

ALLY REPLY TO GERMANY AGREED UPON

Britain and France Settle Terms and Will Answer This Week.

WILSON NEXT

Russia Has Sent Her Reply to French Government, Too.

London, Cable.—Great Britain and France have fully agreed upon the terms of the reply to be made to the peace proposals of the Teutonic allies, the Associated Press learned at the Foreign Office today. It is hoped here that the answer may be despatched by the end of this week, but other nations of the Entente, although agreed in principle, may require verbal alterations which would necessitate further delay.

It is expected that once this reply has been forwarded the responses to President Wilson's note will follow very shortly.

Russia's reply to the German peace proposals was telegraphed Monday to the French Government, says a Reuter despatch from Petrograd.

MUST UNMASK BATTERIES.

Paris, Cable.—The newspapers to-day comment freely on Germany's reply to President Wilson's note concerning peace. All of them affirm that it contains nothing not contained in the first communication of Dr. von Bethmann-Hollweg, the German Imperial Chancellor, except that it proposes a conference in some neutral capital.

"Germany," says the Temps, "invites her adversaries to a conference without making to them any disclosure of what she proposes to say until their delegates surround the green cloth."

"Germany desires peace, that is evident," continues the Temps, "but it will be a German peace which she will tear from her adversaries by a ruse, not having had the power to conquer them by force. That is the significance of the manoeuvre which outlines itself more clearly every day."

La Liberté remarks that Germany received the American note December 22, and that her reply had already left Berlin the 26th. "Never in the exchanges of communications with the Government at Washington," says La Liberté, "has Wilhelmstrasse shown such celerity. In the period of the torpedoing of the Lusitania Germany allowed entire months to pass without communicating to Mr. Wilson explanations embarrassing and belated. The German note is silent on the essential point; it evades that entirely. Our enemy declines to unmask her batteries. The trap is more evident than ever, but the allies will not be caught."

THINK GOOD HAS RESULTED.

Washington, Report.—In spite of the wide gulf between the insistence of the Central Powers for an immediate peace conference and forecast of a unanimous refusal by the Entente Allies to enter such a conference without knowing Germany's terms in advance, the United States Government believes that the negotiations in progress are resulting in good.

While there were no official advices upon the subject, the view still persisted in German quarters to-night that the note of the Central Powers might be followed by some highly confidential oral or written communication to President Wilson, in which at least broad tentative terms might be stated. In this connection officials noted with interest Berlin press despatches saying that Ambassador Gerard, who as a result of his recent visit to the United States is thoroughly familiar with the views of President Wilson, had taken lunch with Alfred Zimmermann, the German Foreign Minister, and probably discussed the peace situation with him.

Just what the United States could do toward bridging the gulf in case the Allies hold to their opposition to a conference is the subject of serious discussion among officials, but as yet no concrete proposal has been advanced. It is said officially that it even has not yet been decided whether this country will send on to the Entente the Teutonic reply to the President's note, as embodying a new suggestion, or whether its mere publication here would be considered sufficient. The official text of this reply still is awaited and no further step is expected before it arrives.

The extreme delicacy of the situation and the fear of mis-step on the part of each group of belligerents convince officials that it may be a long time before any really substantial result is obtained.

That the Allies will declare that there must be a military solution to the war, both in their note to the President and in their reply to the Central powers was the growing belief here today both on the basis of statements at the Allied Embassies and from cables despatched to-day following one from Petrograd yesterday as well as intimations from both Paris and Rome that the Allies could not discuss peace until they actually held the territories they considered essential for their future was taken to indicate that the Allies want to wait for a substantial military victory and a reversal of the present military situation.

OFFER MADE SERIOUSLY.

Amsterdam, Cable.—Commencing on a reply to President Wilson's note, the Lokale Anzeiger of Berlin says: "From the fact that Germany allowed the Christmas truce to pass without replying to Wilson's note, even our

enemies must gain the conviction that we made the peace offer seriously. Should Mr. Wilson be induced by our note to recommend to our enemies that they send representatives to a neutral place for the purpose of peace negotiations, we should still be far from abandoning ourselves to the hope that the move would meet with success at London, Paris, Petrograd and Rome.

The Taegliche Rundschau of Berlin says: "Our Government's announcement of its desire to bring about an end of the conflict with our enemies in personal negotiations without the co-operation of neutrals is very satisfactory, because it gives us a guarantee that we will decline decisively the interference of non-participants in the fighting and in the creation of peace."

