

RUSSIA WILL CONTINUE THE WAR

Count Cassini Says Loss of Fort, After Suca a Defense, Will Spur Russia to Ultimate Victory.

NOW HAS A FRESH INCENTIVE.

News Created a Profound Sensation in London and Paris—Yamagata Praises Stoesel.

Washington, Jan. 2.—Although he had no official news regarding the surrender of Port Arthur, Count Cassini, the Russian ambassador, had no hesitation in reiterating what he has repeatedly announced, that the loss of Port Arthur would not have the slightest effect on Russia's determination to fight to the end.

"Russia," says Count Cassini, "will pursue the war to the end, and the temporary loss of Port Arthur after such a valiant defense can only spur Russia on to an ultimate victory."

Mr. Rogoro Taniuchi, the Japanese minister, was asked whether, in the opinion of the Japanese government, the loss of Port Arthur would have any effect on the determination of the Japanese government to continue the war to the end.

"The Japanese always will be for peace, if justice can be obtained for all concerned. Japan started in this war fighting for a principle, and she will continue to fight for a recognition of that principle and the just attainment of her rights."

The advice received at the Japanese legation says that Gen. Nogi accepted the terms of surrender proposed by Gen. Stoesel.

SENSATION IN LONDON.

London, Jan. 2.—The capitulation of Port Arthur was the sensation of London today. It was the one topic of discussion from the street corners, where groups were sheltered from the driving snow, to the comfortable service-club, the legation, and the residences and offices of cabinet ministers.

Everywhere the utmost admiration was expressed for the defenders and the attacking army and the probability that Gen. Nogi has made concessions to the gallant Gen. Stoesel is received with much satisfaction.

The announcement of the fall of the Russian stronghold created little surprise in official and diplomatic circles, where it had been discounted by recent events. It was known as early as last October that, notwithstanding the brave showing in the official dispatches, Stoesel's resources were nearly at an end.

Nowhere, not even at the Russian embassy, was there a doubt concerning the generosity of the Japanese in the arrangement of the final terms. In diplomatic circles the main question was that of the effect of the surrender. The consensus of opinion was that it might tend in the direction of peace, but none dared venture to say that peace is in sight.

It is believed it will do no more than to bring out suggestions from foreign governments. At the foreign office it was stated that the British government's attitude is unchanged; that while peace is most desirable, affairs have not reached a stage where any foreign power could hope to offer its good offices with the assurance that it

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would be considered as friendly by either of the belligerents.

At the Russian embassy the same spirit of determination to prosecute the war to the bitter end was expressed. In fact, it was confidently asserted that Russia would only regard the surrender of Port Arthur in the light of a fresh incentive and will spare no efforts for its recapture.

First Secy. Poklewsky-Kozel, in the absence of Ambassador Benhardoff from the embassy, gave voice to this sentiment when he said that he felt satisfied the surrender of the fortress would only serve to put forth her whole strength in the spring with a view to retrieving the situation.

The general tone at the Russian embassy formed a striking contrast to the cheerfulness and activity prevailing at the Japanese legation. Minister Hayashi, who was the recipient during the day of hundreds of telegrams of congratulation from all parts of Great Britain and other countries, and official dispatches confirming the news from Tokyo were received at frequent intervals.

Minister Hayashi was interviewed, but declined to discuss the probability of peace negotiations. He said, however:

"The fall of Port Arthur will, at any rate, end the horrible slaughter in one part of the theater of the war and I sincerely hope that in some way it will facilitate final peace. This depends upon Russia and not upon us. It may strengthen the determination of Russia to continue the war at all costs. Its effect upon Japan, however, cannot be doubted. Our fleet is free, and the release of the besieging army gives us increased forces available for service elsewhere. Our base becomes more secure than ever."

Speaking of Gen. Stoesel, Minister Hayashi said:

"The surrender will in no way affect the glory belonging to him and his men, nor our admiration for their splendid defense."

Baron Suymatsu, son-in-law of Marquis Ito and former Japanese minister of the interior, said:

"Now that we have again got Port Arthur we shall not allow any other power to hold it after we have beaten Russia, and I am now more than ever confident that Japan will be victorious. I do not expect the fall of Port Arthur will make much difference in the progress of the war, although Japan will undoubtedly be in a better position."

In British naval circles the prevailing opinion is that the recall of the Russian second Pacific squadron has now become an absolute necessity.

COMMENT OF PARIS.

Paris, Jan. 2.—The news of the surrender of Port Arthur created a profound impression here and was the universal theme of conversation in official and diplomatic quarters and the public generally. The newspapers discuss it at most length and in a tone of sadness. The Russian officials have learned the situation from dispatches received a brief official summary of the progress of negotiations.

