

Greece Sees Light and Accepts Entente Proposals; Vienna Furious With U.S., Looks for Early Rupture

ALLIES RETIRE INTO GREECE WITH A CLEAR FIELD FOR FIGHTING

London, Dec. 14.—A force of 40,000 Bulgarians and an equal number of Austro-Germans is being concentrated between Monastir and the Greek frontier, according to a despatch to the Times from its Saloniki correspondent. This force is said to include a considerable number of cavalry troops. Heavy fighting, the despatch said, was still in progress on Sunday in the neighborhood of Lake Doiran.

London, Dec. 13.—The British and French troops have successfully carried out their retirement from Serbia across the Greek frontier, and by an arrangement with the Greek government a clear road has been left for them to fall back on Saloniki, which is being organized as a base.

The German official report of today claims that "approximately two English divisions were annihilated" during the retreat, but this is considered here an exaggeration.

Accounts from Athens and Saloniki say the retreat was carried out in an orderly manner, and without heavy losses. By the destruction of railway bridges and roads, and by stubborn rear guard actions, in one of which two companies of the Inniskilling regiment sacrificed themselves to save their comrades, the Bulgarians were kept at a fairly safe distance.

The question now arises whether the Bulgarians and Austro-Germans intend to follow the British and French troops into Greece, and what action the Greek government will take should they do so. The impression gained from despatches emanating in Athens is that neither the Bulgarians nor the Turks, who also are reported to have arrived near the frontier, would be welcomed in Greece, and that therefore if it has been decided to follow the Entente Allies the task will be undertaken by Austrians and Germans.

However, with the railway destroyed, it may be some days before Greece is called upon to take action, and by that time the Anglo-French force should be safe in the defenses of Saloniki, and under the guns of its ships.

The remnants of the Serbian army are still retreating the Austrians and Bulgarians in Albania, while the Austrians are making very slow progress in their efforts to overwhelm Montenegro, where heavy fighting continues.

Only small actions have taken place on the eastern and western fronts. On the Gallipoli Peninsula a fall of snow is impeding the operations, although the Entente Allied ships keep things lively for the Turks, whose attempts at an offensive last week seem to have failed.

A British official report says that the Turkish attacks on Kut-el-Amara, where British reinforcements are arriving, have been repulsed. The attacks were made from all sides, but the British position was so strongly held that the Turks were unable to make any impression on it.

British Artillery Busy

London, Dec. 13.—Field Marshal Sir John French sends the following report from the British front in France:

"Last night we blew up a mine in front of Givenchy and occupied the crater. Today there was considerable activity at various points on the front. We bombarded the enemy's positions east of Ypres and in the neighborhood of Frelinghien and shelled with heavy howitzers an enemy mine shaft north of La Bassée Canal.

"In the neighborhood of the Somme, there was some fighting with trench mortars and rifles grenades. The weather today was bright and cold."

Italians Take Trench

Rome, Dec. 13, via London, Dec. 14.—The official communication from the war office today says:

"On the Isonzo front and in Carso the enemy yesterday displayed great artillery activity. Towards nightfall his infantry delivered attacks in the direction of Osilava and Selva, but the attacks were repulsed with heavy losses.

"On the southern slope of the Calvario Heights, west of Gorizia, our detachments, favored by fog, captured an enemy trench, taking some thirty rifles and much other material which was abandoned by the fleeing enemy."

German Company Dislodged

Petrograd, via London, Dec. 13.—The following official communication was issued today:

"On the western (Russian) front there is no change in the situation. In the region west of Lake Boguskoje a detachment of our troops having outflanked the enemy dislodged a half-company of Germans at the point of the bayonet from the village of Voynsny, capturing an officer and some soldiers and a machine gun.

Austrian Statement

Vienna, via London, Dec. 13.—The following official communication was issued today:

"Russian front: There is nothing important to report.

"Italian front: In Tyrol the Italian artillery bombarded our positions at Riva, Rovereto and on the Col Di Lana. Attacks by Italian infantry north of Osilava were repulsed.

"In Giudicaria the Italian infantry is approaching our positions. The fighting continues.

"In northeast Montenegro, at Koritza, we made 800 prisoners. Our airmen have successfully dropped bombs on the enemy's camp at Berane."

German Report Exaggerated

Berlin, Dec. 14, via London.—The text of today's statement by German army headquarters on military operations is as follows:

"Western theatre of war: There is nothing to report.

"Eastern theatre of war: Army group of Field Marshal Von Hindenburg: There have been minor engagements by advanced posts with enemy reconnoitering patrols at various points. In these the Russians succeeded in destroying a German post.

