FOE DRIVES AT VERDUN---LOSES HEAVILY

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CENTRAL POWERS' PEACE TERMS

CROWN PRINCE TRIES FRESH VERDUN RUSH; HAS SMALL SUCCESS, THEN HURLED BACK

Heavy Assault Made Last Night Penetrates Portion of French Line, But Enemy Is Quickly Ejected With Great Losses.

Paris, Dec. 27.—Three attacks were made by the Germans last night on the Verdun front east of the Meuse, it was announced officially. At their third attempt the Germans succeeded in reaching the French lines, but were driven out immediately with heavy losses, leaving prisoners.

Paris, Dec. 26.—Delayed.—The Germans made two attacks on the Verdun front today, but were not able to break through the French lines, the war office tonight reports. The statement follows:

"On the right bank of the Meuse (Verdun front), the enemy, after a very violent bombardment, made two attacks on our positions at Caurieres Wood. He was not able to break through our lines, and left many dead on the ground.

"There was heavy artillery fighting in the region north of St. Quentin and in the sector of Sapigneul.

"Macedonian Front—On December 25 there was no event of importance. Snow and fog in the mountains hinder military operations."

BOURASSA CHARGES UNION GOVERNMENT HAS DISUNITED THE CANADIAN NATION

Declares It Was Organized to Subjugate Quebec.

SAYS IT HELPED ENEMY

Believes Kaiser Would Have Congratulated Sir Robert Borden Over Election.

Montreal, Dec. 27.—Discussing the subject of the isolation of Quebec, Henri Bourassa in Le Devoir states that Union Government was not a coalition to win the war, but a combination of forces to subjugate this province.

"The object," he continues, "combines hatred and fear. It has roused up the Protestants against everything French, and everything that is not the distrust of Germans and 2,500,000 Germans. Everything Protestant. In a word, the United States and the Canadian West.

"India, South Africa, Ireland our allies have found racial hatred in Quebec. It was not too much to expect a wireless from Sir Robert congratulations did more than paid agents to undo. This provincial division between the real Canadians and French, Canadians of the allies not so bad as this.

WILSON TO CUT BIG SALARIES OF R. R. CHIEFS

But President Will Increase the Wages of Railway Workers.

WANTS 200 MILLIONS

Vast Sum To Be Used To Build Cars—May Take Over Express Companies.

Washington, Dec. 27.—One of the first acts of the Government in beginning operation of railroads will be to reduce large salaries now paid to the railway executives and increase in some measure the wages of the railway workers.

Securities to be issued while the Government is in control will be at interest rates not less than 4 per cent, and the issues will be made under joint authority of the director general and the interstate commerce commission.

President Wilson, when he outlines the Government's plans in his forthcoming address to Congress, will ask that the Government be empowered to buy any quantity of new railroad securities. All dividends over and above an amount to be agreed upon will go to the Government.

Congress will be asked also to appropriate a large fund—probably $200,000,000—for the immediate supply of rolling stock to handle the flood of traffic which has swamped the roads.

The director general will have authority to decide whether the Government shall also assume operation and control of the express companies.

BANKERS ARE PLEASED.

New York, Dec. 27.—Almost without exception, leading bankers and executives of railroad having their headquarters here today expressed their approval of the action of President Wilson in taking over the country's railroad lines. The action of the president had been anticipated by railway officials for some time, and most of them agreed that the Government's program as a whole met their expectations.

The president's statement regarding guarantee of compensation to the railroads will have the effect of reassuring holders of railway securities, it was asserted.

Some bankers at first expressed surprise that Secretary McAdoo should also retain his position in the treasury, but upon closer examination of the president's plans they generally agreed that in view of the financial phase of the problem, Mr. McAdoo's retention of the treasury portfolio was desirable.

Authorities on railroad finance said that in their opinion the change in status will have little if any effect on the operation of the railroads. They anticipated that Mr. McAdoo would direct questions of general policy only, leaving the actual operation of the lines to a staff of experts.

RANCHERS AND CAVALRY KILL 8 MEXICAN BANDITS

Avenge Death of Stage Driver and Passengers.

Marfa, Texas, Dec. 26.—Eight bandits were killed yesterday when ranchers and American cavalry fired on a band of Mexican raiders after the Mexicans had killed Michael Welch, driver of a United States mail stage, and his two Mexican passengers.

300 GERMAN SOCIALISTS PLACED UNDER ARREST

London, Dec. 27.—More than 300 members of the German minority Socialist party were arrested on Christmas Eve, according to a Zurich dispatch given out today by the Wireless Press.

