

avowed and a promise to punish the commander. Until the material facts in the Persia incident are cleared up the State Department is refusing to make any comments or predictions for publication.

News of the new submarine attack struck Washington like a thunderbolt. Although the incident was a diplomatic victory which yesterday's note from Austria was believed to signalize, officials of the Government have a surprise New Year's eve. With the end of the submarine controversy believed to be in sight, the State Department had declared a holiday for the day.

Immediately on being notified Chief Clerk Davis hurried to the department and communicated the news to Secretary Lansing. Although the latter did not go to his office, he was carefully telegraph operators were in the building when the news arrived.

At the German and Austrian embassies the first knowledge obtained of the attack was furnished by the noon edition of the local papers. It was not until subsequent reports would put a better face on the incident officials at the embassies could not conceal their concern.

In these quarters it was predicted that subsequent information would show one of two things: either the submarine was trying to escape or otherwise resist, or that the submarine commander had not yet received new instructions from the admiralty regarding the safeguarding of passengers.

The latter, officials of the State Department are unable to reconcile with the fact that the Austrian note to the United States makes no mention of new rules to submarine commanders, but leaves it to be inferred that new rules have been always such as carefully to safeguard lives of non-combatants on private merchant ships.

It was also suggested in German quarters that in the Persia was an army transport and that the large movements of Entente troops to Egypt the submarine commander may have convinced himself that the Persia was an army transport and that she was not entitled to consideration.

Naval officers here are convinced from the activities of the Austrian submarine in the vicinity of Alexandria that the Austrian Admiralty had determined on a general campaign against all shipping of enemy character passing through the Suez Canal. Consequently it was suggested the Admiralty would bitterly resist any efforts to be made by the Austrian diplomats to embarrass such a campaign by their assurances to the United States.

Consul McNewly, who was aboard the liner, was appointed to the consular service October 18, 1915, and was bound for his first assignment. He was about 40 years old at a native of North Carolina. He was educated at the University of North Carolina and was regarded as one of the most promising of the newly appointed Consuls.

Aden, the post to which he was assigned, is one of the most important in the Near East. Besides being a British garrison town and a military centre of observation for the Red Sea area it is a port of call for all vessels passing through the canal and a strategic point for commerce between the Occident and Orient.

"CONFLICT AVOIDED." Austria's Reply Exemplary, German Paper Says.

BERLIN, Jan. 1.—Commenting upon Austria's reply to America on the Argentina note, the *Koelhauser Zeitung* says today: "Thus the conflict which threatened through the fault of America has been avoided by Austria in exemplary fashion."

Of the Berlin newspapers only the *Catholic Germania* and the conservative military organ *Kriegszeitung* being a British note, and their observations are short and restrained. The *Germania* says: "We are convinced this note will make the most excellent impression in the United States. It may in any case bring the President to the realization that courtesy to the utmost limit and circumspection in judgment belong to the best methods of diplomacy."

The *Kriegszeitung* says: "In its concession that hostile merchantmen not attempting to resist or flee may not be destroyed without placing those aboard in safety, the note admits that submarines are submitted in war upon commerce to all and even more than all the restraints imposed on cruisers to which the nature and mode of combat of submarines is utterly unadapted."

"Austria in its first note mentioned that it was conducting negotiations independent of the German standpoint. Should Germany accept as her principle, enunciated in the latest Austrian note we must not close our eyes to the fact that America would come a long step nearer its goal of depriving us of one of our most effective weapons in the struggle with Great Britain."

BRITISH STEAMER SUNK. Abelia's Destruction by Submarine Is Announced.

LONDON, Jan. 1.—The sinking of the British steamer Abelia by a submarine was announced today.

The Abelia was a ship of 2,318 tons. She was last reported as having arrived at Bombay from Port Said on November 21.

INSISTS KAISER HAS CANCER. "Matia" Says Artificial Pain Is Considered Before War.

Special Cable Dispatch to The Sun. PARIS, Jan. 1.—The *Matia* revives the story that the Kaiser is suffering from cancer. The paper says a telegram displayed at Zurich on December 26 said that the court physicians at Berlin were of the opinion that the Kaiser's illness is due to a fresh manifestation of cancer. The *Matia* adds that a physician living in Paris was consulted by the German Embassy three months before the war concerning the manufacture of an artificial bullet if a serious operation on the Kaiser's throat were necessary.