"Army group of Prince Leopold of Bavaria: A fruitless attack against our position near Vukla, south of Lake Vydnyakovoye cost the Russians 100 men.

"Army group of General Van Lindegen: There is nothing to report from this army group.

"Balkan theatre of war: The situation has not materially changed. More than 600 prisoners were brought in yesterday by the army group of General Von Koenig. At Ipek twelve modern guns which the Serbians had buried were captured. Behind our front more than 1,000 straggling Serbians were taken prisoner during the last few days.

"In Macedonia the army of General Todoroff captured the villages of Doiran and Gjevelji. No Englishman or Frenchman is now at liberty on Macedonian soil.

"Approximately two British divisions have been annihilated in these engagements."

King George Again Able to Attend to Affairs of State

Ottawa, Dec. 13.—Some fifty-five Canadian officers who have done good work either in England or at the front are being brought back to Canada for the winter to assist in the training and organization of the troops here for service at the front next spring.

Most of the returning officers have been wounded and are now convalescing. The minister of militia believes that their experience of actual conditions at the front will be of greater value if they are employed for a time in Canada than if they were allowed to return to France immediately on convalescence, especially in view of the fact that the outlook is for comparative quietude on the western front until next spring.

Among the officers now on the way back are Col. Welch, of Windsor, who will take command of an Essex county battalion; Col. Ingram, who will be given a command at London; Lieut. Cookshutt, who will be given a command in the 12th Regiment, and Capt. McInnes, of Regina, who will look after the raising of a regiment in the Regina district.

C. P. R.'s Great Work

Winnipeg, Dec. 13.—Between September 1 and last midnight the C. P. R. moved on their system in western Canada, 189,510,000 bushels of wheat. Included in this total 107,280,082 bushels of all grades was transported to the head of the lakes, in which was 92,715,860 bushels of wheat.

RUSSIANS SINK 2 TURKISH GUNBOATS; FIRE A ZEPPELIN

British Beat Off Turkish Attacks at Kut-el-Amara and Repulse Arab Band

SPECTACULAR FIGHT AS ZEPPELIN FALLS

Anti-Aircraft Guns Effective on Eastern Front—Russian Torpedo Boats Achieve Naval Victory in Bosphorus

Petrograd, via London, Dec. 13.—Two Turkish gunboats are declared to have been destroyed near the Island of Kerkira, in the Black Sea, about sixty miles east of the entrance to the Bosphorus, by three Russian torpedo boats under the command of Captain Count Troubetzkoi.

The torpedo boats were watching the coal shipping region along the Turkish coast when they sighted two gunboats of the Barak Reis (Borak Reis) and Malatia type, which are respectively 502 and 210 tons displacement. The Russians failed in attempts to cut the gunboats at sea, and they gained the shelter of the island and opened fire upon the torpedo boats, which replied.

After a battle of an hour the gunboats were disabled and also hit by a shell from the Malatia. An explosion on board the ship of the Malatia type led to the belief that she carried mines. The other gunboat lowered her flag before the end of the battle. A Turkish submarine arrived off the island during the fighting, but was put to flight by the Russian fire.

The Russians suffered no damage in the battle, and proceeded to the estuary of the Sakaria river, a short distance eastward, where they sank a coal laden Turkish ship.

Russian Guns Reach Zepplin

Petrograd, Dec. 13, via London.—Russian artillery destroyed a Zepplin during the night of December 5, according to details which have just arrived here, near the station of Kalkum, on the Libau-Romani railway.

The dirigible made its appearance from the direction of Novo Alexandrsk, near the Russian positions, going toward Dvinsk. It was located by a powerful searchlight and Russian artillery opened fire on it. The Zepplin, however, then rose to a higher altitude and became lost in the clouds.

Presently the dirigible reappeared over Kalkum. Its motor had been stopped, which is usually the indication that bombs are about to be dropped. At that time the machine was directly over the railway station and the artillery began shelling it. One of the shells made a hit, and the aircraft became enveloped in flames. Under the glare of the searchlights watchers saw it disappear in a cloud of smoke and heard a loud explosion.

What was left of the machine fell inside the Russian lines. The charred bodies of the German crew were extricated from the debris and buried. A cross was erected over their grave, with the inscription, "Honor to the brave though they were enemies."

British Hold Out At Kut-el-Amara

London, Dec. 13.—Turkish attacks on the British Mesopotamia army at Kut-el-Amara have been repulsed, it was announced in an official statement tonight. British reinforcements are being pushed forward.

The statement is as follows: "General Townshend reports that the enemy shelled his position all day on December 8. The bombardment continued during the night, when the enemy made desultory attacks from all sides. On the 10th the enemy again heavily bombarded Kut-el-Amara, and developed an attack against the north front position which, however, was not pressed forward."