BLIND FIGHT TO FINISH.

New York, Dec. 27.—Two blind men, inmates of the Home of Aged and Infirm on Blackwell's Island, became engaged yesterday during an argument concerning the war, and fought to a finish. Gustav Sailor, who came from Germany, took the German end of the discussion against Alexander Bugdn, who is 69, and a former subject of Russia.

Sailor had a cane near his cot. He seized the weapon and belabored the Russian until he was unconscious.

HUNS DEMAND THE COLONIES BE GIVEN BACK

This Is Agreeable to Russia and Recess Taken at German Wish.

London, Dec. 27.—In a statement on the central powers' peace terms, made at the Teuton-Russo peace conference on Wednesday, Count Czernin, the Austro-Hungarian foreign minister, declared that one of the conditions that Germany would insist upon was the return of her colonies that had fallen into Entente hands.

Regarding the compensation for maintenance of prisoners of war, the Russian chairman said it might be construed as an indemnity. He insisted that an international fund be used to pay damages against private persons. He had no objection to Germany's request that her colonies be evacuated by the Entente troops.

A TEN DAYS' RECESS.

Russia's delegation, he stated in conclusion, notwithstanding differences of opinion, thought that the German declaration that Germany has no aggressive plans offered the possibility of immediate beginning of negotiations for a general peace among all belligerents. He proposed a ten days' recess until January 4 "so that the peoples whose governments have not yet joined in the negotiations for a general peace may have an opportunity to acquaint themselves with the principles of such a peace as now is being established."

"At the expiration of the indicated time," he declared, "the negotiations must be resumed, disregarding whether or not other belligerents have joined in the negotiations or how many."

The next session of the conference was set for December 26.

EVERY SUGAR REFINERY RUNNING IN TWO WEEKS

U. S. Food Official Promises Cut in Price.

New York, Dec. 26.—Within two weeks every sugar refinery in the country will be in operation, according to George M. Rolph, head of the sugar division of the food administration, who returned here from Washington today. By the end of January, he asserted, 5,000 tons of sugar will have been brought in, and the consumer then should get sugar at 9 cents instead of the present price of 10 cents.

A GLOOMY VIEW.

Montreal, Dec. 27.—L'Union Des Cantons De L'Est sees in the result of the general elections a national disaster, and if the appeals of the Ontario and western press are listened to, there are dark days ahead for the French race in this country. "Let her be sacrificed, this French province," they cry out in unison, says this French paper "for it is her blood they want."

LE CANADA'S VIEW.

Montreal, Dec. 27.—Le Canada, the Liberal French morning paper here, is not in favor of any French representation in the federal cabinet. It says:

"After having provoked the population of the five western provinces against us, a certain number of Unionist newspapers, now that the elections are over, are making their bow to us and covering us with compliments, are trying to tame us by offering us portfolios in the Borden Government. Today, as was the case before the election we are proud that there is not one French-Canadian willing to enter the Ottawa Government."

THE FLAG THAT NEVER KNOWS DEFEAT

Advertiser Illustrations

STOCKS SOAR ON WALL STREET WHEN GOVT. TAKES RAILWAYS

New York, Dec. 27.—President Wilson's proclamation taking over control of railroads with guarantees as to earnings was reflected in Wall Street today by one of the most sensational advances in stocks seen in years. The market leaped forward at the outset, prices jumping five to eighteen points above yesterday's close, and although there were recessions later, the buying continued strong and vigorous. The advances were most pronounced in shares which recently registered the lowest records. Standard rails, including transcontinentals and coalers, made more moderate gains, but in every quarter of the list improvement extended from three to five points.

Much of the early advance was effected at the expense of a formidable short interest. This faction rushed to cover at the opening, and was kept busy throughout the active first hour. Recessions of two to five points from maximums, and as much as ten points in one instance, succeeded the first feverish outburst of enthusiasm.

Sales of the first hour approximated 400,000 shares, which is greater than the total of some recent sessions.

YOUNGER BLOOD TO RUN FLEETS OF THE EMPIRE

Further Changes Likely To Follow the Retirement of Admiral Jellicoe.

London, Dec. 27.—The prominence given to the retirement of Admiral Sir John R. Jellicoe as first sea lord in favor of Vice-Admiral Sir Rosslyn Wemyss in the morning newspapers is commensurate with his great reputation and the place he long has held in public estimation. Notwithstanding the recent severe animadversions concerning the admiralty from some quarters, several newspapers treat the announcement as a sensational surprise and two or three accompany their remarks with warm expressions of regret. The Daily Telegraph, one of these, calls for a fuller official statement and the reasons for Admiral Jellicoe's retirement. The Daily Chronicle also regretfully recalls the "well-founded public confidence" in Admiral Jellicoe, and hopes that those responsible for the change have been guided wisely in their decision.

