

WILSON'S PLANS FOR THE UNDERGROUND SUDEN CHANCE

British Paper Speculates Upon "Precise Causes."

LONDON VISIT UNEXPECTED "Business Which Arrangements Previously Contemplated Hardly Stemed to Imply."

London, Dec. 19.—President Wilson will probably be the guest of the king at Buckingham palace during his visit to England. This official announcement was made tonight.

London, Dec. 19.—There is undisguised confusion in American centers here as the result of the change in President Wilson's plans regarding his coming to London, and the most directly interested are anxiously waiting an official notice of the President's early coming, which was not to be had up to noon today.

With nothing more definite than the British official announcement of last night to work upon, the naval representatives are making endeavor to reach American headquarters in Paris to learn what they can concerning the President's trip.

In the absence of such notification, it is recalled that the President is reported to have ceased to consider himself an official guest of France when the official reception ceremonies ended.

It was suggested in American centers today that the President might come to England in a French or British vessel, although there is nothing available at the British admiralty to show that such plans are contemplated at present.

All of the American battleships that were in European waters have sailed for home, but there are plenty of American destroyers for the escort of any vessel bearing the President.

The reception of the President in London will not be participated in by the American ambassador, according to indications.

PRESIDENT TO VISIT PERSHING ON CHRISTMAS

Paris, Dec. 19.—President Wilson's Christmas plans were confirmed by his departure from Paris on Christmas eve for Chaumont, American headquarters, on General Pershing's special train.

American Ambassador Sharp, as dean of the diplomatic corps, has arranged to present all the ambassadors and ministers accredited to the French government, to President Wilson on Friday at the Murat palace.

SOME CONFERENCES TO BE HELD IN ENGLAND?

Paris, Dec. 19.—American observers deduce from the pressing invitation to the President to come to England during Christmas that some conferences of the statesmen with the President there would logically follow.

It appears to be virtually settled that all the actual peace conferences will be held in Paris and that the informal exchanges which will lay the ground work for the final deliberations, also will be carried on here.

HARDING BEFORE HOUSE BANKING COMMITTEE

Urges Legislation Authorizing Reserve Banks to Increase Surplus to 100 Per Cent.

Washington, Dec. 19.—Appearing before the house banking committee today in support of Chairman Phelan's bill to amend the federal reserve act, Governor Harding, of the federal reserve board, urged immediate legislation authorizing increase of federal banks' surplus to 100 per cent of their paid-in capital stock.

Although profit is not and should not be the primary object of the federal banks' operation, Governor Harding said the banks' activities have been so remunerative that several banks, if the proposed legislation is authorized, would have 100 per cent surplus January 1 and that all would have that surplus by next July 1.

The board views with some concern the large amount of outstanding federal reserve notes," the witness said, "but the banks have been obliged to support the government in its financing and we now hope we can reduce the outstanding notes."

Federal reserve banks' earnings, Governor Harding said, cannot be used as any considerable asset toward paying of the national debt, now about \$20,000,000,000. Such earnings, he declared, would be a mere bagatelle.

PROPOSAL TO SINK SURRENDERED GERMAN WARSHIPS INTERESTS WASHINGTON

Steps Initiated in Senate to Obtain Official Statement of Facts. Indications Are Congress Will Oppose Such a Measure. Press Report From Paris Leads to Wide Discussion in Naval Circles—Senator Lodge Offers Resolution.

Washington, Dec. 19.—Press dispatches from Paris saying that the American peace delegates, with British support, will urge the sinking of the surrendered German warships as the solution of the problem of their disposition, led to initiation of steps today in the senate to obtain an official statement of the facts and to widen discussion in naval circles.

The first published suggestion that the ships be sunk came from London several days ago, but even before that, it was learned, this had occurred to some naval authorities here as one possible way of settling a vexing problem.

Admiral Benson, naval adviser to the American peace delegation, has been in Europe some time. His views, worked out with Vice Admiral Sims and the French ministry of marine, will have great weight with the American delegates on naval questions arising at the conference, but there is much to be said for the view, the conclusion he may have reached on the disposition of the surrendered craft.

There were many indications today that a proposal to sink the ships would meet strong opposition in Congress.

The Paris dispatch prompted Senator Lodge to introduce today a resolution calling on the state department for information as to whether the American delegates are advocating destruction of the enemy ships, and if so, by what authority.

