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BIG GUNS POURED RUSSIAN FRONT

Battle Along the Sereth River May Be Greatest of the War.

(By the International News Service.) The battle of the Sereth is in full blast. Along a front of 200 miles from the Kasno River, in the area between the Carpathian Mountains and the Transylvanian Alps, eastward to the headwaters of the Danube, Field Marshal Von Mackensen, in the early hours of Christmas Day, opened what holds promise to become the biggest and most fateful offensive of the war.

With a "drumfire" whose ferocity is emphasized by the Russian war office bulletins, the big Teuton guns, emplaced in a huge semicircle fronting the Sereth and the southern border of Bessarabia, are battering the Russo-Rumanian defense positions and paving the path for infantry onslaughts upon whose success or failure hangs the fate of the entire southern line of the Russian front. From the Transylvanian ridges and the mountains whose ultimate goal is Odessa.

At some points the Teuton shelling was so terrific that, according to official admission from Petrograd the Rumanians and the Russian allies were forced to seek cover from their murderous hail. In other sectors, the invaders have already sent their infantry into battle, pushing back the defenders.

The center of Mackensen's attacking front faces the Pecos-Gaizala-Braila line. The Russian commander has ordered the battle lines to be shifted automatically to the south bank of the Sereth.

Teutons Close to Sereth. Meanwhile the Teutons are menacingly close to the middle course and, with a view to crossing there, are hurling an avalanche of steel into the defense lines. Already their infantry has pushed back the Rumanian troops in some places, according to the Petrograd statement.

Thrusting eastward against the river from the Vrancea Mountains, and on both banks of the Kasno River, the Teutons who on this front are probably under the immediate command of Gen. von Falkenhayn, who has marked time for weeks, pending the Dobruja developments, are aiming at forcing the Sereth, thus to force the whole Russian line on the mountain front to withdraw to the east and at the same time to outflank the bulk of the Russo-Rumanian army defending the vital southern Sereth line.

To the south of Rakevacheni, which lies 15 miles almost due west of Odessa, the Teuton line was shifted automatically to the south bank of the Sereth.

As if to emphasize just how fierce the shelling is, the Russian report goes on to state that the Teuton shelling is a counter attack, "but our defenses soon abandoned it again, as the enemy was sweeping it with shells."

The Russian war office describes the bombardment north of the Buzeu-Rimnicu-Sarat as "particularly fierce and indirectly foreshadows the fall of Rimnicu-Sarat by stating that the firing was 'extremely fierce' in the neighborhood of Drozgul, a small village in the immediate vicinity of the big rail head.

RAILWAY NET EARNINGS WILL TOTAL A BILLION Interstate Commerce Reports Show Phenomenal Increase for Year.

The net earnings of the railroads of the United States for the year 1916, will amount to more than \$1,000,000,000, under the conditions existing at the end of the year, according to reports of the Interstate Commerce Commission.

The commission has complete reports on the earnings and expenses of the railroads for the first nine months of the year and they show a phenomenal gain in the business and earnings of the carriers for that period.

The monthly reports submitted to the commission by the roads, show that the increased net earnings, which amount to a neighborhood of a hundred million a month, have increased by more than a million in the month of December.

First the tremendous increase in traffic due to the export business, incident to the European war has increased the gross revenues, and second the roads have generally reduced the ratio of operating expenses to the result. The net income has grown by leaps and bounds.

The general increase began shortly after the railroads were granted increased freight rates in the 5 per cent rate case, and the Western rate case and various related applications for higher rates, which covered practically the whole country. Immediately after these rates were advanced the monthly reports show that the operating expenses took a drop and the gross income increased.

SUES TO DEFEND CAT. New York, Dec. 25.—Alleging that she shot at his cat with an air rifle and also complained to the police about his cat, Nicholas Knox, 329 Stuyvesant avenue, has brought suit for \$1,000 damages against Mrs. Caroline Snow, wife of the Rev. Charles E. Snow, of 18 Agate court. Further damages of which the Supreme Court is asked to fix, are asked on the ground that the complaint about the goat brought to the Knox home a series of police visits which upset Mrs. Knox greatly.