KAISER SAID TO BE ILL IN BED—Blood Poisoning Feared. AMSTERDAM, Jan. 1.—Despite optimistic reports appearing in the German newspapers, the Kaiser is confined to his bed and allowed to receive only certain officials, according to advices received here today.

He is said to be suffering not only from violent carbuncles, but from a severe cold, inflammation of the throat and general physical depression, the result of his visits to the battle front. Physicians have been unable to remove the danger of blood poisoning, it was stated.

The Kaiser is in constant attendance at his nurse.

MAP showing section of eastern Mediterranean, where several ships have been lost recently. Star indicates the point at which the Persia is believed to have been torpedoed and sunk.



VICTORY IS CERTAIN; KAISER TELLS TROOPS BRITISH CAPTURE GERMAN TRENCHES

Says Allies Fight Unfairly—Calls Their Efforts "Impotent Madness."

BERLIN, Jan. 1.—"With God's gracious help," the Kaiser tells his troops, "the German army will continue its victories against their enemies who strive with impotent madness." The Kaiser declared in a New Year's message today to the men of the German army and navy.

"Comrades, one year of severe fighting has elapsed," said the Emperor. "Wherever superior forces of the enemy have tried to overrun lines that have fallen before your loyalty and bravery wherever I have sent you into battle you have been gloriously victorious."

"Thankfully we remember to-day above all the brethren who joyfully gave their blood to gain security for their beloved ones, their homes and the Fatherland. What they began we shall accomplish with God's gracious help."

"In impotent madness our enemies from the west, the east, the north and the south still strive to deprive us of all that makes life worth living. The hope of conquering us by fair fighting they buried long ago. On the weight of their machines, on the attack of our entire people and on the influence of their campaign of calumny, which is as mischievous as it is malicious, they believe they can still reckon."

"Their plans will not succeed. Their hopes will be miserably disappointed. In the presence of a spirit of determination which unshakably unites the army and those at home, with the will to do one's duty for the Fatherland to the death, there has been an effective cannonading against the trenches and the blockhouses of the enemy in the Forest de Chevaliers after a violent preparatory fire on the part of their artillery, the enemy directed against our positions in the region of Hirtzbach an infantry trench which was, however, completely reoccupied."

KAISER CALLS WAR COUNCIL. Will Meet Advisers in Berlin on His Birthday.

Special Cable Dispatch to The Sun. AMSTERDAM, via London, Jan. 1.—Berlin advices say the Kaiser has summoned a War Council to meet in Berlin on his birthday (January 27).

Those who are to attend include the Crown Prince, Prince Rupprecht of Bavaria, the Duke of Wuertemberg and Field Marshal von Hindenburg and von Mackensen.

ALL PREDICT VICTORY. Allied Statesmen Quoted by Paris "Matia" Symposium.

PARIS, Jan. 1.—Leading men of various allied countries have contributed to the *Matia* New Year's statements of their views concerning the future of the war.

Louis Barthou, former Premier of France, says the war is now being conducted like a branch of industry, and adds: "Speaking from personal knowledge I know that the experiences of the French with 'aeroplanes, gas and chemical weapons afford the best reasons for relying on their efficacy both in attack and in defence."

In conclusion M. Barthou says: "The year 1914 was a year of surprise, 1915 was a year of resistance and preparation, and 1916 will be a year of victory."

The Earl of Derby, who organized the movement in England for obtaining recruits in its defense, writes: "I await with absolute confidence the moment when the combined forces of the Allies triumphantly shall prevail."

Sir Edward Carson says: "Although we cannot expect any dramatic developments of the war at present, the moment cannot be far off when the central empires will feel seriously the effect of the pressure we and our allies are exercising on all their fronts."

POINCARÉ SEES VICTORY. Told Troops 1916 Will Be France's Year of Triumph.

PARIS, Dec. 31 (Delayed).—"Nineteen hundred and sixteen will be our year of victory," says President Poincaré in a message to the officers and soldiers of France which is being distributed along the whole front to-night. The message expresses the confidence of the entire nation in its defenders.

The message says in part: "Who would by impatience or lassitude have despised the past and future of France? It is, certainly, too war is long, it is rigorous and it is bloody, but how much future suffering are we spared by our present suffering. No French people desired this war. All the choicest moments since 1871 have endeavored to avoid such a war. Now that it has been declared against us in spite of ourselves we must carry it on with our faithful Allies until we have gained victory, the annihilation of German militarism and the entire reorganization of France."

"To permit ourselves to falter even momentarily would be to be ungrateful to our dead and to betray posterity."

