

AUSTRIAN NOTE SETTLES ISSUES, SAY OFFICIALS

Settlement of Details in Sub Question of Secondary Importance.

"CASE CEASES TO EXIST"

Ancona Reply Satisfies U. S., According to State Department Authority.

MAY BE PUBLISHED TODAY

Penfield's Resume Wired to Wilson. Dumba's Successor Will Be Selected by Vienna Before Long.

The receipt of the official text of the Austrian reply in the Ancona case and certain developments in the Lusitania case brought intimations yesterday from the State Department, White House, and diplomatic circles that the entire controversy between the United States and the Teutonic powers over submarine warfare is practically at an end.

The settlement will be complete, it was said, when negotiations on several points of secondary importance are concluded.

As an evidence of the sincerity of Austria in her desire that friendly relations with the United States be continued, word was given out that Austria is preparing to send an Ambassador to this country to succeed Dr. Constantin Theodor Dumba, recalled at the request of the State Department some months ago.

May Be Given Out Today.

A copy of the resume from Ambassador Penfield was forwarded yesterday to President Wilson at Hot Springs, Va., and a copy of the note itself will be sent on as soon as available. Unless contrary instructions are received from the President the note probably will be made public today.

Officials of this government were plainly gratified by the attitude of Austria, and did not hesitate to express their belief that "the Ancona case, as an important issue, has ceased to exist." Official opinion generally was that the Austrian reply, so far as it deals with the principles involved, is all that could be desired by the United States.

The indications that satisfactory progress is being made toward the settlement of the Lusitania case were manifested after an early call by Count von Bernstorff, the German Ambassador, on Secretary of State Lansing. The outlook in this direction appeared so encouraging last night that it brought from an official, close to the White House, the optimistic prediction that the controversy with Germany will be settled within a week.

Austria Grants Everything.

A State Department authority said: "So far as our demands for an agreement on broad and specific principles are concerned, the Austrian foreign office has granted everything. It has, in fact, gone further than we had reason to expect. It is worth noting that Austria reverted to the principles set forth by this government in the first Lusitania note in which we contended that it was not only specific law but dictates of humanity which should govern warfare. Austria has agreed to this almost in specific terms.

"It will require analytical study to enable us to say officially that it is entirely satisfactory, as we now think what it is. It seems that the sole outstanding question is that of reparation. By this is meant indemnity only. Austria already has punished her submarine commander. Indemnity is essentially a question of fact, and questions of fact are always subjects of arbitration.

"We have gained the great points that Austria has put herself on record in subscribing to the dean of London, to international law, and to the humanities governing present warfare at sea."

The only statement which Baron Zwiédnek, chargé d'affaires of the Austrian Embassy, would make for publication was: "I believe that this note shows conclusively the desire of Austria to maintain and strengthen amicable relations with the United States."

Peace Doves Flutter Above Dinners As the New Year Is Ushered In

Probably the most unique welcome extended to the new year in the National Capital last night was that offered in the Hotel Occidental by its proprietor, Gus Buchholz.

The welcome was given by a flock of white doves which were liberated as the tall, old-fashioned "grandfather's" clock chimed 12. The doves circled above the heads of the diners and then, growing weary, alighted on chandeliers, draperies and wherever they could find foothold.

Pretty women among the diners caught some of the doves and then discovery was made that a white satin ribbon, bearing the name of some warring nation, written in gold letters, was tied to the leg of each of the doves.

GERMANS CLAIM SUCCESS.

Advanced British Trench in Artois Captured, Berlin Reports.

Berlin (by wireless via Sayville), Dec. 31.—An advance British trench northwest of Hulluch, in Artois, has been captured by the Germans, the war office announced today.

Allied aeroplanes bombarded Ostend, causing heavy damage and killing many. The official report follows:

"West front—After successful blasting the Germans conquered a British advance trench northwest of Hulluch. Some prisoners and two machine guns were captured.

"Enemy aircraft attacked Ostend (Belgium) causing heavy damage to buildings. The structure most seriously wrecked was the convent of the Sacred Heart. Nineteen civilians were wounded and one killed. No damage of military consequence was caused.