JILTED TROOPER A SUICIDE. New York, Dec. 25.—Ezra B. Naylor, Jr., a member of the Seventh Regiment, was found yesterday morning, in full uniform, dead from gas in the kitchen of his home at Peekskill.

Vessel Flashes S. O. S.; Sinking Off Nantucket

New York, Dec. 26.—The steamship Maryland sent out wireless calls at 12:45 a. m. this morning, while sixty miles south-east of Nantucket, stating that the vessel was sinking rapidly.

The message was picked up by the steamer City of Savannah, which flashed a wireless message to the effect that she was going to the assistance of the distressed vessel.

There are two steamers of the name of Maryland. One is a Britisher, which left Philadelphia December 23. The other is owned by the Atlantic Transport Line.

FORM MONEY PACT Bank of England Named Correspondent of U. S. System.

A tremendous alliance between the financial organizations of the United States and Great Britain was outlined in a statement issued by the Federal Reserve Board here yesterday.

The board has authorized the Federal Reserve Bank of New York to name as one of its foreign correspondents, the Bank of England. The arrangement will link the two great government financial organizations in the world, for the conduct of international business.

The permission granted by the Reserve Board will be extended to all other Federal Reserve banks which wish to arrange for reciprocal business relations with the great British institution.

The statement issued by the Reserve Board said, in part: "The Federal Reserve Board has authorized the Federal Reserve Bank of New York to appoint as one of its foreign correspondents and agents, the Bank of England, London, England, under the terms of the Federal reserve act."

"Section 11 of the special permits any Federal Reserve bank with the consent of the Federal Reserve Board, to open and maintain banking accounts, in foreign countries, appoint correspondents and maintain agencies in such countries wherever it may deem best for the purpose of purchasing, selling and collecting bills of exchange."

Max Vieweger, Socialist, Gets Chilly Reception on Christmas Day.

Max Vieweger, who said he was a German Socialist, made a special trip from New York to Washington yesterday personally to wish President Wilson a merry Christmas, so he became very indignant when Chief Usher J. H. Hoover refused to admit him to the White House.

"I received a letter from the man in New York this morning," the man said, "and immediately boarded a train for Washington. I am supposed to wish the President the season's greetings and make a speech to the children who are at the White House today. I came directly here, just stopping long enough on the way to get a bowl of soup. And say, the high cost of living is getting to be something fierce! There was hardly enough of that soup to wet the bottom of the bowl."

Usher Hoover tried to reason with the man. The caller was neatly dressed and well educated. He said he is a translator.

"I suppose you think I am crazy," he ventured, "but I am not. I was very persistent and convincing. Vieweger told the officers, who gathered around, he was a Socialist and always voted the Socialist ticket. He was asked to go his way, but hotly replied that the only way they could get him away was to take him away."

"All right," said Hoover. "We'll call the wagon."

The patrol wagon from the Fourth Precinct was called and the man was taken to the Washington Asylum for observation.

GIVES GIRL \$20; KILLS HER. Pittsburgh, Pa., Dec. 25.—After wishing his relatives "a Merry Christmas and a Happy New Year" in a letter, found later in his possession, Harry Bruner, 37, of Kittanning, went to the boarding-house of his sweetheart, Miss Beatrice Bruner, on East Locock street, Dec. 25, this morning and after giving her \$20 as a Christmas present shot her dead when she refused to marry him.

Police Commissioner P. F. Walsh arched Bruner, who is being held to await the action of the grand jury. Commissioner Walsh said he intended to end his own life, but, after firing the three shots, discovered that the revolver was empty.

CAPITAL ENJOYS MERRY YULETIDE

General Festal Spirit Marks Holiday, with Poor Generously Remembered.

Christmas is over, and judging from the way it was celebrated it was a real Christmas. People will have a hard time getting back to normal again and this morning many will be wondering whether they would like to have such a big holiday every day or whether they are satisfied that it comes but once every twelve months.