"The battle side will not necessarily be the side which has had the heaviest losses or has endured the most misery. It will be the side which becomes wearied first. We shall not become wearied."

SEES N. Y. AS MONEY CENTRE. British Expert Says It Will Be Hard to Get Business Back.

Special Cable Dispatch to The Sun. LONDON, Jan. 1.—Major Sir Edward Peetham Coates, member of the brokerage firm of Coates, Son & Co., brewers in an article in the *Daily Mail* the position of the Stock Exchange. He says in part: "It has been a profitless year and the present position is a gloomy one, but the exchange is sound. The year 1916 will be a fateful year for finance. As the duration of the war is lengthened Canada and South America are likely to feed their finance from New York instead of from London. It will be a great struggle to get this business back."

SEES GERMAN TRAP SET IN BALKANS

War Correspondent Bartlett Thinks Plan Is to Draw From Allies' Front.

DOUBTS NEW "BLUNDERS" "Germany's plan in the war now is to get as many of the smaller Balkan Powers mixed in as possible in the hope that the Allies may be induced to withdraw their strength from the western front and attack the new enemies," was the opinion of E. Ashmead Bartlett, London war correspondent who saw the operations at the Dardanelles. He arrived here yesterday on the White Star liner Baltic to make a lecture tour.

"England has made many blunders," he said. "They were costly, but they were not fatal. I think there will be no more of these expeditions such as that at the Dardanelles, for the Allies are understanding the lesson. If Russia and Greece are at deadlock on the eastern front we can let them sit tight for ten years if necessary while we win on the west."

"We made a series of mistakes on the Gallipoli peninsula," he said. "The first was when we underestimated the strength of the Turks. The second was sending a fleet without a land expedition. The third was when we split our forces, landing at three places instead of one. A series of costly frontal attacks followed and all we got for them was a few hundred yards of land."

"We have been trying to force our way across the widest part of the Gallipoli peninsula, instead of landing at the narrow neck above. There, entrenched in the mountains, they could have started our failure that made Bulgaria go in against us. She figured we were not so intensely during the last few days and was generally expected that one side or the other was preparing for a determined offensive. The German lines have been recently reinforced and the British attack is believed to have been made to forestall a German onslaught."

French and Belgian War office statements given out today report continued artillery bombardment on all vital parts of the front.

The following official report, delayed in transmission, was given out by the French War Office last night: "In Belgium our batteries have been successful in their bombardment of the first and second line trenches of the enemy, as well as of the railroad opposite Poessinghe."

To the north of the Aisne we have demolished a German work to the west of Souppre. On the heights of the Mouse there has been an effective cannonading against the trenches and the blockhouses of the enemy in the Forest de Chevaliers after a violent preparatory fire on the part of their artillery, the enemy directed against our positions in the region of Hirtzbach an infantry trench which was, however, completely reoccupied."

The Belgian War office has issued the following statement: "The country near Dixmude has been subjected to a sustained bombardment in which both sides took part. The Belgian artillery was very effective, particularly in its fire against the numerous groups of enemy workmen engaged in the repairing of the railroads destroyed by recent floods."

TWO DIE IN AIR DUEL. Germans Fire Salute Over French Aviators' Graves.

BERLIN, via wireless to Sayville, L. I., Jan. 1.—A thrilling story of an air battle behind the German lines in France in which Lieut. Immelman, a German aviator, brought down his French opponent was told in a story received today from a German soldier at the front.

"Our company was on march when we noticed two aeroplanes diving rapidly at a height of about 9,000 feet," wrote the soldier.

"Suddenly the aeroplanes appeared to stop and machine guns were heard to rattle. A moment after a dark speck fell from one aeroplane. As it dashed toward earth we recognized it as a human body—that of a pilot. In another moment the aeroplane inclined to one side and slid rapidly toward earth, killing the second man."

"Many German soldiers and a great crowd of French civilians hurried to the spot where the wrecked aeroplane lay. When they saw the pilot's body, France painted on the wings the German soldiers cheered noisily. The French people went off weeping."

"Both the French officers were buried with all military honors in the presence of all the German officers. A salute was fired over their graves."

NANCY BOMBARDED. German Gun Fires at Long Range on "Open Town."

Special Cable Dispatch to The Sun. PARIS, Jan. 1.—A German gun opened fire against Nancy on New Year's morning. Several shells fell inside the city, killing two persons and wounding seven. An official report issued today tells the story as follows: "On the morning of January 1 a German gun bombarded Nancy at long range. Ten shells struck in or near the town. Two civilians were killed and seven slightly wounded. The material damage was of slight importance. Our artillery soon got the range of the German gun and opened fire against it."