While the impression has been given that the navy department would probably not look with favor upon sending the German ships to the bottom, some officers pointed today to practical obstacles to absorption of the surrendered vessels by the allied and American navies.

They said that, owing to the differences in design and equipment between the capital craft of the German fleet and those of any other naval power, the military value of the ships to the victors is far from as great as might be thought.

The German ships were built, it was explained, on theories that differ fundamentally from British, American, French or Italian ideas of naval construction. Only in the case of the most modern German dreadnaughts or battle cruisers, one officer said, would the extensive reconstruction necessary to make them part of homogeneous fighting fleets be justified.

As a peace-time element of the navies of the associated powers some officers were inclined to think that the chief value of the surrendered capital craft would be as trophies of the victory, to be pointed to as an object lesson to any other power that might become swelled with ambition of world conquest.

ONLY VERY POOR HUNS PLANNED ARE SUFFERING REVOLT IN 1918

Correspondent Finds Well-to-Do Germans Feasting. In Rhine District One Is Baffled by the Appearance of Plenty in the Stores.

BY PERRY ROBINSON. Special Cable to The Observer From The London Times. (Copyright, 1918, by Public Ledger Co.) With the British Armies, Dec. 19.—The occupation of our 18-mile bridgehead across the Rhine has been completed without incident. I have visited our advanced positions on the frontier territory north and northeast of Cologne. At each place, such as Benrath, Hildren, Ohlligh and Solingen, I found our cavalry posts already going about their work as if they had lived there for weeks, the population according to their presence with singular unconcern.

Sometimes one catches the eye of a man or woman which is ablaze with hatred. How could it be otherwise? But I have met with no single instance of such a gaze in Germany. Half the people seem curious and the other half indifferent. The children cheer the British troops and not seldom women wave their hands.

In Solingen, as everywhere else, one is baffled by the appearance of plenty, even luxury, in the shops and confectioners' windows. Yet the people complained of the slenderness of the ration and are honestly uneasy over the immediate outlook. The army had enormous stocks of food in the areas behind the front, but these were pillaged and wasted when the great collapse began. Reserve troops on the lines of communication broke loose and robbed the trains and plundered the depots. The stores of stored food or selling it to the inhabitants for paltry prices. In the area I visited today the ration recently was reduced to one-half pound of bread, one pound of potatoes daily and three-quarters of a pound of meat each week.

I was told in Solingen the supplies would last between two and three weeks. All of this region is a prosperous industrial country where the activity is great and earnings were large during the war. The very poor are few and it is only the very poor who have yet suffered.

The Germans as a nation were always gross feeders. Those who can afford it here feed grossly now and seem to have done so throughout the war. The actual bulk of food set before one in whatever restaurant or canteen is so large that at first I wondered whether it was a tribute to our uniforms and more than an ordinary German's. This was not so. The mass of well-to-do people who frequent the hotels, restaurants and tea shops are overeating themselves today just as they always overate in peace times. This opinion is that of every British officer now in this part of Germany. What is more, it is the conviction also of the poorer masses.

Throughout the war we captured letters numbering many thousands in the aggregate written by people in Germany complaining bitterly over the indulgence of the rich while the poor were suffering for food. Since coming here I found this belief was universal among the poorer classes and is one of the chief causes of popular discontent in Germany today.

Hated against the Hamster, the man who hoarded food and sold it privately to the glutinous rich, and of the Hamster's patrons is the strongest of all the mixed elements which have managed the government. The seed of behavior and revolution. That one class should pamper itself to waste the common stock of provisions so that the poor must suffer and then throw on us the burden of feeding these poor is obviously grossly unjust, but it does not lessen the hardship of the poor to whose cry, whatever our contempt for the reach may be, we shall respond in humanity's name.

Something like an organized effort

Special Cable to The Observer from The London Times. BY CHARLES TOWER. (Copyright, 1918, by Public Ledger Co.) Frankfurt, Germany, Dec. 19.—Germany seems engulfed in a hopeless fog of rumors, the worst of which came from Berlin. I find the story of the plundering of Frankfurt to be

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GERMANS SOUGHT TO INFLUENCE WORLD OPINION

Propaganda Machinery Set Up Throughout the World.

