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THURSDAY MORNING DECEMBER 7 1916 —SIXTEEN PAGES

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# LLOYD GEORGE WILL FORM NEW CABINET

## FRANCO-SERBIANS MAKE FURTHER GAINS NORTH OF MONASTIR

## Germans Occupy Bucharest as Rumanians Continue Retreat

## FRENCH COLONY LEAVES ATHENS PANIC GROWING

British Foreign Office Hints Reign of Terror is in Progress.

### TRUTH HARD TO LEARN

Royalists Known, However, to Have Committed Grave Acts of Violence.

**Athens, via London, Dec. 7.—The Greek Government has replied to the representations of the neutral ministers rgarding the mistreatment of Venizelists, giving assurances that an investigation has been ordered.**

Paris, Dec. 6.—A Havas despatch from Athens says that the entire French colony left Athens yesterday. The foreign colonies now fill all the hotels of Piraeus and many have embarked on the vessels in the harbor.

"Athens is apparently calm," continues the despatch, "but the population is much impressed by the exodus of the foreigners and in a great state of anxiety. Arrests of supporters of former Premier Venizelos and searches of their residences continue, while the Venizelist organs no longer appear.

"Barriers have been raised in the streets and are guarded by royalist regular troops augmented by voluntary enrolments of reservists. The entente ministers have been looking after the departure of their nationals.

"At Janina officers of the garrison, aided by reservists, have arrested Venizelos supporters."

### ACTS OF VIOLENCE.

London, Dec. 6.—The foreign office has issued a statement to the effect that there is reason to believe that press messages do not give an accurate picture of the actual situation at Athens, both because the royalists have succeeded in gaining control of the cable and press censorships and because the allied press correspondents in Athens are living under threats of personal violence in common with all those suspected of Venizelist leanings. The foreign office adds:

"There is unfortunately reason to believe that very grave acts of violence have been committed by royalist forces and the mob."

**Looting and Persecution.**

Details of the trouble at Athens in the form of despatches to the British authorities, have led the foreign office to describe them to the Associated Press as constituting a program of the royalists against Venizelos' followers.

These despatches state that the looting of Venizeles' own house was conducted by Greek regulars, under command of superior officers, including one general, who wore prominent decorations. The royalists asserted that shots were fired from the house, but the British authorities deny that there is the slightest evidence to support this charge.

After the house was sacked and the articles removed, including the former premier's personal clothing, ten Cre-

(Continued on Page 4, Col. 1).

### Is a Political Crisis at Hand?

The World, if it is to judge by the signs, believes that a great political crisis is impending in Canada; that it may break before New Year's Day. What is happening in England will happen here.

The launching yesterday in Winnipeg of the platform of a new progressive party by the farmers of Canada; the series of meetings started last night by Premier Borden to be followed by others by Sir Wilfrid Laurier; the organization of the women from one side of the Dominion to the other because of the war; the rumor that a prominent citizen is going into public life on a platform of conscription; the news that the Ontario Government have discovered that it would be dangerous to open any seat either in York or Toronto to fill the cabinet vacancy caused by the death of Mr. Duff; the widespread dissent over nickel; the fact that the mother country is torn asunder over the influence of Germany still in British business—even in war policy, and that that dissent is spreading here; the demand for prohibition in Britain and the promise of it in the Province of Quebec; the demand for a coalition government in Canada and the answer thereto in the nature of political attacks—these and a hundred things indicate a great ferment working in the minds of the people, much more actively than in the minds of the politicians. Some kind of a break might occur at any moment.

## ARTILLERY FIGHTS ON WESTERN FRONT

Winter Has Held Infantry Operations in Check for Week Past.

### "STRAFING" CONTINUES

Shelling in Fog Weirdly Mysterious and Uncanny Affair.

**Copyrighted, 1916, by the Associated Press.**

With the British Army in France, Sunday, Dec. 3, via London, Dec. 6.—(Staff Correspondent Associated Press)—Winter sold gray and bleak, has held the western battle fronts in its icy grasp for more than a week now, and has temporarily checked any attempt on either side at operations on a large scale. There has been the usual daily "strafing" or exchange of artillery fire, but the shelling has been largely done by what mariners would call "dead reckoning."

Lonw-hanging, damp, leaden skies have shrouded the land in gloomy darkness, and observation2 has been almost wholly impossible. For the past seven days there has been a thick mist, while on two occasions the war zone has been completely curtained in a mantle of heavy fog. But thru this gray murk the guns kept hammering away—firing at the unseen enemy — harassing post roads and railheads, or any other "registered" place where he was likely to be busy

(Continued on Page 4, Col. 4).