Nancy is an "open town" and is not regarded as a fortified place, although earthworks have been constructed around the city. Nancy is about eleven miles from the German lines. It has a population of about 100,000.

TO CALL DERBY RECRUITS. Single Men, 23 to 26, Likely to Be Summoned Soon.

Special Cable Dispatch to The Sun. LONDON, Jan. 2 (Sunday).—A proclamation calling to the colors the four groups of single men between the ages of 23 and 26 years, under Lord Derby's recruiting scheme, is expected immediately.

The *Daily Mail* says it is understood that Sir John Simon, the Home Secretary, has resigned from the Cabinet.

Reginald M. Kenne, Chancellor of the Exchequer; Walter Hume, member of the Board of Trade, and one or two others are said to be under consideration for resignation.

Premier Asquith will introduce the Government's expulsion bill on January 5.

Two Days British Losses 1,103. Special Cable Dispatch to The Sun. LONDON, Jan. 1.—The official casualty list covering all British fronts issued today gives the number of officers at sixty-six of whom twenty-six were killed, and that of men at 1,127, of whom 441 were killed. The list covers two days.

EXPECT RUSSIAN DRIVE TO BRING IN RUMANIA

Czar's Armies and 1,500,000 Austro-Germans May Now Be Embattled in Galicia, South of Pripet, With Balkan Nation Awaiting Outcome.

LONDON, Jan. 1.—An official Russian War Office statement to the effect that "force fighting" is in progress south of the Pripet, in Galicia, coupled with Petrograd advices telling of the concentration of 1,500,000 German and Austrian troops on the Russian frontier, indicate that a decisive battle in Galicia is imminent, if not already begun.

Both the Central Powers and Russia have been for months trying to induce Rumania to intervene on their side. Russia, having failed to obtain Rumanian consent to drive through her territory for an invasion of Bulgaria, sent the large army which had been amassed in Bessarabia to the Galician front, with the object, it is believed, of winning over King Ferdinand by inflicting a decisive defeat of the Austro-German troops there. The Teutons, if the latest Petrograd dispatches are correct, have taken counter measures and themselves heavily reinforced their Galician lines.

RUMANIANS READY. Three Army Corps Reported Massing on Bulgarian Frontier.

Special Cable Dispatch to The Sun. BUDAPEST, Jan. 1.—Italian Jews expelled by the Turks from Jerusalem report upon their arrival here that there is intense Russo-German activity in Jerusalem and Jaffa, especially in road building. German officers in great numbers are in the Holy Land, gathering recruits in the latest levy, which includes all able-bodied men from 17 to 60 years of age.

The Germans have assumed complete control of the railroads and have stopped the traffic of passengers and merchandise. Preparations for an expedition against Egypt are being hastened, and they have not yet been completed, and an attack on Egypt in the immediate future is, therefore, not looked for.

Unconfirmed reports received here today said that Rumania was concentrating three army corps, about 120,000 men, on the Bulgarian frontier. These dispatches hinted that the concentration had close connection with the Russian offensive on the Bessarabian frontier, and that Rumania was preparing to enter the war on the side of the Allies. Diplomatic circles, however, received the reports with reserve.

A despatch from Zurich, Switzerland, says: "The relations between Greece and Bulgaria are strained. Sofia papers charge Greece with conniving officially for the arrests of Bulgarian Consuls."

AIR RAID ON SALONICA. Bomb Aimed at Greek Detachment Kills Shepherd.

PARIS, Jan. 1.—A delayed official report, issued by the French War Office concerning operations at Salonica said: "During the day of December 30 aviators threw bombs on Salonica. One of these missiles, aimed at a Greek detachment which was manœuvring before Prince Andry, killed a shepherd at a distance of fifty yards. The material damages were insignificant."

GREEK KING STILL ILL. German Specialists to Operate on Constantine, Athens Hours.

Special Cable Dispatch to The Sun. LONDON, Jan. 1.—The Athens correspondent of the *Daily Chronicle* reports that although the health of King Constantine of Greece is improving the Government has decided to call in a specialist. Advices have been received that they have not yet been completed, and

FRENCH CRUISER, HIT BY TURKS, IN FLAMES

Dardanelles Shore Batteries Said to Have Twice Struck the Suffren.