BATTLE RAGES IN BESSARABIA

Russians Repeatedly Attack Austrian Lines in Strong Force.

60,000 MEN AND 200 CANNON THROWN ON 3-MILE FRONT

Hand-to-Hand Fighting in Desperate Effort to Cut Through Into Hungary.

Special Cable to The Washington Herald.

Amsterdam, Dec. 31.—The Russians have concentrated 200 guns and three divisions of troops (60,000 men) on a front of three miles on the Bessarabian frontier, according to information received here from the eastern theater of war.

Twenty-two desperate assaults were made in succession against the Austrian positions, but all were repulsed. Desperate hand-to-hand fighting is now in progress.

The Russians are making a violent effort to cut through into Hungary.

Special Cable to The Washington Herald.

Paris, Dec. 31.—Gen. Castelnau, chief of the French general staff, who went to Saloniki to confer with the Anglo-French commanders and inspect the allies' defenses, has returned to France fully satisfied that the Bulgarians and Germans can never dislodge the allies from their positions in Greece.

While in Rome on his way back to France Gen. Castelnau gave out an interview in which he declared that the German allies would suffer tremendous losses of life if they attacked Saloniki. One of Gen. Castelnau's aids supplemented this interview by saying: "An offensive by the Bulgarian and German forces in Greece would cost them at least 150,000 men."

WELCOME FLASHED BY WIRELESS FROM IOWA

Local Amateur Catches Greetings Sent from Davenport to Rotary Club Head Here.

While whistles were blowing and bells were ringing last midnight amateur wireless operators throughout the eastern part of the United States were flashing a relay message to the president of the Rotary Club, of Washington, from the president of the Rotary Club, of Davenport, Iowa.

Promptly at 12:30 o'clock W. A. Parks, 1220 Jackson street northeast, one of Washington's energetic young wireless operators, caught the message, which made its final lap from New Rochelle, N. Y. The last operator in the relay was George Cannon, of New Rochelle. The message, signed "Oswald Barker, president of the Davenport Rotary Club," read:

"To the president of your local Rotary Club, and especially New York and Washington, a happy New Year to you and the members of your club. May the coming year be full of love, laughter, sunshine, and song."

Seven Negroes Slain by Poses.

Blakeley, Ga., Dec. 31.—Two negroes were burned to death and five shot and killed last night during a series of clashes growing out of efforts of a posse of white men to round up the slayers of Henry Whittipque, a plantation overseer.

Red Star Liner in Collision.

London, Dec. 31.—The Red Star liner Roddam was in collision and is being towed to Queenstown, says the Exchange Telegraph Company.

Home Secretary Reported Resigned.

London, Dec. 31.—The Daily News learns that Home Secretary Simon has resigned.

CABINET SPLIT IS REPORTED

London Papers Fear Resignations of Some Members Have Been Offered.

ENFORCED ENLISTMENT MAY HAVE BEEN CAUSE OF THESE

Sir Edward Grey, Reginald McKenna and Lord Buckmaster May Have Resigned.

Special Cable to The Washington Herald.

London, Jan. 1.—The cabinet's third and fourth meetings of this week, called to discuss the situation arising from the fall of Lord Derby's enlistment campaign, were held yesterday. The failure of certain members to attend gave rise to speculation as to their probable resignations.

The Daily News and Leader of this morning says that Sir John Simon, secretary of state for home affairs, has actually presented his resignation to Premier Asquith. His withdrawal from the cabinet has been predicted because of his opposition to the premier's conscription policy.

The fear was expressed on Thursday that Walter Runciman, president of the board of trade, who had failed to attend recent cabinet meetings, also might resign.

There were predictions in certain quarters, too, that Lord Buckmaster, the lord high chancellor; Sir Edward Grey, the foreign secretary, and Reginald McKenna, chancellor of the exchequer, might withdraw from the government, but the reported resignation of Sir John Simon has not come as a surprise, as it was stated Thursday that absence from the cabinet meeting would be taken as indicating an intention to leave the cabinet.

French Submarine Monge Sunk.