Daily Mail Pleased.

On the other hand, the Daily Mail, which long has campaigned against Admiral Jellicoe says opens with that it cannot pretend regret. It adds that Sir Eric Geddes, first lord of the admiralty, deserves the thanks of the country for not shrinking from a painful duty. The Times, though less frankly outspoken, does not conceal its satisfaction and sees in the change the determination of the Government to give stronger men a chance. It says:

"We heartily congratulate the Government."

There is generally expressed expectation that the first sea lord's removal is only the first of a series of changes that it is evident that if expectation is not fulfilled, there will be great dissatisfaction in many quarters. In this connection criticisms of the admiralty administration are reiterated. The Daily News, for instance, says it is idle to pretend that the admiralty record of the last few months has inspired general confidence. It alludes to various causes of dissatisfaction, including the losses of convoys and adds:

More Changes Demanded.

"All these together worked naturally

Continued on Page Three.

BIG BRITISH STEAMER LOST IN DELAGOA BAY

London, Dec. 27.—The British steamer City of Nagpur has been wrecked in Delagoa Bay, Portuguese East Africa, according to a dispatch to the Times from Lisbon. The passengers, numbering 259, were saved, as was the cargo.

The steamer City of Nagpur, of 8,331 tons, was built in Belfast in 1914. She was owned by the Ellerman Line of Liverpool, and was engaged in the eastern service.

TROTZKY IS TRYING TO TURN RUSSIANS AGAINST THE ALLIES

Spreads Report That U. S. Is In League With General Kaledines.

London, Dec. 27.—The Bolshevikl newspapers continue to print revelations of an alleged American plot to support Gen. Kaledines, according to a Petrograd dispatch to the Morning Post dated Tuesday. So far as Ambassador Francis is concerned, the dispatch adds, the whole ridiculous charge falls to the ground before the straightforward statement issued by him on Tuesday. Col. Kolpashnikoff never applied to the ambassador for any fund for any purpose, although fully empowered to draw as needed on the Red Cross account, he being connected with the American Red Cross.

Leon Trotzky's charges against Kolpashnikoff and American representatives in Petrograd, the correspondent adds, amount to a series of suppositions unsupported by evidence of any kind.

Trotzky's object is to discredit the Entente Allied governments through their representatives and the methods he has adopted are calculated to intensify the hostility of the Russian proletariat toward the Allies, which German agents also have fostered.

MIKADO CALLS AIDES FOR IMPORTANT TALK

Oska, Dec. 27.—This morning the Emperor of Japan received Viscount Monoto, the foreign minister, with three members of the Generes, Prince Yamagata, Gen. Matsukaya and Viscount Spanji. The gravest significance is attached to the consultation, as the subject of discussion is understood to have been the attitude Japan had to keep in the event of Russia concluding a separate peace.

"PHONY" FOOD CARDS.

Amsterdam, Dec. 27.—The various German food cards are now being issued on a special water-marked paper, as protection aginst counterfeiting, which had become a profitable business in many parts of the country. The watermark, a capital "B" in an octagonal frame, stretches over the entire card and is easily seen against the light.

BRITISH CONCEDE POINT.

London, Dec. 27.—The British embassy at Petrograd has announced, according to a Petrograd dispatch to the Times, the liberation of Tchitcherin and Petroff, two Russians who have been under arrest in England, and they will be permitted to return to Russia.

QUAKE IN GUATEMALA.

Panama, Dec. 27.—An earthquake is reported to have occurred near Amatitlan, 15 miles south of Guatemala, Guatemala. Telegraphic communication has been interrupted and no details have been received.

KAISER, THROUGH RUSSIANS, STATES HIS TERMS OF PEACE; NO ANNEXATION, NO INDEMNITY AND WANTS COLONIES BACK

Austrian Foreign Minister Informs Brest Conference That Teutons Are Opposed To Forcible Annexations or Indemnities, and Are Not In War For Conquest—Declares All Lost Lands Must Be Returned To Germany and Suggests International Fund To Pay For War Destruction.

CENTRAL POWERS' TERMS.

No indemnity.
No annexations.
International fund to pay for damages.
Return of colonies.