BECKER DISCLOSES FACTS Deputy Attorney General of New York Heard by Senate Investigating Committee.

Washington, Dec. 19.—German propaganda aimed at the United States and conducted by a Professor Brinkman at The Hague still is at work, the state department was informed today in a dispatch from the Netherlands capital.

Washington, Dec. 19.—Propaganda machinery set up by the German government in Berlin and throughout the world to spread Germanic ideas, and the methods of financing this in the United States, were disclosed today to the senate investigating committee by Alfred L. Becker, deputy attorney general of New York.

The witness also told of his investigation for the French government of the success of Bala Pasha, executed as a French traitor, but added that since apparently The Paris Journal did not change its attitude of loyalty toward France, the transaction was a "pure swindle" of the German government.

Mr. Becker read documents gathered partly by the British secret service showing that the German foreign office and other governments at Berlin maintained elaborate systems both before and after the European war began to influence thought all over the world.

Branches of the German banks and commercial houses cooperated in a vast cohesive organization to promote friendly relations toward Germany. Journalists, college professors, bankers, business men and commercial consular attaches—many of them in the United States, and in which they worked—were employed, Mr. Becker said. Usually the propaganda was insidious.

Even Beck in 1909. As early as 1909, said Mr. Becker, George von Skal, former German reserve officer and later auditor of accounts of New York city, was told on a visit to Berlin by a representative of the German government that he would be valuable in case of a future war to keep in touch with the press in the United States.

There was no evidence, however, that he acted in this capacity after the United States entered the war, the witness said. The German government in May, 1914, tried in vain to buy the Ottoman Telegraphic News Agency, with headquarters in Baghdad, to spread German propaganda. The publication of a German edition of Current Literature, a magazine of which George Sylvester Viereck, in the United States, and his father, Louis Viereck, in Berlin, were promoters, was mentioned by the witness, together with the German museum at Harvard and the movement to exchange professors with American universities, as German propaganda moves.

One example of enemy propaganda, said Mr. Becker, consisted of the systematic effort late in 1917 to spread throughout the United States the idea that Germany was on the verge of internal revolt, and that the kaiser would soon be overthrown. The fact that the dissemination of these reports was encouraged by the chief German government censor was convincing evidence that the effort was propaganda, intended to paralyze the prosecution of the war, in Mr. Becker's opinion.

The German News service for Portugal and Spain, subsidized by the German government, had similar functions.

Mr. Becker told the committee that enemy propaganda in the United States was disclosed incidentally during his investigation of the activities of Bala Pasha in promoting the financing of The Paris Journal, and in what was described as an attempt to form a new alliance between The

Even Down to Present. Senator Reed interrupted to ask whether similar articles had been published by other newspapers then, and even down to the present, and that developments had been sent out. Mr. Becker said this was true, but insisted that the reports were inspired by the German foreign office late in 1917.

Mr. Becker said the Trans-Oceanic News Agency maintained a wireless service, intended to influence mainly South American peoples, while the German South American institute, and the German News service for Portugal and Spain, subsidized by the German government, had similar functions.

It was clear the great majority was on Ebert's side. The Frankfurter Nachrichten said a majority of the Berlin regiments have adopted resolutions in support of the Haase-Ebert government and for the summoning of a national assembly. The Frankfurter Zeitung's Berlin correspondent says this is important "in connection" with Dr. Liebknecht's summons to a general strike in order to overthrow the government.

Troops in the barracks are circled by 10-10 says

Rain today and Saturday

The well posted man is seldom in hole.

GERMANY ENGLIFIED IN HOPELESS FOG OF RUMORS

Special Cable to The Observer from The London Times. BY CHARLES TOWER. (Copyright, 1918, by Public Ledger Co.) Frankfurt, Germany, Dec. 19.—Germany seems engulfed in a hopeless fog of rumors, the worst of which came from Berlin. I find the story of the plundering of Frankfurt to be

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NOTABLE WELCOME GIVEN FIELD MARSHAL HAIG AS HE ARRIVES IN LONDON

"Conquering Hero," Accompanied by Five Generals, Acclaimed by Throngs of British People.

London, Dec. 19.—(British Wireless Service).—Field Marshal Sir Douglas, commander in chief of the British armies in France and Belgium, attended by Generals Plumer, Rawlinson, Birdwood, Byng and Horne, who were his mainstays in aiding to defeat the Germans, reached London today, and was accorded a notable welcome.