### NEXT BRITISH MAIL.

Next British parcel post mail closes tomorrow evening at 5 o'clock.

## GERMANS RAID MADEIRA PORT SINK GUNBOAT

Funchal Bombarded and French Warship Surprise is Sunk.

### STEAMERS TORPEDOED

Few People Killled Before the Raiders Were Driven Off From Shore.

London, Dec. 6.—The French gunboat Surprise has been sunk by German submarines at Funchal, Madeira, according to an announcement by the Portuguese minister of marine in a wireless despatch received here from Lisbon. Thirty-four of the crew of the gunboat perished.

A few Portuguese were also killed aboard the steamers Kanguroo and Dacia, which were torpedoed, according to the despatch.

A despatch to the Exchange Telegraph from Lisbon says:

"News received from Madeira says that 34 persons were killed in the bombardment of Funchal. The submarines shelled the shore for two hours, especially the English cable station and other public buildings, but only small damage was done. The steamers Kanguroo and Dacia were torpedoed."

**Despatch Dated Monday.**

The despatch from the Portuguese minister of marine was dated Monday, showing that the shelling of Funchal occured prior to that date.

Lloyds announces that both the Dacia and Kanguroo were torpedoed Sunday by a German submarine.

The Dacia was a British cable laying steamer of 1856 tons and was owned in London. The Kanguroo was a French steamer of 2413 tons.

The gunboat Surprise was a vessel of 636 tons. She was 184 feet long and carried a complement of 100 men. The Surprise was built in 1895.

# LLOYD GEORGE NOW IS PREMIER TO FORM A COALITION CABINET

### *The Official Announcement*

London, Dec. 6.—The court circular tonight, announcing the political audiences and conferences at the palace today, adds:

"The King gave a further audience this afternoon to Mr. Bonar Law who intimated that he was unable to form an administration. Thereupon the King summoned Mr. Lloyd George, who at his majesty's request undertook to endeavor to form an administration."

## Bonar Law Declines, But Will Co-operate in Choosing New Cabinet—War Will Be Directed By Inner Cabinet Council---Asquith, Balfour, Grey and Lansdowne Must Go.

London, Dec. 6.—David Lloyd George has overthrown the Asquith cabinet and will become prime minister himself. The new government will be coalition, like the old one, but probably without the same measure of harmonious support which attended the formation of the first coalition government, because its birth has created additional factional differences.

This result has emerged from another day of active and hurried party conferences and a day of intense suspense and interest thruout the country.

There was a prospect this afternoon that the personal offices of the King might solve the situation and many thought that the Asquith regime might be continued. The King called the party leaders to Buckingham Palace and conferred with them for more than an hour. Mr. Asquith and Mr. Lloyd George, of the Liberals, Mr. Bonar Law and Mr. Balfour of the Unionists, and Mr. Henderson of the Labor party were with the sovereign. It is many years since a British ruler assembled the representatives of the different factions face to face when they had shown themselves unable to settle their differences. But no such serious crisis has arisen before to require such action by the King.

Whatever passed in council is held secret, but the inference that the King tried to arrange a reconciliation appears a most natural one. The five statesmen departed separately, four in their motor cars and the workingmen's spokesman afoot.

Afterwards, the King gave an audience to Mr. Bonar Law, who declined to undertake the formation of a new ministry, and then to Mr. Lloyd George, who accepted the responsibility, as everyone anticipated he would if the opportunity came to him.

**Another Coalition Cabinet.**

The official announcement tonight that Mr. Lloyd George had undertaken the task, with the co-operation of Mr. Bonar Law, was a notification that the new government would be coalition. Any party government would be impossible because neither the Unionists nor the Liberals have a majority in the house of commons; either one must attach the Irish Nationalists or the Laborites to itself to command a majority. The Nationalists have refused to participate in the government until home rule becomes established. The Laborites are sworn enemies to Mr. Lloyd George because they resent his accusations that the workingmen have put their personal interests above the national interests at times during the war.

The country awaits the rising of the curtain on the next act of this historical and remarkable crisis with an expectancy which never surrounded the birth throes of any previous government. The Lloyd George ministry means the direction of the war by a dictatorship in the form of an inner council of the cabinet and means the scrapping of those elder statesmen, whose supremacy in the councils of the nations until they choose to withdraw from the scene voluntarily, has always heretofore been regarded by the British people as a matter of course.

Mr. Asquith, Mr. Balfour, Viscount Grey and Lord Lansdowne, "must go," the Lloyd George press has been crying. But their going will be attended by widespread misgivings among the people, who have thought their knowledge and experience as necessary to the government as the push and driving power of the group which will succeed them.

