

WEATHER

Rain Wednesday, Thursday colder and probably fair; much colder west portion.

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PRESIDENT RETURNS TO FRENCH CAPITAL AFTER HIS VISIT TO ENGLAND

Most Cordial Messages Exchanged By Mr. Wilson and King George On Occasion of Leaving London

LEAVES FOR ITALY TODAY, WILL BE IN ROME FRIDAY

Welcomed at Calais By Gen. Dille, The Governor, The Officers Commanding The Allied Bases and Municipal Representatives; Will Spend New Year's Day Enjoying a Needed Rest; Expressed Himself As Exceedingly Pleased With Visit To England

BACK IN PARIS. Paris, Dec. 31.—President and Mrs. Wilson arrived in Paris this evening from their visit to England.

CORDIAL MESSAGES ON LEAVING LONDON

London, Dec. 31.—The most cordial messages were exchanged by President Wilson and King George today on the occasion of the departure of the President from England. The President thanked the British ruler for his hospitality and kindness, while the King assured the President how glad he had been to have the President and Mrs. Wilson as his guests. The texts of the messages will not be published, as they are regarded as being personal and private.

Paris, Dec. 31.—President and Mrs. Wilson arrived in Paris this evening from their visit to England. The steamer Brighton on which the presidential party made the passage of the channel reached Calais at 12:40 o'clock and was welcomed by General Dille, the governor of Calais, the officers commanding the Allied bases and municipal representatives. The President then left for Paris at 1 o'clock by special train.

President Wilson will spend New Year's day resting, departing at night for Italy. The President tonight expressed himself as exceedingly pleased with his reception and the conferences he had in England.

No Reference to Clemenceau. Premier Clemenceau's declaration in the Chamber of Deputies favoring the principles of a balance of power has not been referred to by President Wilson. Indications are totally lacking as to how the President regards the Premier's views on this subject.

Officials close to President Wilson point out that at almost the very hour when M. Clemenceau was making his declaration in Paris the President, speaking in Manchester, said the United States would never enter into any combination of nations that was not a combination of all of them, and declared specifically against the principle of the balance of power.

Concert of Powers. The President was speaking for what it is understood he hopes to be a concert of powers.

However much M. Clemenceau's declaration may appear to be at variance with the announced purposes for which President Wilson will contend at the peace conference, it is held that there is no reason to believe that it is likely to constitute a stumbling block.

Statement by President. President Wilson tonight on his arrival here authorized the following statement: "Upon leaving England President and Mrs. Wilson expressed their very great pleasure at the delightful cordiality of their welcome. The President expressed great satisfaction at finding how closely by the purpose and feeling of the people of Great Britain correspond with the feeling of the people of the United States."

LEFT LONDON WHILE THE PEOPLE CHERISHED

London, Dec. 31.—President and Mrs. Wilson left Victoria Station at 9:15 this morning on a special train en route to France.

Others who traveled on the Presidential train to Dover were Col. E. L. H. Bloom, J. Butler Wright and Herbert C. Hooper. Queen Mary and Mrs. Wilson carried on an animated conversation to the last moment, President Wilson having to call Mrs. Wilson's attention to the fact that the train was pulling out.

It was a dark and rainy morning but crowds lined the streets from Buckingham Palace to the station and cheered President Wilson and his party. The

SEE DIFFERENCE IN THE TWO SPEECHES

Utterance of French Premier and President As To Balance of Power

CLEMENCEAU SAID ALL FOR ONE AND ONE FOR ALL

Wilson Words: Combination of Power Must Be Combination of All of Us

(By The Associated Press.)

Paris, Dec. 31.—The declaration made by President Wilson in his speech at Manchester Monday against balance of power among the nations is regarded in high American quarters here as a direct rejoinder to the speech of Premier Clemenceau in the Chamber of Deputies in which he declared his support of the "balance of power" idea and his purpose to make it his guiding thought in the peace negotiations.

Whether it was intended to be so, it is not known, but the President's speech, coming within twenty-four hours after that of the Premier, has led to a contrast between the two declarations as sharply defining two opposing viewpoints on the subject of balance of power among the nations.