The Vossische Zeitung, referring to the Swiss note, says: "If further neutral notes are couched in similar terms, they certainly will find a sympathetic understanding among us. The Swiss note breathes the honesty of that true neutrality which has characterized Switzerland during the entire war."

NO MORE AIR RECRUITS.

Ottawa, Report.—The Naval Service Department announced to-day that no more Canadian recruits for the naval air service will be required for some time, probably some months. A large number of Canadians have offered for this service, and enough have been accepted to provide a steady movement overseas for two or three months. In addition there is a lengthy list of eligible men from which recruits may be taken.

WORLD'S POTATO CROP SHORT.

Rome, Cable.—The International Institute of Agriculture reports poor potato crops in northern hemisphere. Its provisional estimates are 291,000,000 quintals for nine countries, including the United States, Canada, Switzerland, and the Netherlands. Italy and Japan, and also England, Ireland and Scotland, where the crops are the lowest on record. The figures for Germany and Austria are not available.

NO TIME NOW TO TALK PEACE

Czar Says Enemy Sees Defeat is Near.

While Allies' Strength Grows Daily.

Petrograd, Cable.—In the course of an order issued to all the units of the Russian army, dated Dec. 25, the Emperor, in a brief review showing how the inequalities of the technical resources for warfare as between the allies and the central powers are being gradually removed, with the result that the enemy's strength is apparently waning, while that of Russia and her allies is continually growing, proceeded to say:

"Germany is feeling that her complete defeat is near, and near also is the hour of retribution for all her wrongdoings and violation of the moral law. As in the time of her strength she declared war, so now, feeling her weakness near, she suddenly offers to enter upon peace negotiations, desiring to complete such negotiations before her military talent is exhausted."

"At the same time she is creating a false impression about the strength of her army by utilizing her temporary success over the Roumanians, who lack experience in the conduct of modern warfare."

Arguing that the allies are entitled to choose a favorable hour for peace negotiations, just as Germany chose a favorable hour for declaring war, the order says:

"This time has not yet arrived. The enemy has not been driven out of the provinces he has occupied. Russia's attainment of the tasks created by the war—regarding Constantinople and the Dardanelles as well as the creation of a free Poland from all three of her now incomplete tribal districts—has not yet been guaranteed. To conclude peace at this moment would mean a failure to utilize the fruits of the untold trials of the heroic Russian troops and the still more sacred memory of those noble sons of Russia who have fallen on the battlefield do not permit of thought of peace until final victory over our enemies. Who dares to think that he who brought about war shall have it in his power to conclude the war at any time he likes?"

In conclusion, the Emperor, expressing confidence that no Russian soldier would desire peace until the enemy had been expelled from Russian soil and had given guarantees to prevent a possible repetition of a treacherous attack, says:

"Let us be firm in the certainty of our victory, and the All-Highest will bless our standards and will cover them afresh with glory and give us peace worthy of your heroic deeds, my glorious troops, a peace for which future generations will bless your memory, which will be sacred to them."

HUNS MUST TURN IN OLD SHOES.

London, Cable.—A Reuter despatch from Amsterdam says that the latest German papers contain the Federal Council's regulations regarding shoes and clothing for 1917. They prescribe that only two pairs of so-called "shoes de luxe" will be sold on the turning in of cast-off, but still wearable pairs. The utilization of cast-off clothing is to be entrusted to communities which have a monopoly for the purchase of these articles. The exchange of old for new articles will be allowed only through tickets.

BRITISH LABOR ON U. S. COURSE

Ben Tillett Talks Plainly of American Action.

Not Acceptable as a War Mediator.

Chicago, Report.—Ben Tillett, noted British agitator and labor leader, has granted an interview, which the Chicago Herald prints, to William Hard in London. He said:

"If there is any country the British workingman does not think enough of to want advice from it's yours."

"We don't hate America," he said. "But we hate America's present conduct. Germany has desolated Serbia and Belgium. The only peace is to get Germany out of Belgium and Serbia. To do this the United States has not spent a dollar or a man. We will not listen to a people who are always talking about peace and never doing anything to get peace."

"I don't mean that the United States should fight. But the United States might at least have thrown into the scales of this conflict the weight of its solemn protest against the awful and brutal and beastly attacks on Serbia and Belgium."

"The United States was the greatest neutral. It had all the opportunity to raise a voice to check the militarism that took Europe into war. Now, does it suppose that it is going to be welcomed when it tries to raise a voice against the anti-militarism forces that are going to take Europe into peace?"

Tillett told of a visit to Germany before the war, when he attended a meeting of labor men. There was to be a resolution brought forward about war. He said:

"There were many Britons in favor of it and some French leaders. I was in favor of it."