**Must Form a War Council.**

Mr. Lloyd George is committed to the formation of a war council and the membership of that dictatorship will be the most important and crucial work he will have to deal with.

Andrew Bonar Law, the Earl of Derby and Sir Edward Carson, all of them Conservatives, are most talked of. Mr. Bonar Law and Lord Derby would be generally approved, but Sir Edward Carson has many critics, who

(Continued on page 2, columns 6 and 7.)

## SERBS AGAIN ADVANCE CAPTURE MORE HEIGHTS

Allies Win Important Success Northeast of Budimirtza in Macedonia—French Make Gain.

**Special Cable to The Toronto World.**

London, Dec. 6.—Another important success for the Serbians is reported from Salonica in an official communication issued today. This victory consists of the capture of another ledge of strongly fortified heights northeast of Budimirtza and east of the Cerna, in the face of a tenacious defence of the Bulgar-Germans.

The French, in conjunction with the Serbians, made another advance north of Paralovo and they took 125 prisoners.

Along the whole Macedonian front the artillery fire is intense.

The Serbian official communication, issued at Salonica today, says:

"There was a violent artillery duel along the whole Serbian front yesterday. Northeast of Budimirtza by a brilliant assault we carried strongly fortified heights, which the Bulgar-Germans defended tenaciously, taking a fairly large number of prisoners."

The French official communication on the fighting in the Balkans, issued today, says:

"During the day of Dec. 5 Franco-Serbian troops made further progress to the north of Paralovo and captured 125 prisoners.

"There has been violent artillery fighting in the region to the north of Monastir."

### GERMANY WILL OPPOSE ALLIES' ECONOMIC WAR

Prof. Dorrmann, Leader of Radicals in Reichstag, Voices Their Views.

Amsterdam, Dec. 6.—A Berlin despatch says that the war aims of the German Radicals have been set forth by Prof. Paul Dorrmann, leader of the Radical party in the reichstag, as follows:

"We do not reject annexations if our rulers believe them necessary from a military and economic point of view. We cannot permit the entente to declare an economic war against us after the present war. We must get back all our colonies. Germany must be assured of her right to exist independently and to develop as she chooses."

# BUCHAREST FALLS TO FOE RUMANIANS LOSE PLOECHTI

## GERMANS MAKE ATTACK NORTHWEST OF VERDUN

French Experience Revival of Foe Activity on Western Bank of Meuse.

**Special Cable to The Toronto World.**

London, Dec. 6.—Revival of German activity on the left bank of the Meuse, northwest of Verdun, is reported by the French War Office tonight, in the form of an attack on a French salient on the slopes of Hill 304. The French received the Germans with a violent fire from their machine guns and limited their success to the gaining of a foothold in some advanced elements of the defence.

The British troops carried out successful raids on the German trenches southeast of Neuville St. Vaast. The Germans also attempted raids west of Beauvrains and northeast of Roclincourt, but both these failed and the British took a few of the raiders prisoners.

The French artillery caught a German detachment in the Champagne in the open and it dispersed it.

## Allies Apparently Made No Serious Attempt to Defend Capital — Capture of Oil Centre by Germans Gives Them Much Needed Prize

London, Dec. 6.—The fall of Bucharest and Ploechti, announced in the German official communication tonight has not been confirmed from other sources, but the position revealed by the previous German and Russian communiques left little hope that the Rumanian capital could be saved.

No official Rumanian statements have been received in London since Sunday, but the Russian official reports recorded the steady retirement of the Rumanians before the victorious enemy forces. The rapidity of the advance of the central powers seems to show that no attempt was made to defend the capital and the actions fought have probably been only of a delaying nature.

**Get Needed Prize.**

The fall of Ploechti, perhaps, is of even greater importance than that of Bucharest. Ploechti is a railway junction and the centre of the great oil districts of Prahova Valley. Unless the Rumanians have been able to destroy or disable the oil wells, machinery and stores of oil the Germans will get a much needed prize. Moreover, in the Prahova Valley they are on the line of retreat of a portion of the Rumanian second army.

It is believed that the Rumanians will be compelled to retire until they can secure a shorter line between the Carpathians and the lower Danube, which will be within easier reach of Russian reinforcements.

Bucharest, a gay capital in peace times with a population of nearly 300,000, was frequently alluded to as "the Paris of the east." It covers an area in excess of twenty square miles, contains the royal residence, the government buildings and other notable structure and is the centre of considerable trade.

### EAST TORONTO REGISTRATION.

Out of the 15 registration districts in East Toronto, 13 report 1325 names, one-half of which were registered by noon yesterday. It is expected that in the whole 15 electoral districts there will be fully 1600 registrations.