Berlin (by wireless via Sayville) Dec. 31.—The German admiralty today announced that the French submarine Monge had been sunk in the Adriatic by an Austro-Hungarian flotilla. The following statement was issued:

"An Austro-Hungarian flotilla consisting of five destroyers and the cruiser Helgoland on the morning of December 29 destroyed the French submarine Monge. The second officer and fifteen sailors were taken prisoners."

\$100,000 Fire at Hempstead.

Hempstead, N. Y., Dec. 31.—Several firemen were overcome and a number of families were driven from their homes in their night clothes when fire destroyed five stores in the heart of the town early today with a loss estimated at \$100,000.

British December Losses 18,549 Men.

London, Dec. 31.—British casualties on all fronts during December were 18,549, of which 1,001 were officers. These figures were compiled from the official lists published from time to time.

Capital Welcomes New Year With Great Din of Revelry

Merrymakers Have Boisterous Time in Cafes, Hotels and Streets, While Devout Folk Lift Souls in Prayer and Song in Quietness of Churches.

The revelry of jocund merrymakers mingled last midnight with the songs of praise of church attendants in proclaiming the birth of a new year—a year spotless and full of hopes and bright prospects.

The jangling of bells, tooting of horns, shrieking of whistles, clatter of rattles, jarring of tin pans, and boisterous shouts of downtown celebrants went up in a mighty din from the city, while in scores of churches of all denominations devout folk on bended knees lifted their souls in prayer as the organ notes floated fitfully over the assemblies.

Downtown Streets Crowded.

In the churches hymns of praise were sung, while in the cafes and hotels the big stringed orchestras and brass bands blared forth the latest rag-time music and the most luring dance music.

The streets of the downtown section were crowded with jocund folk. Every one had a noisemaking instrument of some description, and the tumult of sound that arose was deafening. A continuous stream of automobiles passed along Pennsylvania avenue, with the horns and sirens shrieking, the occupants blowing horns and jangling bells, and the engines repeatedly and purposely missing fire.

Then, as the hands of the big clocks pointed to midnight, the whistles of the factories on the outskirts of the city set up their weird shrieks, drowning all.

CONTINUED ON PAGE TWO.

President and Bride to Appear At New Year Reception Today

"First Lady of the Land" to Participate in Public Function for First Time—Society Folk and Mountaineers to Mingle at Hot Springs Hotel.

Special to The Washington Herald.

Hot Springs, Va., Dec. 31.—Woodrow Wilson and his bride will appear at their first public function here tomorrow afternoon, when several hundred guests and townspeople will meet the "first lady" at a public reception to be held in the hotel. While there will be no official color to the reception, it will, in reality, take the place of the New Year's reception, which has long been a custom at the White House.

It will be very informal, the guests merely meeting the President and Mrs. Wilson. Some of the most brilliant social lights of the county, however, will mingle with native mountaineers.

PEACE PARTY AT COPENHAGEN.

Forty Delegates Said to Be Preparing to Return to U. S.

Copenhagen, Dec. 31.—The Ford peace party arrived this afternoon from Stockholm. The ship has been tentatively chartered to take the delegates to The Hague. Only a few are expected to make the voyage to the Dutch capital, however as about forty members of the party are making preparations to sail for the United States from here.

In addition to the gift of \$2,500 announced yesterday for the Scandinavian peace societies another gift of \$10,000 was wired from the pacifists' special train for charity.

ASTOR IS MADE ENGLISH BARON

Native-Born, Expatriated American Is Honored by the King.

LORD CURZON IS AMONG THREE NAMED KNIGHTS OF THE GARTER

Former Virginia Beauty, Nannie Langhorne, Is Now the Hon. Nancy Waldorf Astor.

Special Cable to The Washington Herald.

London, Dec. 31.—William Waldorf Astor, a native-born American, was made a baron through the distribution today of the new year's honors by King George V. Three American women received titles. They are the wives of Sir Thomas Shaughnessy and Thomas Heecham, and Mrs. Waldorf Astor, daughter-in-law of William Waldorf Astor. Sir Thomas Shaughnessy also is a native-born American.