Santa Claus missed no one on his annual visit. Rich and poor alike shared in the enjoyment of the day. The latter were especially fortunate and it is doubtful whether they were ever before remembered so generously.

Christmas is primarily a festive day, and it was all of that yesterday. The gay spirit was evident everywhere from early morning until late at night. Thousands of people either entertained at home, went to the theaters or other places of amusement or found some other festive activity. There was not a dull moment during the day and every person seemed happy.

Perhaps the greatest source of this happiness was in giving the poor of this city Christmas cheer. Through charitable organizations gifts, food and necessities were distributed to thousands. Hospitals and institutions of all descriptions were ablaze with the Yuletide spirit because of the thoughtfulness of those who have Christmas every day of the year as far as wants and luxuries are concerned.

The Gospel Mission, Central Union mission and the Salvation Army brought in their share of the festive day.

Continued on page six.

NEW CLUE IS FOUND IN PEACE NEWS LEAK

Fresh Evidence Develops in Probe Started by Representative Wood.

A new line of investigation was opened yesterday into the reported leakage of information concerning President Wilson's recent peace note.

Information reaching Representative William R. Wood, of Indiana, author of the resolution calling for Congressional probe of rumors that advance information had been secured by New York brokers and that government officials were involved, gave him a new "lead" which he spent a part of Christmas Day following.

The latest official whose name has been drawn into the "scandal" is said to have had access to copies of the note several days before it was formally made public. This time tallies with the dispatch of a letter to a New York brokerage firm, which is known to have had advance information that such a note was about to be issued by the White House.

Representative Wood commented yesterday on the statement of Thomas W. Lawson, who is reported to have made a fortune in the stock market break which immediately preceded official publication of the note, that he had advance information of the White House plan and that "another and bigger leak" would come next week.

"The man brags that he was aware through underground channels of the government's plans," said Mr. Wood. "That in itself ought to be sufficient to cause an investigation such as is provided for in my resolution."

Plans to press the resolution are being drafted by the Indiana Representative.

"If the committee fails to report the resolution," he said today, "I can force it out after several legislative days. I'm ready to smoke them out."

WAR LOSSES TO DATE TOTAL 15,500,000 MEN Russia's "Wastage" Alone Amounts to 8,500,000 of Her Soldiers.

By WILLIAM BAYARD HALE. (By the International News Service.) Berlin, via Sayville, Dec. 25.—A day or two ago I submitted some data based upon estimates given to me by a high military authority here.

Wage Earners Fight For Right to Live

Developments yesterday in the movement for increased salaries for government clerks:

1—Federal Union officials play Santa Claus to destitute government employees.

2—Norfolk Federal employes arrive to aid in fight for better wages.

3—Statistics being prepared at Union headquarters to help higher pay movement for poorly paid Federal employes.

4—District employes confident their request for 5 and 10 per cent raise will be granted by Senate.

5—Labor officials believe compromise will be effected in Senate.

'PARTY' GAINS AID Four More Patronesses for Belasco Fete.

Interest in the party to be given for the poor children of Washington Thursday morning by The Washington Herald, the management of the Belasco Theater and William Fox, Inc., continues to grow.

The entertainment to be provided, beginning at 10 o'clock, is the Annette Kellerman film, "A Daughter of the Gods."

Compilation of the list of guests is in the hands of the Associated Charities, which is aiding in every way to make the party a success.

All the guests will be children who, except for this opportunity, would have no chance to attend a holiday entertainment.

Four More Patronesses. The names of Mrs. Carl Vrooman, wife of the Assistant Secretary of Agriculture; Mrs. Ernest Knaebel, wife of the Assistant Attorney General; Mrs. Louis Brownson, and Mrs. Cato Sells, have been added to the list of patronesses, which already included Mrs. Thomas Watt Gregory, Mrs. Josephus Daniels, Miss Agnes Hart Wilson, Mrs. Philander Claxton, Mrs. Cuno H. Rudolph, Mrs. Frederick Siddons, Mrs. S. H. Shepard, and Mrs. Wesley Martin Stoner.