"On December 11, the bombardment was renewed, and two attacks were made on the north front which were repulsed with heavy loss to the enemy. Since then there has been less activity.

"The attitude of the Arabs is reported as satisfactory.

"Reinforcements are being pushed forward."

Arab Band Routed

London, Dec. 13.—The defeat of an Arab band in an engagement with a British reconnoitering party on the Sinai peninsula is announced in an official statement issued in Cairo, Egypt, says a Reuter's despatch from that city today, which transmits the statement as follows:

"A band of 800 hostile Arabs was routed on Saturday by a British reconnoitering party in the vicinity of Matrah, on the Sinai peninsula. The Arabs, 350 of whom were killed and seven captured, were driven eastward. The British losses were sixteen killed and three officers and fifteen wounded."



General Bailoud (the French Commander-in-Chief from the Dardanelles), landing at Saloniki. The General landed at dusk in a fisherman's small boat. (Official photograph circulated on behalf of the French Bureau.)

KING'S ASSURANCES NOW SATISFACTORY

Greek Troops Withdrawn Altogether From Path of Allied Armies Retiring on Saloniki—Vienna Regards Break With United States as Imminent

London, Dec. 13.—The King of Greece, in the course of an audience accorded the members of the diplomatic body at Athens on Saturday, gave personal assurances which are regarded as satisfactory. This information is conveyed in a despatch from Athens to Reuter's Telegram Company.

GREEKS WITHDRAW TO GIVE ALLIES ROOM

London, Dec. 13.—The actual withdrawal of the Greek army from the path of the allied forces which are retreating on Saloniki is said to have been effected. A Reuter despatch filed at Athens yesterday says:

"As a result of the agreement between the Greek general staff and the allied general staff the division of the Greek army, which has been stationed at Langaza, has been withdrawn to Serres, about fifty miles northeast of Saloniki. The zone between Saloniki and Doiran has been left free for movements of the allied troops.

"The allied military authorities today took over a portion of the customs house at Saloniki."

AUSTRIA FURIOUS OVER U. S. NOTE

London, Dec. 14.—A despatch to the Exchange Telegraph Company from Amsterdam says:

"Reports from Vienna say that the American note concerning the sinking of the Italian steamer Ancona has caused intense anger in the Austrian government, and a diplomatic rupture is considered probable. The question before Baron Burian, the Austro-Hungarian foreign minister, is only whether a rupture with the United States would not force Berlin to a like step.

"Count Tisza, the Hungarian premier, has been summoned to Vienna to discuss the situation with the government."

HUNGARIAN PEACE OUTCRY STOPPED

London, Dec. 14.—The desire of the Hungarian people, particularly the opposition party, to discuss peace has been suppressed with a strong hand by the Hungarian premier, according to the Morning Post's Budapest correspondent, and all discussions on the economic situation have likewise been banned by Count Tisza, who has acknowledged that prices are lower in Germany than in Hungary, and that various mistakes have been made in Hungary's economic management, but has stated that matters could not now be helped by debate.

Count Tisza, continues the correspondent, has been the recipient of many protests from workers in the armaments and munition factories against the denial of their right to vote. It is feared in Budapest that if the premier persists in his attitude the workers who are now under military law will put up a serious fight for the rights of their abandoned comrades.

GERMAN MONEY CHEAPEST KNOWN IN UNITED STATES

Further Weakening of Exchange With Reports of Imperial Bank Taking Over Gold Reserve

BRITAIN TAKES OVER AMERICAN SECURITIES

Chancellor Announces Action as Matter of Urgency to Restore Balance of Trade—No Hardship Expected—At Least \$2,000,000,000 Were Involved.

New York, Dec. 13.—The value of purchasing power of German money in this market, as represented by marks, fell to its lowest known level today, when bills of exchange on Berlin dropped to 77.1-2, a decline of a cent from the recent minimum. In substance, marks, normally quoted at 23.4 cents, were worth only 19.3 cents.

The extreme weakness of exchange on the Teutonic countries was ascribed to unconfirmed rumors that the Reichsbank or Imperial Bank of Germany contemplated assuming command over all the gold now privately held within the empire.

Britain Takes Over Securities

London, Dec. 13.—After an explanation by the chancellor of the exchequer, Reginald McKenna, and a short debate, the house of commons this evening passed the second reading of a bill empowering the government to mobilize American or Canadian securities, by purchase or by borrowing them, to be used primarily as collateral for loans, or, in case of necessity, to meet the Great Britain's liabilities in the United States.

The scheme is an entirely voluntary one, and the chancellor made it clear that the government had no intention of swamping the American market with securities, which would be unfair to holders here, as they were to be paid for at the market price.