The distribution of the new year's honors was as follows:

Baronies—William Waldorf Astor, Sir Thomas Shaughnessy, Sir Alexander Henderson, Capt. Cecil William Norton and David Alfred Thomas.

Knights of the garter—Earl Curzon, the Duke of Devonshire and Viscount Lord Mersey.

Baronetcies—Admiral Sturdee, Sir William Goschen, A. A. Booth, chairman of the Cunard Line, and Sir Charles Johnson. Knighthood—Thomas Beecham.

Lord Curzon's High Honor.

Lord Curzon, whose second wife was the daughter of I. Z. Letter, the Chicago millionaire, receives the highest order in the British empire.

The American women to receive titles are Lady Shaughnessy, who is Elizabeth Nagle, of Wisconsin; Lady Beecham, who was Ullia Wells, of New York, and Mrs. Waldorf Astor, who was Nannie Langhorne, one of three famous Langhorne sisters of Virginia, known as the "Three Graces" for their beauty. She enters the charmed of the British peerage as the Hon. Nancy Waldorf Astor, and will receive the title of Lady Waldorf at the death of her father-in-law. Her 3-year-old son, Billie, becomes the Hon. William Waldorf Astor.

The New Year's list is a remarkable corollary on the growing power of the conservative party in the destiny of the British empire during its critical stages. It has been openly spoken during the past six years in the London clubs, that when the conservatives come into power Astor would receive his reward for "loyalty."

ANXIETY FOR GREEK LINER.

No Direct Word from Ship, but Message Says "All Well."

Special to The Washington Herald.

New York, Dec. 31.—There is anxiety for the Greek liner Thessaloniki, which has been more than thirty days en route to this country from Gibraltar.

Agents of the line declare they have been unable to obtain direct wireless communication with the steamer, despite the fact that wireless messages have been received by other vessels. No coast station heard from her today and the coast guard cutter Seneca, which has been searching for her since Thursday, reported late today that she had searched within seventy miles of the position given by the Thessaloniki but had been unable to find her.

Later a message was received from the Thessaloniki reading: "All well. Waiting nearest ship, S. S. Florizel, which is coming to our assistance."

Earlier that the master of the Thessaloniki was doing his utmost to make port without assistance in order to save salvage was persistent in steamship circles.

CHINESE REBEL PRESIDENT.

Nephew of Li Hung Chang to Be Proclaimed, It Is Reported.

Special Cable to The Washington Herald.

Pekin, Dec. 31.—It is learned that Li Ching Hai, former viceroy of Yunnan and Kwei Chow provinces and nephew of Li Hung Chang, is to be proclaimed president of the Yunnan confederacy immediately. The viceroys of Kwang-Si and Kuei-Chow provinces have telegraphed the Peking government that, while they are not associated with the Yunnan province, the monarchy must be abandoned and the republic maintained.

The key to the situation has become Szechuan province. Gen. Tsai-Ao is leading the Yunnanese army in that direction, and if he is successful all of South China will rise in revolt.

To My Patrons:

Many thanks for past favors, and wishing you all a happy and prosperous New Year. Ernst Gerstenberg, 1242 Pennsylvania avenue. Established 1885.—Adv.

GENERAL SESSION OF SCIENCE CONGRESS IS DEFERRED TO MONDAY

First Tangible Results of Pan-American Congress to Be Manifested in Resolutions on Various Subjects.

NEW WORLD IN DEFENSE UNION

John Barrett in Vigorous Speech Brings to Close the Campaign of Publicity Favoring a Closer Relationship Between Republics—Many Topics Discussed.

By JOSEPH P. ANNIN.

With a more or less startling warning of probable European aggression voiced by John Barrett, director general of the Pan-American Union, the propaganda of publicity in favor of a defensive union of all the American republics to present a united front of moral and physical force against European military power, virtually was completed yesterday as far as the second Pan-American Scientific Congress was concerned.

Mr. Barrett used very plain English in telling the Latin-American republics that as an attack against the United States from abroad would in effect be an attack upon their political integrity, it behooved them to join the big brother in the North in a defensive alliance of America for the Americans.

EIGHT MEN DIE IN BIG OIL FIRE

Twenty Others Injured at American Linseed Plant in Chicago.

