-establishing its prestige, and only after several