The train bringing the field marshal to London was accompanied from Dover by about 20 airplanes, which also hovered over the procession which passed through the densely crowded thoroughfares from the station to Buckingham palace, where King George welcomed the returning warriors.

At the station the generals were met by the Duke of Connaught, representing the king; the prime minister, the secretary for war, members of the army and air councils, representatives of the admiralty and many other distinguished persons.

The grenadier guards, with their regimental color at the head, were drawn up at the station to act as an escort to the field marshal, and amid loud cheering as the band played "See the Conquering Hero Comes," the crown equerries escorted Sir Douglas to a royal carriage in waiting to take the field marshal to the palace.

PROGRESS MADE ON REVENUE BILL

Senate Votes to Repeal Present Zone System July 1.

Adopts Also Committee Amendment Affecting Insurance Companies' Tax Rates.

Washington, Dec. 19.—By adopting the finance committee amendments to the war revenue bill affecting second-class postage and insurance companies, the senate today cleared the way for disposal of the few other contested but important features remaining. Leaders now have increased confidence of passing the bill before adjournment next Monday.

By a vote of 34 to 22, the senate approved the committee amendment proposing repeal next July 1 of the present zone system of second-class postage rates and submission of a rate of one cent per pound within 150 miles, and one and one-half cents beyond. Most of the day was spent in spirited discussion of this amendment introduced by Senator McKellar, of Tennessee, for a modified zone plan, which was rejected without a roll call.

The senate also approved the committee plan for new rates on casualty, fire, marine and other insurance companies, except life insurance. The new rates, based on premium receipts, are, respectively: Fire insurance companies, 1 1/2 per cent; casualty, plate glass and similar companies, 1 per cent, and marine, 2 1/2 per cent on inland and 1 1/2 per cent on export policies.

Sections Left. Disposal of these and many minor amendments are being changed left virtually only the income, war excess profits, inheritance and luxury tax sections to be considered.

A substitute for the committee's bill, proposing large tax increases, principally on the war income and war excess profits, was introduced late today by Senator LaFollette, of Wisconsin, republican, who is expected to make a lengthy address tomorrow in his behalf.

Senator Kenyon, of Iowa, and others prepared to urge reinsertion of the 20 per cent tax on luxuries.

Disposal of the second-class postage section today was regarded as among the most important changes in the bill's outline. Senators Hardwick, of Georgia, and McKellar led the fight on the committee amendment, which was defended by Senator Smoot, of Utah. Opponents charged that second-class postage rates are a large government "subsidy," while Senator Smoot declared the present zone system tends to foster undesirable sectionalism and would drive many small publications out of business.

Thirteen democrats and 21 republicans supported the new periodical rates, with 15 democrats and seven republicans in opposition.

The substitute bill which Senator LaFollette will advance tomorrow proposed mainly large increases in the war excess profits rates and individual income surtaxes.

The LaFollette substitute also proposed to retain the 12 per cent tax on corporation incomes, but would cut the individual normal rate from 12 to 2 per cent and secure the bulk of individual income revenue from surtaxes. In lieu of the bill's surtaxes, ranging from 1 per cent on incomes between \$5,000 and \$6,000 to 65 per cent on those over \$1,000,000, Senator LaFollette's substitute proposed graduated surtaxes ranging from 5 per cent on incomes between \$5,000 and \$10,000 to 15 per cent on incomes over \$100,000.

From individual incomes, Senator LaFollette estimates that his bill would raise \$1,784,000,000, compared with \$1,431,000,000, estimated under the pending measure.

RESIGNATION OF EBERT GOVERNMENT REPORTED

Paris, Dec. 19.—The German government headed by Frederick Ebert has resigned as a result of events on Tuesday, according to a dispatch received at Zurich from Stuttgart, says The Journal's correspondent there.

STORM WARNINGS DISMAYED. Washington, Dec. 19.—Storm warnings have been ordered displayed on the South Atlantic coast from Georgetown, S. C., to Jacksonville, and on the Gulf coast from Bay St. Louis to Cedar Keys, the weather bureau announced tonight.

DEFINITE PLANS FOR THE PEACE CONFERENCE ARE NOT SHAPING AS RAPIDLY AS AMERICANS EXPECTED

Wilson Using Opportunity to Assess Public Opinion.