WINDOWS FOR MILE AROUND SHATTERED BY EXPLOSION

Plant and Its Contents Valued at Millions—Naphtha Tank Exploded.

Chicago, Dec. 31.—According to the police of South Chicago, eight men were killed and twenty injured in an explosion in the plant of the American Linseed Oil Company at One Hundred and Tenth street and the Calumet River this afternoon. The building caught fire, following an explosion of a tank of naphtha in the metal room of the plant.

The oil jet got with a terrific roar that shook buildings within a radius of a mile and broke hundreds of windows. Burning oil, scattered by the blast, started fires in several parts of the building. Flames were shooting through the roof of the structure as the employees fled.

The plant is valued at a quarter of a million dollars and the contents three times that much.

BRITISH CRUISER NATAL BLOWN UP; 325 PERISH

Warship Smashed to Pieces by Internal Explosion While in Harbor, Admiralty Reports.

Special Cable to The Washington Herald.

London, Dec. 31.—The British cruiser Natal was blown up in its harbor yesterday afternoon, with a probable loss of 300 lives.

The official statement from the admiralty says the ship was wrecked by an "internal explosion." The admiralty statement reported that 400 of the Natal's crew of about 725 were saved. It is believed many, if not all of these, were ashore when the cruiser was sunk.

An investigation has been ordered, but the results have not been made public. News of the disaster was withheld from publication for nearly 24 hours until the admiralty had received accurate statements as to the number of survivors and the probable loss of life.

The Natal was commanded by Capt. Eric P. Black, R. N.

FIGHTING ON THE TIGRIS.

British Casualties Reported as 71 Killed and 300 Missing.

London, Dec. 31.—Gen. Townsend reports that the village which the British hold on the right bank of the Tigris, opposite Kut-el-Amara, was subjected to heavy rifle fire on Monday. An hour's armistice was agreed upon in which to bury the dead and remove the wounded who were lying in large numbers in front of the forts. The total British casualties during the Christmas fighting were three officers and sixty-eight others killed and 800 wounded with one missing.

Greece Makes Second Protest.

Berlin (by wireless), Dec. 31.—Greece has made a second and stronger protest to the entente powers against the erection of fortifications about Saloniki, according to reports received from Athens today.

Baltimore and Ohio to Baltimore, \$1.50 round trip every Saturday and Sunday; good returning until 3 p. m. Monday.—Adv.

Protecting the Public's Purse That is the Purpose of This Personal Guarantee of The Washington Herald

THE HERALD guarantees full money's worth to the purchaser of every article (not exceeding \$50.00 in price) advertised in the display columns of this paper by any Washington merchant.

YOU will find a duplicate of the above box occupying the right "ear" space at the top of this page where it takes its permanent position alongside The HERALD'S name-plate.

Guaranteeing to HERALD readers money's worth from HERALD advertising was inspired by the recent movement of the Retail Merchants' Association and various citizens associations of the District of Columbia looking to the suppression of fraudulent advertising.

Elbert Hubbard once said that the only thing you could afford to guarantee was that which did not need a guarantee.

And so it is with advertising of Washington merchants appearing in The HERALD. With all the advertising of Washington merchants carried in The HERALD during the past year we do not know of one case of dissatisfaction on the part of the buying public. Hence The HERALD'S money's-worth guarantee. The price limit of \$50.00 is made simply in order to confine the censorship to articles that can be properly appraised by the average merchandising man employed on a newspaper advertising staff. Should any case arise outside the \$50.00 guarantee figure, The HERALD can be depended upon to exert itself in the interest of the reader. Also this paper will take immediate steps to make impossible a recurrence of any such advertising.

The birds typified peace and their flight at the mystic hour of midnight in the height of the revelry with which the New Year was greeted created a deep impression. As the white birds circled just beneath the ceiling the orchestra played "The Star Spangled Banner," and the audience, standing, sang the national anthem, in chorus.

When the singing died down and merrymaking was resumed, it was seen that but one dove was uncaught. The bird nestled on the top of plush draperies which shielded a window and from the leg of the dove hung a white ribbon, on which was visible the word: "England."