The prevailing French view is summed up by the Temps, which says the historic defense of Sevastopol has now been surpassed. Port Arthur adds a glorious page to military annals, which will long remain unequalled. Continuing, the Temps points out that the surrender will exert a tremendous moral effect favorable to Japan. The Japanese paper says are now re-venued for the loss of Port Arthur after the China-Japanese war.

French military circles regard the

surrender of Port Arthur as rendering Gen. Kurapatkin's position increasingly dangerous, as the besieging army of 80,000 men is now released and will reinforce the Japanese army in the north. It is expected that Admiral Robstovskiy's squadron will proceed to further in the direction of the seat of war.

The hope is expressed in some official quarters that the surrender of the fortress will hasten peace, but the prevailing view is that the fall will accentuate Russia's resistance. Some Paris journals assert that Japanese occupation of Port Arthur will constitute a menace to all Europe, which the characters should prepare to meet.

EARL ROBERTS PRAISES STOESEL.

London, Jan. 2.—Gen. Stoesel's defense of Port Arthur has excited the admiration of Earl Roberts, commander-in-chief of the British forces. "It has been a magnificent defense," said the veteran fighter enthusiastically. "What a splendid fellow he is, to be sure. How all the world will admire him!"

Field Marshal Viscount Wolsey and Maj.-Gen. Baden-Powell also pay enthusiastic tributes to Gen. Stoesel, Gen. Baden-Powell saying:

"It is an honorable surrender after a splendid defense."

St. Petersburg, Jan. 2.—The intensely cold weather which prevails in the center of Russia has caused a temporary suspension of the mobilization and movement of troops. Today the temperature is 40 degrees below zero, Fahrenheit.

FOUR HUNDRED BABIES.

St. Vincent's Infant Asylum Chicago, Illinois, reports that during the year 1904, there are nearly 800 babies there. Sister Julia writes: "I cannot say too much praise of Peabody's Honey and Tar for coughs, colds, croup and whooping cough. It contains no opium and is safe and sure. Ask for Peabody's Honey and Tar and insist upon having it, as it is a safe remedy and certain in results. Refuse substitutes. For sale by F. J. Hill Drug Co."

PEABODY SCHEMES MAKING HEADWAY.

Denver, Colo., Jan. 2.—The cause of Gov. Peabody made a distinct gain this evening as the result of the caucus selected W. H. Dickson of this city as speaker of the next house of the Colorado legislature. Although Mr. Dickson has been a resident of this state for less than a year, he is a native-born citizen in the interest of any Republican faction, but his candidacy was pushed by the friends of Gov. Peabody and his selection by the caucus is regarded with much complacency by the Peabody people.

Frank W. Frewen of Teller county was the candidate of the Wolcott faction and he made a strong fight for the speakership, but he was defeated and justly so, as he was nominated by a caucus and he was nominated by a caucus.

The Republican leaders have not yet determined positively upon their line of action after the legislature is opened. It is possible that Harry C. Riddle, one of the three members of the Peabody caucus, will be elected to a report to the legislature declaring that there was much fraud perpetrated in Denver against the candidacy of Gov. Peabody, while his two fellow commissioners simply report on the election returns less those districts thrown out by the supreme court.

The legislature would then have for its consideration virtually a majority and minority report on the election and election in the city of Denver. Some of the leading Republican politicians say that this will not be done, but the attorneys who are handling the case for Gov. Peabody say that it will be done.

At another plan that is meeting with favor among many members of the legislature is to follow the action of the supreme court in reviewing the ballots in those four cases on the public statements of ex-Congressman Shaferth who announced that 2,000 fraudulent votes had been cast for him at his election. Four of the senators who were elected at the same time by pluralities approximating 4,000. The Republican leaders reason that if there were 7,000 fraudulent votes cast the four men who had pluralities of 4,000 could not have been elected.

Chairman D. B. Partridge of the Republican state central committee declared this afternoon that it was an error for anybody to claim that the state constitution required the inauguration of the new governor on the first Tuesday after the first Wednesday of the legislative session.

The state constitution expressly provides, said Chairman Partridge, "that the governor shall hold over until his successor has duly qualified. There is no getting around that, and Gov. Peabody will hold his seat until his successor has qualified properly."

GOV. TOOLE INAUGURATED.

For the Third Time He Takes The Oath of Office.

Helena, Mont., Jan. 2.—Joseph K. Toole today took the oath of office for a third time as governor of Montana. The inauguration ceremonies were simple. Associate Justice W. L. Holloway administered the oath, in the governor's reception room, at noon, in the presence of many well known citizens. The usual inaugural ball will be dispensed with, but this afternoon the governor and Mrs. Toole held a public reception at the executive residence.