GAUGING SENTIMENT IN FRANCE AND BRITAIN Satisfied That Peoples Are Largely in Accord With Him. AMERICAN MISSION BUSY Feeling Among All Entente Conferees Is That Making of Peace Is First Task.

Washington, Dec. 19.—Confidence that the American people will in no wise relax their efforts toward meeting the government's immediate financial requirements was expressed by Secretary Glass in a statement tonight partially outlining the policy of the treasury under his administration. Plans for meeting government expenditures as have been outlined by Former Secretary McAdoo, including the offering of another Liberty loan, the continuation of the sale of war savings certificates, and the retaining of organizations for the sale of such securities, will be carried out, he said.

"I am sure that the treasury department, with confidence, offer another Liberty loan," said the statement, which was addressed to the American people, "and continue the sale of war savings certificates knowing that the organizations will respond once more to the call for service."

Government expenditures, including transactions in the principal of the public debt, during the current fiscal year up to and including December 15, when Mr. Glass assumed office, have exceeded \$9,600,000,000, the secretary said, in reviewing the financial status of the government. Expenditures for November were nearly two billion dollars.

The proceeds of the fourth Liberty loan so far received have all been spent, Mr. Glass said, and the remaining installments will be needed to meet maturing treasury certificates of indebtedness. More than half of the estimated expenditures of the government for the current fiscal year, recently placed at eighteen billion dollars by Mr. McAdoo, have been spent in the first five and one-half months. Bills for production of war materials which have reached the peak at the time the armistice was signed, must be paid and the great expense of demobilizing the army met.

In view of these facts, Secretary Glass said another Liberty loan must be issued before the peak of the fiscal year, next June, and the sale of war savings stamps and certificates must be pushed most energetically.

64,842 CASUALTIES YET TO BE PUBLISHED Washington, Dec. 19.—Casualties of the American expeditionary forces, which have not been published officially by General Pershing, had been reduced at noon, December 18, to a total of 66,892. These, the war department announced today, were classified as follows:

Major casualties, including killed in action, died of wounds, died of disease and died of other causes, 1,680; wounded, 64,842; missing and prisoners, 360.

A large proportion of the 64,842 names listed as wounded are minor cases, it was said, many patients having long since recovered and returned to duty. Officials explained that the total is really due to the fact that General Pershing's total included marine casualties of 1,202 killed and more than 4,000 wounded, which already have been published by the marine headquarters here.

WILSON AND CLEMENCEAU IN INTIMATE DISCUSSION

Paris, Dec. 19.—Premier Clemenceau and Colonel House visited President Wilson this morning. The callers arrived at the presidential residence about 10 o'clock. The French premier and the President were engaged for more than an hour in an intimate discussion.

Colonel House also conferred with the President during the morning. The President's engagements for the day caused him to postpone his plans for recreation but he hoped to take a short drive with Mrs. Wilson.

An invitation has been extended the President to visit London at Christmas time but it is improbable he will accept as he has fully planned to dine Christmas day with the American troops in the field.

MAY RETURN TO STATES EARLIER THAN EXPECTED

Paris, Wednesday, Dec. 18.—The reason given for President Wilson's desire to make an early visit to England, it is understood, is that he has found it might be necessary to return to Washington much sooner than he expected. Whether this means a change in the President's entire program, including his journey to Italy, is not known here.

An interesting feature of the discussion of the President's intended visit beginning next Thursday, is that the present British cabinet is so nearly not in a position to speak for the government until the result of the recent elections are known, December 28.

There is little doubt, however, that Premier Lloyd George and his associates have been re-elected.

WILSON KEEPS POSTED ON AFFAIRS AT HOME

Paris, Wednesday, Dec. 18.—During President Wilson's inspection of the American peace mission headquarters in the Hotel de Crillon, today, an official photograph was made of the President and the other delegates by army photographers. The photograph was taken in the conference room of the American headquarters.

President Wilson continues to receive exhaustive reports of what is going on in Washington and the United States. President Wilson will take no part in the official welcome to King Victor.

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GOOD FELLOWS

The Goodfellows' purchasing committee must know how much money they have to spend. More is needed. Join today or your dollar may come too late.

Totals: 254 Members—609 Dollars