CONSTANTINOPLE, via Berlin, Jan. 1.—The French armored cruiser Suffren withdrawn in flames after being hit twice by Turkish shore batteries at the Dardanelles last Tuesday, it was officially announced today.

The Suffren was built sixteen years ago and is one of the oldest French cruisers in service. Constantinople had previously reported her badly damaged by the Dardanelles forts.

MUNITIONS DESTROYED. PARIS, Jan. 1.—The following report of operations at the Dardanelles was issued by the French War Office, but was delayed in transmission: "On December 30, following a violent bombardment on the part of our heavy artillery, the Turkish batteries on the Asiatic side of the straits promptly lessened their fire. Several pieces of artillery of the enemy were damaged and a depot of ammunition was blown up."

LONDON NEW YEAR'S LIVELY. Many Soldiers on Leave Participate in Festivities.

Special Cable Dispatch to The Sun. LONDON, Jan. 1.—The usual New Year's Eve festivities took place in the London restaurants and hotels last night, but the sale of intoxicants ceased at 10 o'clock, according to the new regulations.

Many soldiers on leave and wounded men from the front participated in the festivities. The customary midnight crowd gathered outside of St. Paul's Cathedral notwithstanding the darkness.

Berlin Bars All New Year Festivities Like City of Dead. Special Cable Dispatch to The Sun. AMSTERDAM, via London, Jan. 1.—No New Year's festivities were held in Berlin this year. The German capital presenting the appearance of a dead city. Throughout the night the police prohibited the sale of meats and wines, as well as alcohol in other forms.

All restaurants were closed. The churches were brightly lit and were filled with people praying for peace.

Turks Ask Berlin for \$100,000,000. ZENITZ, Jan. 1.—Turkey has asked \$100,000,000 of Germany to meet a deficit in the Turkish Treasury, according to a report received here today.

The Story of Five Years' Telephone Development

New York City Now Has Over 400,000 Telephones

Table of Growth:

Year	Population	Telephones
1910	3,400,000	36,000
1900	4,300,000	190,000
1908	4,600,000	310,000
1911	4,800,000	401,000

The 400,000 mark was passed on December 24th, the day before Christmas. The total gain in telephones for 1910 was over 40,000. Through our Long Distance connections we reach over 5,000,000 telephones in the United States and Canada.

You may not realize it, but these statistics have an important significance for you as a telephone user. The usefulness of your telephone service is measured by:

1. The number of people with whom it enables you to talk.
2. The class of people it reaches.

Apply these tests to your telephone service here in New York City. Think of the number and class of the people that it enables you to reach. Think of the average speed and accuracy of the service and of the time it saves you. Surely it is a wonderful service fitted to the needs of a wonderful city. And its usefulness is constantly increasing, for every telephone added to the System makes it more valuable to you and to every other telephone user.

By the way, have you a Telephone?

NEW YORK TELEPHONE COMPANY
Every Bell Telephone is a Long Distance Station.

Advertisement Published January 2, 1911.

Today there are 614,671 Telephones in New York City!

FIVE YEARS AGO the advertisement reproduced above appeared in the New York City newspapers. It showed that there were at that time 401,000 telephones in the city. **Today there are 614,671 telephones in New York City—more telephones than there are in London, Berlin, Paris and Petrograd combined!**

During these five years while the value of the service has so greatly increased by reason of the greater number of telephones, there has been a substantial decrease in the rates charged to the public for service.

The addition of more than 213,000 new telephones in five years demonstrates in a striking way the practical, everyday usefulness of a service that contributes so greatly to the upbuilding of the city's social and business interests.

It indicates how much greater your opportunity now is to build up your business or to add to your pleasures by making liberal use of a service that is comprehensive and reliable at all times and under all conditions.

NEW YORK TELEPHONE COMPANY

Biltmore Ice Gardens
(BILTMORE HOTEL)

OPEN AIR SKATING

OPEN TO THE PUBLIC FOR THREE SESSIONS—DAILY
Except Tuesday and Thursday Afternoons, Saturday Mornings and Sundays.

GLASS ENCLOSED TEA ROOMS.

Dancing in the Glass Room after 10.30 P. M.

MORNING SESSION \$1
9:30 to 12:30

AFTERNOON SESSION \$2 Including Afternoon Tea
2:30 to 6:30

EVENING SESSION \$2 Including Buffet Supper
8:30 to 11

Exhibition Skating by ALFRED & SIGRID NAESS
OF THE HIPPODROME

Natzy's Music
Competent Instructors