Other officers inaugurated today were: Theodore Yoder, secretary of state; H. R. Cunningham, auditor; Albert J. Gale, attorney-general; J. H. Rice, state treasurer; and W. E. Harmon, superintendent of public instruction, all Republicans. Gov. Toole is a Democrat.

Misses Helgeson of Fergus county was elected speaker of the house of Representatives. The first ballot will be taken for United States senator to succeed Paris Gibson. The Republicans have a majority of eight votes on joint ballot.

Storekeeper Murdered.

Grant's Pass, Or., Jan. 2.—Patrick Dunn, an agent storekeeper on the Grant's Pass-Crescent City stage road, has been found murdered in his place of business. His head was crushed to a pulp. From the appearance of the place, it is evident that the crime took place two days ago, for purposes of robbery Dunn had accumulated a considerable sum from the profits of his business, and he had little faith in banks.

INDEBTEDNESS OF GREATER NEW YORK

The Gross Funded Debt Amounts To Nearly Half What the United States Owes.

MANY IMPROVEMENTS NEEDED.

Attempts to Administer Business of A Great City Through Bi-Partisan Boards is a Failure.

New York, Jan. 2.—A gross funded indebtedness amounting to nearly half as great as the total national debt, and a yearly average growth and expansion so immense that every effort to keep abreast of it in necessary improvements has failed, is shown in the annual message of Mayor George B. McClellan, which was submitted to the board of aldermen today. In all the great department the necessity for immediate extension is shown. In this connection the mayor says:

"The numerous evidences of the city's amazing development, which give so much satisfaction to the people, at the same time suggest important plans for the future. Expenditures in this direction now will, I feel sure, be regarded as judicious and economical investment when the city of four millions has attained ten million inhabitants."

The present system of water supply, which has a capacity of 257,000,000 gallons per day in the boroughs of Manhattan and Bronx alone, is inadequate, and a plan to expend immediately \$90,000,000 in acquiring water sheds and building aqueducts and sewers is approved.

Although 22 new school buildings, emerging from the city's financial straits, were completed, and many additions to existing buildings made during the year, affording accommodations for more than 57,000 pupils, many thousand children are obliged to attend part-time classes. Contracts have been let for 19 new school buildings and 29 additions, which will provide 45,000 new seats, at a cost of nearly \$5,000,000; but, in view of the average yearly increase, part-time classes will be in order next year of the police force, which is now made up of 8,291 officers and men, the mayor says:

"The police force of the city is an inferior organization, the point of numbers. The force has not increased proportionately with the population, property value and the needs of the five boroughs. It is almost impossible, therefore, to afford the people of this city at all times the fullest measure of police protection to which they are justly entitled. Any application, therefore, for an increase in the city's patrol force will be regarded as timely and most reasonable."

There is an urgent need also for the extension of the fire department system, in spite of the fact that 413 firemen were added to the force during the past year.

The rapid transit system planned but four years ago already has been over-taken, says the mayor, and the city has been put to new projects to keep pace with its expansion.

In favoring municipal ownership and operation of an electric lighting plant to light the streets, parks and public buildings of New York the message says:

"I do not believe that the government should engage in any service which can be done better or as well by private enterprise, or should invade business fields in competition with the legitimate trade of the citizen. The prices which the city is compelled to pay for gas and electric light, however, are so out of proportion with the charges in other cities that they must be extortionate."

The message says that the attempt to administer the business of a great city through a bi-partisan board has proven a signal failure in the city's experience at a bi-partisan police board and a bi-partisan aqueduct commission. In his proposal concerning the adoption of the plans for an increased water supply, therefore, the mayor will recommend an enactment by the legislature placing the work in the hands of a commission, one member to be certified by the chamber of commerce, another by the American Society of Civil Engineers, and the third to be chosen by the mayor.

A statement of the city's financial condition which was included in the message shows a gross funded debt of \$58,266,517. Against this there is a sinking fund of \$17,330,352, leaving a net funded debt of \$40,936,165. The present borrowing capacity of the city is \$68,326,725.

The total national debt December last was \$1,282,885,578.

Duel With Pistols.

Vienna, Jan. 2.—A duel with pistols between Aurel Batonski, who is well known in America as a whip, and Count Szecseny was fought today. The former was wounded in the left arm.

TEA

We don't mind the money—the moneyback money—there isn't much of it.

Your grocer returns your money if you don't like Schilling's Tea.

A Card For You

Good resolutions are now in order. Make up your mind to see the Men's, Boys and Children's Suits and Overcoats we are selling before you buy anything in clothing. Reduced prices. Everything new. No old stock. Here's a hint or two to attract you to the bargains.

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