Virtual acceptance of the peace terms offered by Russia was made by the Central Powers in a statement issued to the peace conference Tuesday by Count Czernin, the Austro-Hungarian foreign minister. The Teutonic allies, however, cannot bind themselves to the Russian terms unless Russia's allies also recognize them and carry them out honestly towards the Central Powers.

Petrograd, Dec. 26.—The central powers, Count Czernin, the Austro-Hungarian foreign minister, told the peace conference at Brest-Litovsk yesterday, solemnly declare their resolve to immediately sign terms which will terminate the war on conditions equally just to all belligerents. The central powers also favor a general peace without forcible annexations and indemnities, but they could not bind themselves to have such terms without guarantees that Russia's allies would recognize them and carry them out honestly toward the central powers.

Not For Conquest.

Count Czernin declared that the central powers believed that the basic principles uttered by the Russian delegates could be the basis of such a peace. He said they shared Russian condemnation of a continuation of the war for the sake of conquest.

It is necessary, the count added, to indicate the more clearly, however, that the Russian proposals could be realized only in the event that all belligerents obligated themselves to adhere to the terms of such a peace.

No Annexations.

The Austro-Hungarian foreign minister declared that the central powers did not intend to forcibly annex territories seized during the war, nor to deprive nations of political independence lost in the war.

The question of the subjection of nationalities who have not political independence to another country cannot be solved internationally, and must be met by each government and its people in the manner established by the constitution of that government. The protection of the right of minorities is an essential part of the right of peoples to self-definition.

More "Stalling."

In the event of a mutual refusal to meet war expenditures and pay damages caused by the war, Count Czernin continued, each belligerent shall bear only the expense of its subjects made prisoner, and damages caused to property of civilian subjects by deliberate violations of international law on the part of the adversary. The creation of a special fund for this purpose, as suggested by Russia, could be discussed only in the event that the other belligerents join in the peace negotiations within a certain time.

The Little Peoples.

The chairman of the Russian delegation expressed gratification at German willingness to make peace without annexations and indemnities, and with the self-definition of peoples. He demurred, however, at the German statement of self-definition as being incomplete. He said the war could not end without the re-establishment of the violated rights of little and oppressed nationalities, and Russia would insist on guarantees that their lawful rights would be protected in a general peace treaty.

PEACE TERMS OF TEUTONS

"Clause 1—Forcible annexations of territories seized during the war does not enter into the intentions of the Allied powers. About troops now occupying seized territories it must be stipulated in the peace treaty, if there is no agreement before, regarding the evacuation of these places.

"Clause 2—It is not the intention of the Allies to deprive the political independence of those nations which lost it during the war.

"Clause 3—The question of subjection to that of the other court of those nationalities who have not political independence, cannot, in the opinion of the powers of the quadruple alliance, be solved internationally. In this case it must be solved by each Government, together with its peoples, in a manner established by the constitution.

To Protect Minorities.

"Clause 4—Likewise, in accordance with the declarations of the statesmen of the quadruple alliance, the protection of the rights of minorities constitutes an essential part of the right of peoples to self-definition, indicated by a constitution.

"Clause 5—The governments of the (Teutonic) allies also recognize this principle. (This refers to Clause 5 of the Russian peace terms, stipulating that no belligerent country shall be required to pay contributions, and that private persons shall be compensated for losses incurred through the war from a special fund contributed by all the belligerents on a proportionate basis.) There is a material possibility of mutual refusal not only to refund war expenditures, but also to pay for damages caused by the war. In this event each belligerent would be required to bear only the expense of its subjects made war prisoners and to pay for damages caused to civil subjects of an adversary by deliberate violations of international war."

The creation of a special fund for this purpose, as suggested by the Russian Government can be discussed only in case other belligerents join in peace negotiations before the expiration of a certain time.

Want Colonies Back.

"Clause 6—Of the four Allied powers, Germany alone possesses colonies. On the part of the German delegation in full accord with the Russian proposals regarding that, the following is declared:

"The return of colonial territories forcibly seized during the war constitutes an essential part of German demands, which Germany cannot renounce under any circumstances. Likewise, the Russian demand for immediate evacuation of territories occupied by an adversary conforms to German intentions. Having in view the nature of the colonial territories of Germany, the realization of the right of self-determination, beside the above outlined considerations, the form proposed by the Russian delegation is at present practically impossible.

Bunk for Natives.

"The circumstances that in the German colonies the natives notwithstanding the greatest difficulties and the improbability of victory in a struggle against an adversary many times stronger, and who had the advantage of unlimited import by sea, remained in the gravest circumstances faithful to their German friends, may serve as proof of their attachment and their resolve by all means to preserve allegiance to Germany, proof which by its significance and weight is far superior to any expression of popular will.