In a beautiful play of a few years ago, a charming and distinguished actress was called upon to say: "You do believe in fairies, don't you?" And entire audiences responded, "Yes," without shame or bashfulness.

"A Daughter of the Gods" is a fantasy without apology. Every mother will wish her sons and daughters to see this picture. Every friend of children will wish to bring them to see it.

For in this picture the wonders of Aladdin and his magic lamp are outwitted. No Caliph or potentate of a Persian kingdom could have duplicated the scenes of this picture.

With Queen of Fairies. Children may take the Queen of the Fairies by the hand and journey into Gnomes or Elfland to play and splash with the Little People. They will see the smoky mysteries of a witch's cavern, with the Witch of Badness and her broomstick riders at their sorceries. They will see the wave of a fairy wand drive away the evil spirits of the fairies, the half girl and half elf, will play for them on pink coral ledges under opaline skies and call their sisters from the far horizon on the edge of the world.

Beautiful girls dance and play with their pheasants, pigeons and kittens in the palace of the Sultan. Hundreds of boys sprit dance in the light of tropical moonbeams silhouetted against the Caribbean night.

Beautiful girls dance and play with their pheasants, pigeons and kittens in the palace of the Sultan. Hundreds of boys sprit dance in the light of tropical moonbeams silhouetted against the Caribbean night.

Scenes there are to make the eyes sparkle and the breath come faster—scenes of joy, of beauty, of happiness and kindness.

U. S. EMPLOYEES GET XMAS HELP

Co-workers See to It Underpaid Workers Have Holiday Cheer.

Christmas 1916 was made merry for many government and District employes who are working for salaries less than \$1,000 a year in the knowledge that Congress is preparing to grant them a substantial increase in compensation.

President H. M. McLaren, of the Federal Employers' Union, and other labor union officials who are working for a general increase for all government and District employes, played Santa Claus yesterday.

The union has been accumulating instances of employes whose salaries were so small that they would not permit of any enjoyment on Christmas.

In many cases these employes hesitated to accept charity because they were working, but their real condition was called to the attention of union officials by friends.

Early yesterday automobiles started out loaded with Christmas dinners, presents and toys, with the result that Christmas 1916 was made a merrier and a happier one for thirty-seven families. The money for this relief was furnished by clerks and employes in departments who were familiar with the condition of the men, which many of the subordinate employes were living.

And in every case it was pointed out that the gifts were not offered in the name of charity but for the purpose of spreading the holiday spirit by fellow employes who were enjoying it to a greater degree.

A delegation of Federal employes from the Washington Herald, the management of the Belasco Theater and William Fox, Inc., continues to grow.

LEAGUE MAY REVEAL SECRETS OF ELECTION

Will Supplement Efforts of Congress to Obtain Corrupt Practices Act.

With a view to supplementing the efforts of Congress to frame a stringent and at the same time efficacious corrupt practices act, a special session of the National Popular Government League has been called for a conference here on January 5 and 6. Leaders from a dozen States are expected to attend.

In view of the fact that opposition not heretofore suspected has developed with regard to the payment of the members of the league in Washington, which some startling disclosures regarding recent election expenditures—some estimate place them as high as \$25,000,000—are possible.

In the course of the conference, Judge R. M. Wainmaker, of the Ohio Supreme Court, will address it on the so-called Gateway amendment, providing a simpler method for the amendment of the Federal Constitution. Prof. L. Jerome Johnson, of Harvard, will discuss the preferential ballot; Carrie Chapman Catt, president of the National American Woman Suffrage Association, will describe woman's part in recent efforts at political reorganization; and Senator Poindexter, of Washington, will discuss some new ideas regarding the uses of the referendum in his home State.

CONGRESS NEW YEAR QUIET LIKE SHILOH

Factional Fights Over Speakership and Senate Seniority Loom Up.

Political observers yesterday foresaw some interesting politics in both Houses in the Sixty-fifth Congress. Some House Republicans are in revolt against James R. Mann's leadership. Representative A. P. Gardner, of Massachusetts, assumes to lead this movement.