## WAR SUMMARY

### THE DAY'S EVENTS REVIEWED

LLOYD GEORGE has accepted the premiership of Great Britain. He will endeavor to form a cabinet that will put more life into the conduct of the war. The military chiefs will receive more vigorous support in the field, the nation will be more actively led. A. Bonar Law is to co-operate with Lloyd George in the cabinet-making. Many will see in the present crisis a resemblance to the days of the Seven Years' War immediately before the accession of the elder Pitt to office. It will be remembred that under Pitt's guidance the country was raised from the depth of disaster to the height of glory. It is believed that Lloyd George will stir up effective action. He appears to be stronger in the Liberal party than Mr. Asquith, as indicated by his ability to drive Mr. Asquith from the premiership. A crisis arose in the war council and Lloyd George blamed his chief for his slow-moving. The surprise is that when the foreign policy of the Liberal government broke down and war was declared, the government responsible for the disaster did not fall. It is said that the uncertainty in regard to the labor unions and a threat of class-war then prevented a change.

* * * * *

"Bucharest, Rumania's capital, has fallen to the Germans and what is worse still, Ploechti, an important railway junction, 45 miles to the north of the capital, has also fallen to the enemy. The Germans have thus gained valuable results from their campaign, including great quantities of wheat and oil, and prompt, adequate and decisive action is required to stop their advance further into Rumania,

(Continued on Page 2, Columns 1 and 2.)

## BRITISH ARMORED CARS IN ACTION IN DOBRUDJA

Commander Sampson is Wounded—No Cars Missing.

London, Dec. 6.—Commander Locker Lampson, who has been in three actions on the Dobrudja front with British naval armored cars, has been wounded, says Reuter's Petrograd correspondent. The despatch adds that six British petty officers are missing, but that none of the cars has been lost.

## Sinking of John Lambert Calls for Further Inquiry

Washington, Dec. 6.—The sinking of the John Lambert was reported to the state department by the American embassy in Paris, but as the vessel was described as a French merchant man enroute from Montreal to Havre inquiry has been made to secure further details.

Records of the department of commerce show that the Lambert sailed from Canada under French papers. An inquiry may be made to establish her exact status.

## Bank of Montreal's Appeal Allowed in Banburg Case

**Canadian Associated Press Cable.**

London, Dec. 6.—The court of appeal has allowed the appeal of the Bank of Montreal, in an action by Capt. Cecil Banbury, to recover £25,900 lent on mortgage to the Westbolme Lumber Co. on the alleged inducement of the bank's branch manager.

### BUY CHRISTMAS FURS NOW.

Select your Christmas furs early this season. There is no probability of furs being cheaper, and there is a present advantage is having a more widely assorted stock to make a selection from. Of course, new furs are arriving daily from our workroom, but visitors coming to our showrooms may shop with more leisure, and not feel hurried, as they might if the usual Christmas rush were about through. Dineen's, 140 Yonge street, and in Hamilton, 20-22 King street west.

## NEW PARTY CALLS FOR NATIONALIZED RAILWAYS

State Ownership of Express Companies Also Sought by Great Organization of Farmers—Momentous Changes in Tariff Aimed At.

Winnipeg, Dec. 6.—The combined farmers' organizations of all Canada, representing 60,000 affiliated farmers, known as the Council of Agriculture, has adopted a political platform for the purpose of bringing about economic, political and social reforms. The platform was formulated in Winnipeg last week and announced today.

The reforms aimed at include the amendment of the tariff laws by reducing the duty on goods imported from Great Britain to half the rates charged under the general tariff, and further reductions in the remaining tariff, such as will ensure complete free trade between Great Britain and Canada within five years.

It also urges the reciprocity agreement with the U. S. be accepted by the parliament of Canada and that all foodstuffs not included in the reciprocity agreement of 1911 be placed on the free list, that agricultural implements, farm machinery, vehicles, fertilizer, coal, lumber, cement, illuminating, fuel and lubricating oils be placed on the free list.

**For Public Ownership.**

The farmers ask that the customs tariff on all the necessities of life be materially reduced, and that all tariff concessions granted to other countries be extended to Great Britain.

Direct taxation on certain things is proposed to make up the lost revenue. These include a tax on unimproved land values on all incomes over $4000, an inheritance on large estates, and a tax on the profits, over 10 per cent., of corporations.

The farmers believe in the nationalization of all railways and express companies, that natural resources be only let out on short term leases by public auction; the publicity of all political campaign funds, contributions and expenditures before or after elections; abolition of the patronage system; federal franchise to women; full provincial autonomy to liquor legislation, including manufacture, export and import, and direct legislation.

(Continued on Page 2, Col. 3).