Economic Relations.

"The principles of economic relations proposed by the Russian delegation in connection with the above six clauses are approved wholly by the delegations of the small allied powers, who always have denied any economic restrictions, and who see in the re-establishment of regulated economic relations which are in accord with the interests of all people concerned, one of the most important conditions for bringing about friendly relations between the powers now engaged in war."

TWO MORE WEEKS FOR BIG GAME SHOOTING IN NORTH ONTARIO WOODS

Toronto, Dec. 27.—An order-in-council reopens the season for shooting moose, deer and caribou in Ontario north of the Mattawa River and Lake Nipissing and French River from December 29 to December 31. The season closed on November 30, but the Government decided to extend it for two weeks.

FLAVEIN MOFFET DEAD.

Ottawa, Dec. 27.—After a brief illness, culminating in an attack of heart failure, Flavein Moffet, for some time editor of Le Temps, and for many years on the translater's staff of the House of Commons, died at his home here on Christmas night. He was 68 years of age, and a native of Charlsborough, Quebec.

FOE "STALLING" IN PEACE TALK, AMERICAN VIEW

Czernin's Proposals Considered Insincere and Unacceptable at Washington.

Washington, Dec. 27.—The conditions surrounding Count Czernin's proposals for a basis of peace cause officials here to feel some apprehension for their sincerity. There is a great disposition to feel that the object of the German plenipotentiaries is simply to protract the negotiations as long as possible without any expectation of an immediate peace agreement, with the double purpose of leading the German people to believe that their Government really is desirous of making peace, and of gaining time for the further strengthening of the German lines in the west.

America Unchanged.

It can be stated authoritatively that the position of the American Government has not changed in any respect with regard to its determination to enter into no agreement with a Government which does not represent the free will of the German people. This would dispose of any hope the Germans might have that the Russians could induce America to subscribe to the peace treaty which they are now trying to arrange.

Apparently Belgium is promised freedom by Count Czernin if all the other German demands are met. But officials note there is a reservation, almost inseparable from German diplomacy, in the shape of "guarantees" which Germany requires to insure the execution of all these complicated factors of the peace treaty. From public declarations of German statesmen and publicists, it is understood that in the "guarantees" Germany would insist on retaining control of Belgium for an indefinite period.

UKRAINIANS SEIZE RUSS HEADQUARTERS ON SOUTHWEST LINE

Take Over All Equipment of the Fourth, Eighth and Eleventh Armies.

London, Dec. 27.—Ukrainian forces, according to a report received from Petrograd from the Ukrainian rada, and forwarded by Reuter's, have occupied the headquarters of the fourth, eighth and eleventh armies on the Rumanian and southwestern fronts. Those who resisted were disarmed and a quantity of guns and rifles was seized.

The Ukrainians have occupied the station at Braliof and disarmed the guards.

A telegram received in Petrograd from Tomsk reports fighting in Irkutsk, Siberia. Cossacks and military cadets have engaged the garrison there for two days with alternating success.

THE WEATHER

LOCAL TEMPERATURES.

Following were the highest and lowest temperatures recorded in London during the 24 hours previous to 8 o'clock last night: Highest, 23; lowest, 15.

The official temperatures for the 12 hours previous to 8 a.m. today were: Highest, 17; lowest, 10.

TOMORROW—COLDER.

Toronto, Dec. 27—8 a.m.

Forecasts.

Today—Southeasterly winds; milder, with light snowfalls.

Friday—Comparatively mild at first, then turning much colder again.

Temperatures.

The following were the highest and lowest temperatures during the 24 hours previous to 8 a.m. today:

Victoria	38	36	Rain
Calgary	—20	—24	Cloudy
Port Arthur	— 2	—10	Cloudy
Parry Sound	4	— 4	Snow
Port Stanley	24	8	Cloudy
Buffalo	21	12	Cloudy
Toronto	18	10	Cloudy
Kingston	14	— 2	Fair
Ottawa	4	—18	Snow
Montreal	— 2	—10	Clear
Quebec	— 6	—18	Clear
Father Point	2	—12	Clear

Minus (—) means below zero.

Weather Notes.

The weather has been fair and decidedly cold from Ontario to the Maritime Provinces, but a shallow depression, accompanied by some light local snowfalls, has now moved into the Lake Region from the westward.

It has continued very cold in the West, with snow in some southern sections of Saskatchewan and Alberta.