Mr. McKenna explained that the usual trade balance in favor of Great Britain had been exhausted by the huge demands made upon America for goods for England and her allies, and the amounts paid in interest on foreign securities held here, or earned by British shipping, were not sufficient to set this right. Consequently, in order to meet liabilities in the United States, they were obliged to go outside the ordinary course of trade and had to borrow or sell securities.

He estimated that the securities held here were valued anywhere from \$200,000,000 to \$300,000,000 (\$1,500,000,000 to \$4,500,000,000), and expressed the hope this would be sufficient to meet our liabilities and to maintain exchange in the United States for the period of the war.

The bill met with general approval, although David Marshall Mason doubted whether the scheme would affect exchange, while Frederick H. Booth hoped the government would assist traders who had to meet liabilities in America, and that these transactions would not lead to New York replacing London as the financial centre of the world.

Not Bound to America

Replying to the question of Sir George Younge as to whether the government intended to confine itself to borrowing in America upon the securities it would acquire, Edwin S. Montagu, financial secretary to the treasury, speaking for Chancellor McKenna, said that the government certainly did not propose to confine itself to either borrowing or selling. Regard must be had to the position of affairs in America, and the government proposed to do, in every case, what seemed most advantageous for the object in view.

Asked if securities to the amount of £100,000,000 were offered in the next fortnight would the government purchase them, Chancellor McKenna said the government would be prepared to do so, but he did not anticipate anything of the kind.

In explaining the government plan for mobilization of American securities, Mr. McKenna said that in case individual holders were unable to sell them the treasury would accept their holdings on deposit for two years. The lender would receive the interest accruing plus one-half of one per cent.

The treasury would retain the right to sell securities thus deposited, under certain contingencies, the chancellor continued, paying the middle New York price of the day and an additional two and one-half per cent on the value thus calculated.

Infinite Resources if Available

In presenting his plan for mobilization of American securities Mr. McKenna began with a reference to the increase in British liabilities in the United States.

"The most inveterate pessimist would not dispute our capacity to meet these obligations, provided our assets were

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CONVENTION OF LIBERALS IN ST. LEONARDS

Meet Dec. 16 to Choose Candidate for Restigouche Madawaska in General Elections

Meeting at Campbellton Dec. 15 to Elect a Successor to Late James Reid—Hon. C. H. LaBilloy Spoken for as the Nominee for the Vacancy.

(Special to The Telegraph) Campbellton, N. B., Dec. 9.—A meeting representative Liberals was held here for the purpose of discussing the local situation. F. B. Carvell, M. P., Michael, M. P., Hon. C. H. LaBilloy, of Dalhousie; W. E. Foster, of St. P. J. Veniot, Liberal organizer of the district, were in town for the arrangements were made to hold a convention next Thursday in St. Leonards, the delegates from Restigouche and Madawaska, when a Liberal ward-bearer will be chosen to represent the combined counties at the election.

The matter of selecting a successor to late James Reid to serve for the unexpired period in the federal house was discussed and a convention will be held next Wednesday in Campbellton to choose a candidate. It is felt among the people in the county that the offer of the nomination should be made to the Hon. C. H. LaBilloy as being recognition for the long service nearly thirty years given in the provincial house on behalf of Restigouche and Madawaska. It is understood that this would be with the approval of many on both sides of politics. The meeting today was attended by representatives from all parts of the county and was both earnest and business-like.

S. CARTER'S SUIT AGAINST THE STANDARD

Service of Writ Not Legal, Says Court—Plaintiff Has Leave to Re-commence His Action for Libel.

In the circuit court on Wednesday, Mr. Justice McKenna delivered judgment on the application of the Standard, limited, to stay the action of Edward S. Carter, for libel. The Standard's counsel contended that the notice served by the plaintiff was not legally served because it was served upon the city editor of the Standard, who was not in the business office of the company at the time. Mr. Justice McKenna decided that the notice was not legal, and in conclusion said:

"The present application is to stay the action, but in my view the proper order would be to set aside the writ and all proceedings in the present suit so as to give it open to the plaintiff to give the statutory notice and recommence his action to do so. I therefore order at the writ and all proceedings in this action on the part of the plaintiff to be set aside."

The attorney-general asked for the writ of the application, which were granted to the defendant.

Gain in Bank Clearings

St. John bank clearings for the week ending yesterday were \$1,775,811; corresponding week last year, \$1,698,617.

Illustration of a camera and other items, with text: "Scholar's Big Camera", "PENCILS", "PRINTING", "DEPT. 30 TORONTO, ONT. 34A"

Illustration of a woman and other items, with text: "DEPT. 30 TORONTO, ONT. 34A"