"It was a resolution declaring that if ever a war broke out in Europe the working class of every country concerned should at once go on a general upheaval strike. Industry would be tied up. The war would have to stop. Well, what happened at that meeting? When that resolution was reached there was not one German who was even willing to discuss it, and, worse, when it came to a vote there was not one man raised to vote for it, not one."

"I went to the leader and I said, 'This is all your Kaiser wants to know. All that he wants to know is that there is not one of you who dare even to say a word or raise a hand for a resolution adopting the one and only practical way in which the working class can ever stop a war.'"

"But we are Germans," they said. "We are not allowed to take part in any such resolutions."

"He (the Kaiser) started a war one month afterward; and the leaders of the German working class in the Reichstag, while the British labor party was still appealing for peace, voted war credits to the Kaiser to break the bodies and souls of the people of Belgium. They tricked us, and they tricked the working class of France, and they tricked and massacred the working class of Belgium. Tell Oswald Garrison Villard that we are not sick of this war, and we never will be sick of this war till we put down that kind of trickery and conspiracy and beastliness in Europe."

"One thing more. We don't want mediation at all. But if we did want mediation, would we want it from a country like yours, all full of Germans and all full of daily plots by Germans? What do you think of that?"

ALLIES GUARD OCEAN ROUTES

New York despatch — The Herald this morning publishes the following: For some days skippers of transatlantic and coastwise steamers have been bringing to New England reports of strange appearing craft that were making their way westward. They made no reply to signals and could not be approached. They steered a vagrant course and were described variously as of the fashion of merchantmen, transports, light cruisers and even of submarines. Pieced together, these reports filled in with the suspicion, now apparently confirmed, of shipping men.

The commerce protectors are described as large and powerful, but capable of fair speed. They were designed, it is said, to meet the German U-boat danger, and in anticipation of an attempted raid off the Canadian coast similar to that made by the U-53 off Nantucket, on October 8th. The British Admiralty, it is said, determined to make impossible another such raid, and the fleet of commerce protectors was the fruition of the plan then formulated.

ROYALTY VISITS CANADIANS.

London, Eng. cable.—The King and Queen, Princess Mary and Princes Henry and George visited the King George Hospital, their Majesties spoke in French to some of the French-Canadians, took a special interest in spinal and paralysis cases, and asked many questions of the trench life. In the case of men, some of whom had been admitted to the hospital only the day before, the King talked with the soldiers of American nationality, thanking them for having come to this country and volunteered their services.

Many a man has come back, in spite of the fact that he has burned his bridges behind him.

SOMME FIGHT IS ENDED, HUNS SAY

Germans Claim the Allies' Attempt is a Failure.

New Defences Stronger Than Those Lost.

Berlin wireless—The almost complete cessation of the fighting on the Somme front during the past four weeks has enabled the Germans to complete a new system of trenches along the whole front, says the military critic of the semi-official Overseas News Agency in an article to-day. He declares the great battle that began there on July 1 may now be considered to have been terminated, and asserts that the fact of the Germans being enabled to reconstruct their line means that all the efforts and losses of the five months' offensive by the Entente forces were in vain, as if it is desired to resume the attack it must be begun all over again as in the beginning.

"As to the new defences, the writer says they have been perfected to such a degree that even the foremost trenches are now protected by barbed wire, with the troops holding them occupying deep dugouts and having adequately protected communication trenches. Moreover, he asserts, the new defensive lines are stronger than those of July 1, as 'behind the first line trenches, which were constructed under hostile artillery fire, are more than a dozen of the strongest sort of defensive lines, which have been built absolutely without interference and with great care.'"

As a further sign of the exhaustion of the offensive the writer notes a let-up in the air activity of the Entente, although German squadrons had been carrying out raids toward the west.

Regarding the Roumanian campaign, the military critic points out that navigation on the Danube for the Russians has been definitely stopped with the occupation of Tulcea by the Bulgarians, leaving the Russians only the railroad lines to Reni and Jassy, while the Russian troops in Dobruja have been driven into the extreme western corner of the province.

INSTRUCTIONS TO GERMAN PRESS.—London, Eng., cable.—A Reuter despatch from Amsterdam to-day says: "German newspapers are being instructed to declare that the Somme battle has now been finally finished. They state that the German position is now stronger than on July 1, and that behind the foremost German lines are more than a dozen very strong defensive lines."

BRITISH MADE TRENCH RAIDS

Good Results Obtained Around Armentieres.

Airmen Also Bombed Works of Enemy.