Progressive Republicans are fighting the Old Guard in the Senate and the Senate Democrats are widely split over a successor to John W. Kern.

The election over, Republicans and Democrats have cast aside party harmony and apportioned the next two years to the payment of old scores within their respective parties. Here is the way the three "isms" line up:

Representative "Gus" Gardner, of Massachusetts, Roosevelt supporter in the last convention primary, is after the scalp of Mr. Mann, whom he accuses of being "pro-German." Progressive-Republican Representatives including Wendell McCormick, of Illinois, are expected to join the Gardner faction.

John D. Plays Santa To Telephone Girls

(By International News Service.) Yonkers, N. Y., Dec. 25.—John D. Rockefeller and Mrs. Finley Shepherd played Santa Claus to the local station telegraph and telephone employes today.

To all they gave \$10 gold pieces. Mr. Rockefeller sent with his gifts an engraved card reading: "With all good thoughts and sincere wishes for a Merry Christmas."

Mrs. Shepherd enclosed her gifts in white enameled boxes. She also remembered the station employes and telephone girls at Irvington.

VILLA WINS AGAIN

Defeats Carranza Force in Coahuila—Situation Acute.

(By the International News Service.) El Paso, Tex., Dec. 25.—Villa troops defeated a large force of Carranzistas near San Pedro in Coahuila, according to reports received here today by the military authorities and by mining men. The Carranza army had been dispatched from Monterey to aid the troops at Torreon under attack by the bandit army.

Villa received word of the advance of the relief force and sent out an army to intercept and flank the Monterey troops.

The battle was sharp and decisive and the defeat of the Carranzistas was overwhelming. Further confirmation of the latest of Villa's victories came tonight in reports to Gen. Funston's secret agents.

Confirmation of recent Villista successes in Southern Chihuahua coupled with unofficial information regarding further successful activities on the part of the bandit leader in the State of Coahuila, have served to render more acute the Mexican situation as viewed from Washington last night.

It is broadly hinted here by officials of the government that a continuation of the victories by Francisco Villa may, within a few days, result in the withdrawal of recognition of the government of First Chief Venustiano Carranza as the de facto government in Mexico.

To withdraw recognition of the Carranzista government would carry no obligation to recognize Villa or any of his following, but would be an indication to Mexico that its status as an organized government had again been reduced to that existing when the forces of the so-called conventional government under Villa, and the constitutionalists holding allegiance to the First Chief, were battling for supremacy throughout the northwestern sections of the republic.

BOMB FOUND BESIDE UTAH GOVERNOR'S HOME

I. W. W. Suspected of Attempt to Avenge Joe Hillstrom's Death.

(By the International News Service.) Salt Lake City, Dec. 25.—A bomb that would have blown the house to atoms, was found at the corner of Gov. William Spry's residence this morning.

The temperature was not low enough to cause an explosion, but the plot is believed to have been the work of I. W. W.'s, who have repeatedly threatened, and it is charged, tried to wreak vengeance on the governor for his refusal to prevent the execution of Joe Hillstrom.

Gov. Spry had been attending the governor's conference in Washington and was due home yesterday afternoon.

On account of the snowstorms, however, he did not arrive until today.

COMMUTER AND BUNDLE WIN. New York, Dec. 25.—William A. Schacht, lawyer, has won a victory over the New York Consolidated Railroad and the Brooklyn Rapid Transit Company, which should prove of great encouragement to the commuter who carries bundles.

Schacht obtained a verdict for \$50 against the two railway companies in a suit for \$25,000 damages for false arrest. On May 29, 1915, the lawyer bought some screens for his home. When he reached the Essex street station of the Manhattan Bridge line, passage was refused him at the turnstile. His insistence that he be permitted to ride resulted in his arrest.

SWEDEN TO BACK NOTE TO POWERS

Norway, Too, Believed Ready to Follow Lead of Switzerland in Peace Demand.

ACT MIGHT CLOUD ISSUE Feared that Swedish Pro-Teuton Sympathies May Arouse Dangerous Suspicions of Entente.