London, Eng., cable.—The official report from British headquarters in France to-night reads: "Some 50 Germans approached our lines Monday night in the neighborhood of Les Boeuys. Eighteen of them were taken prisoner; the remainder suffered heavy casualties from our machine gun fire."

"Monday night we entered trenches northeast of Armentieres and drove off an enemy working party. The enemy's positions east of Ploegsteert were also raided; casualties were inflicted upon the enemy and prisoners were secured."

"In the neighborhood of Les Boeuys and Guedecourt we bombarded the enemy trenches during the day with satisfactory results."

"At other places along the front artillery activity has continued. On the night of Dec. 24-25 our aeroplanes carried out successful bombing operations on places of military importance behind the enemy's lines."

NO REST FOR HUNS IN WEST

Allies Gave Enemy No Rest On Christmas.

Germans Short of Fresh Troops—Morale Weak.

London, Eng. cable.—Heavy artillery and minor infantry activity continued along the west front during Christmas night and to-day. All idea of a Christmas truce was abandoned by the Germans when the sharp patrol assaults with which the British and French troops began the day were kept up till midnight without a breathing spell. The constant hammering at the vulnerable spots in their defences evidently is taking effect on the nerves of the German troops. Never knowing where the attack is coming from and whether it means a small operation or another big push, such as Nivelle's victory on the Meuse, has prepared them for, the Kaiser's soldiers are ob-

taining little relaxation from the fearful strain of trench warfare.

Prisoners taken by the allied troops testify to the embarrassing lack of fresh troops behind the German lines. Not only are the soldiers pushed to the limit of endurance when they occupy the trenches, but their relief from duty is steadily being cut short for want of troops to take their places, according to reliable reports from the front.

The only members of the allied air forces to celebrate Christmas in their pilot's seats were ten French fliers, who poured shells on the enemy's posts at Nests, Ourscamp and Chaptre.

From talks I have had with English officers here on furlough for the holidays I am convinced that the German morale has suffered severely within the last month, and that nothing will prevent the allied armies on the west front from smashing forward along a considerable front and forcing a corresponding retirement of the enemy along the entire line."

"What has been accomplished by the Anglo-French forces can be done again," said an officer to me. "We are organized, and we have sufficient artillery for another push along a wider front. We will be able to break through along a line of, say, seven miles, capture guns and consolidate ourselves in a position to menace the entire German front. This will force the enemy to retire generally to a position which will straighten their line."

TEUTON DRIVE SLOWING DOWN

Russ Reinforcements in Roumania Now in Range.

Bulgars Lose Heavily in the Dobrudja.

London, Eng., cable.—Petrograd despatches to the Times say: There are indications that a German advance northeast of Bucharest is losing momentum. Each day gained enables Russian reinforcements to come within striking distance, thus helping to hold the present line northwest and south-east of Filipesti, 30 miles from Braila.

Yesterday's reports of the situation in Dobruja contain an interesting account of the fighting at Lake Babagag, where the Russians scored an important success over the Bulgarians, who were trying to turn our left flank. The enemy was driven back into the lake marshes and most of the attacking column perished in the swampy region. Dobrudja probably is destined to play an important part in the forthcoming operations. For three winters the delta has not been rebound, and if this state of affairs recurs this year it will be of much advantage to our allies."

According to Berlin despatches in Northern Wallachia, along the southern Moldavian border, and in Dobrudja the Teutonic allies continue to make gains over the Russians and Roumanians. Thirty miles southwest of Braila the invaders have captured the town of Filipesti, and west of Rimnik Sarat are on the offensive. In this latter region during the last few days 5,500 Russians have been made prisoners.

PIERCE BATTLE RAGING.

To-day's Petrograd statement reads: "The enemy is bombarding with an intense artillery fire the regions of the villages of Planiaki, Maniuf and Gukolove forest. South of Brzezan the enemy is directing his fire along the heights occupied by us east of the villages of Lipnicadoina and Svishtinski."

"At the source of the River Rimnik the enemy pressed back our advanced posts, which withdrew to the main position."

"Throughout the day the enemy, with considerable forces, made a number of attacks on the Filipesti-Lichkotianka front, which were repulsed with great losses to him. The fighting was especially fierce in the village of Filipesti, which, on being set afire by the enemy artillery, we evacuated."

SNUB FOR HOLLAND.

German Answer So Insolent It Must be Altered.

Amsterdam Cable.—The telegrapher says it has reason to believe that Germany's reply to Holland's note regarding the deportation of Belgian workmen is framed in such terms that it is inadvisable to communicate it to the Dutch Parliament, and that the Government has requested Berlin to alter the reply in such a manner that it may be presented to the Parliament.

The Dutch Government last month instructed its Berlin representative to notify Germany that the Belgian deportations had caused a painful impression in Holland. A Rotterdam despatch to the London Times, on Dec. 5, said that Germany has responded in words which were tantamount to saying, "Mind your own business."

WIFE CHARGES ARSON.

Winsor despatch—Thomas Mather, a farmer of Tilbury West township, is in Sandwich Jail on a charge of arson, preferred by his wife, Mrs. Lydia Mather. In her complaint, Mrs. Mather alleged her husband deliberately set fire to their house, causing a loss of more than \$2,000. Mather says the fire originated from spontaneous combustion. It is likely he will be tried by jury in the next sitting at Sandwith of the Supreme Court.

NO TERMS YET FROM THE HUN AS TO PEACE

German Reply Again Offers Nothing Real On Which to Confer.

THE ALLY ANSWER

Will Refuse to Negotiate Until Something Definite Comes.

Washington despatch — Germany's reply to President Wilson's note was received to-day, and is regarded here as having advanced the peace movement another step despite the fact that it disappoints in not meeting his suggestion for an avowal of terms.

The reception Germany's reply receives among the Entente Allies, whose statesmen have publicly declared against such a programme, now becomes the point upon which a further move is hinged. The German note probably is the prelude to a series of carefully-considered delicate moves in the great game of world diplomacy, all possibly leading to an approach for a real discussion of peace terms on grounds which all the belligerents may feel can place them at no disadvantage.

This is the official view of Germany's reply so far as it has been formulated on the basis of the official text.

Neutral diplomatic quarters, too, regarded the note as a step toward peace, and rather leaned to the view that Germany might follow it with a confidential communication of some sort outlining her terms.

The view of the Entente ally Embassies, frankly expressed, was that the note was not an answer to President Wilson's communication, but rather a document for circulation in Germany and in neutral countries with the object of arousing opinion to place the responsibility for continuing the war on the Entente.

It was everywhere agreed that the principal sticking-point was the lack of a definite statement of terms such as President Wilson asked and such as Lloyd George declared the Allies would require if they were not to put "their heads in a noose with the rope end in the hands of the Germans." It is not beyond the realm of diplomacy, however, to find a way to bridge that difficulty and Germany's failure is not regarded as a block to the negotiations, although it makes them exceedingly difficult.

Germany's declaration that she regards the work of securing the world against future wars as a work to be taken up after the present conflict is ended was regarded with a diversity of opinion.

Germany's proposal for "an immediate meeting of delegates at a neutral place," is received as admittedly much more specific than the original proposal to "enter forthwith into peace negotiations," and to go even further than President Wilson's suggestion "that soundings be taken." This alone is singled out by those who regard the reply as a step toward peace, despite the repeated declarations of allied statements that it was impossible without a statement of Germany's terms. They expect these two positions, apparently far apart to be reconciled by the art of diplomacy.

How far the United States can or will be concerned in that can only be decided by President Wilson. Officials assume that Germany expects the United States to inform her enemies of her reply.

Two features of the note belated the situation slightly and caused some concern among officials here. The first was the giving out of the text in Berlin before it had opportunity to reach Washington, and the other was the connection of the reply with the original German peace proposal. President Wilson went to great pains in his note to disavow any association or influence with this proposal and the association in the German reply was somewhat disquieting to officials, who foresee the necessity of probably reiterating the position of this Government.

Pending receipt of the official text attention turns to the reply of the Entente Governments. "At their Embassies here the view prevails that their answer, while expressing sympathetic regard for the President's purposes and ideals, will decline to negotiate on the status quo. The Entente reply to the German proposals is expected to be concluded in the sharpest language, probably taking opportunity to lay stress on the moral questions to which their statesmen have devoted much attention in public utterances."

Despatches to-day from Petrograd, outlining the official view there, shadowing that the Allies would not discuss peace terms until they stood in military possession of territory they claim attracted much attention.

MORE GOLD FROM OTTAWA.

New York despatch.—With only three business days of the year remaining after to-day, gold to the amount of \$631,300,000 has been imported into the United States from all sources during 1916. This includes a fresh consignment of \$4,600,000 from Canada, deposited at the Philadelphia mint to the account of J. P. Morgan & Company.

The total of gold imports was brought up to \$639,300,000 with the arrival at the assay office here today of \$8,000,000 from Canada consigned to the same firm.

The floating population isn't necessarily composed of those who are able to keep their heads above water.