Washington last night prepared for a general chorus of indorsement by the neutral nations of the world of President Wilson's move toward peace in Europe.

The nature and form of the Swiss note, pledging support to the President's peace policy, was accepted as practically guaranteeing prompt action by the other neutrals. Washington diplomats declared that the Scandinavian nations could be expected to fall into line behind the President's proposals, and it was stated authoritatively last night that Sweden would probably forward a general indorsement following closely the form of the Swiss note within a few days.

Unofficial advices from Bern, Switzerland, stated flatly that the Swiss federal council understood before dispatching their note that a similar communication to the belligerent powers would be forthcoming from Sweden at once. Diplomatic circles here declared last night that the Swedish note was well worthy of credence and that the diplomatic situation was shaping itself in the direction of a general indorsement of the President's demand on the belligerents, without loss of time.

Think Sweden Will Indorse. W. A. F. Ekenberg, the Swedish Minister, said that while he had not been officially notified by his government that a peace note was on its way or in the course of preparation, he felt confident that Sweden would indorse the President's stand. Sweden for more than a year has been active in her efforts to secure some concert of action among the neutrals in their dealings with the belligerents.

Minister Ekenberg some time ago sought to secure the cooperation of the United States in a peace program to be followed by neutral nations, but President Wilson declined to enter any "engaging alliances" at that time. Since the German peace proposals were forwarded to the entente nations, Sweden, where the sentiment is generally pro-German, has been more than ever anxious for peace negotiations.

An overtone of indorsement of the President's proposals by Sweden at this time, administration officials said tonight, might prove embarrassing rather than helpful. The accepted pro-German tendencies in Sweden, it was stated, might serve to further complicate the difficulties which President Wilson's proposal confronts in the entente nations. It was forwarded so closely on the heels of the German peace advances.

Wants Other Support First. For this reason, there was a feeling that the cause of ultimate peace might be better served, if other neutral nations, not so closely identified with the war zone, came forward to the support of the President before Sweden's note was sent.

Whether any general understanding among the neutrals of the world as to the time of forwarding their notes approving the President's course has been arranged, could not be determined here last night. Such an understanding, if it exists, will probably delay Sweden's communication until some of the other neutrals have stated their views.

Washington will watch with deep interest the course to be taken by Norway. Since the beginning of the war, Norway has been at odds with the Teutonic powers. She has suffered heavily from submarine warfare, and her sympathies have been largely with the entente allies. An indorsement of the President's plan by Norway would go far toward making clear that the President's peace move is in line with the sentiment of the people of the German peace proposals.

Four More Neutrals Will Back President Berlin (via Sayville), Dec. 25.—All of the three Scandinavian countries and Holland are about to fall in line with the United States in the effort to bring the belligerents together at a peace conference, according to reports received today from various sources.

The Berner Tagblatt says there is a rumor that the three Scandinavian governments will immediately hold a conference to discuss ways and means for furthering the peace agitation and prevailing upon the warring powers to state their respective conditions.

The Neue Zürcher Zeitung reports from the Hague that Holland will probably issue a note similar to that sent by Holland.

Germany Will Swap Terms with Entente Amsterdam, Dec. 25.—"If the allies are willing to state their terms of peace, we are ready to state ours."

"The manner of communicating them is of secondary consideration. We will go more than half way to bring about an exchange. But an exchange it must be, simultaneous and in good faith."

"In no circumstance will we lay our cards open on the table unless the entente is ready to do the same."

Couched in the friendliest language at the disposal of diplomacy, that in substance will be the central power's answer to President Wilson's note, according to confidential advices from Berlin.

Alfred Zimmermann, Germany's new secretary of foreign affairs, last night had dinner with Emperor William. It is understood that on this occasion, the Kaiser gave the plot of his empire's foreign policies a clear outline of what should be the reply to President Wilson's "get-together message."

That reply, however, will not be Germany's alone. It will be the answer of all the central powers, though the German government may, as in the case of the peace proposal, act as the spokesman.