French Premier's Words. The textual copy of the Premier's speech on Sunday night is now available and gives the following reference on this subject:

"There is an old system which appears condemned today and to which I do not fear to say that I remain faithful at this moment. Countries have organized the defense of their frontiers with the necessary elements and the balance of powers."

Great disorder broke out in the chamber at this point and Pierre Prizren, a Socialist deputy, exclaimed: "This is the system which has gone into bankruptcy."

Premier Clemenceau continued, saying: "This system appears to be condemned by some very high authorities. Nevertheless I will remark that if such a balance had preceded the war—that if America, England, France and Italy had got together in declaring that whoever attacked one of them must expect to see the three others take up the common defense."

The Premier was interrupted here by applause and disorder in the chamber, but later resumed: "There is in this system of alliances which I do not renounce, I say it most distinctly, my guiding thought at the conference, if your body permits me to go there, and I believe that nothing should separate after the war the four great powers, that the war has united. To this Entente I will make all sacrifices."

What Wilson Said. The statement of the French Premier is looked upon as foreign to the statement made a few hours later at Manchester by President Wilson, when the President said:

"If the future had nothing for us but a new attempt to keep the world at a right poise by a balance of power the United States would take no interest, because she would join no combination of power which is not a combination of all of us."

CONGRESSMAN ON WITNESS STAND

Berger Testifies In His Own Behalf at Trial in Chicago

(By The Associated Press.) Chicago, Dec. 31.—Victor L. Berger, Congressman-elect from Milwaukee, took the witness stand in his own defense at the opening of today's session of the trial of himself and four other Socialist leaders on charges of conspiracy to violate the anti-sedition law.

Berger told the story of Socialism in America and of his own anti-war activities as a leader of the Socialist party. He spoke with a strong German accent which was explained by his opening testimony to the effect that he was born in Austria and was 29 years old when he came with his parents to the United States.

For the benefit of the jury he sketched the international Socialist movement and insisted that on several occasions threat of the Socialists to call a general strike had averted war. He related the unsuccessful efforts of the international Socialists to avert the war just closed.

He said he was not pro-German. "No Socialist could be pro-German or pro-Kaiser," he testified.

Berger's opinion of the war news of 1914-15, he said, was expressed in his instructions to his sub-editors, who were told to "lead with the Berlin lies and follow with the French and English lies." His orders, however, were to print all the war news all the time. Berger considered himself a conservative Socialist and said he worked to have the movement develop along peaceful, rational, legal lines.

EXPANSION OF THE NAVY WAR COLLEGE

Vice-Admiral Sims Will Return To Presidency of The College

STRATEGY TO BE STUDIED BY ALL NAVAL OFFICERS

Sect'y Daniels Announces Assignment To The House Naval Committee

Washington, Dec. 31.—Under plans for a comprehensive expansion of the naval war college at Newport, R. I., until its work will reach officers throughout the fleet, Vice Admiral Sims, now commanding American naval forces abroad, will return to the presidency of the college when his present duty is completed.

Secretary Daniels disclosed this assignment today in presenting to the House Naval Committee a request for double the appropriation made for the college last year. He also told the committee that Admiral Sims had requested that he be returned to Newport, which he left just before the United States entered the war, in order to hasten to London to arrange for the participation of the American navy in the fight against the common enemy.

Study of Strategy. "The study of naval strategy and naval tactics during the last four years," the Secretary told the committee, "will have deep interest for every naval officer, and the application of the principles learned during the war in future naval strategy will need to be studied by all naval officers whom may be charged with responsible duties. I do not think that any money for naval purposes can be expended more wisely than to give the opportunity for naval officers to study at the war college and to carry the study to all men in the fleet."

Will Expand Its Work. "Under Admiral Sims' direction the college will expand its work so that it will touch every officer in the fleet as well as those officers who are privileged to go to Newport for a term. It is my purpose to have assigned to the college an eminent naval constructor, and along with the study of tactics and strategy there will be the study of naval construction. We have learned many things about the building of ships and the importance of the protection of ships during this war. Other officers and other staffs and corps also will have the advantage of attendance upon the War College."

"It would be manifestly unjust now to put in force an order that no man should be assigned to an important place in the fleet who had not taken the college war course, but we are looking toward that end and must make provision for affording opportunity to all officers to take this course. When this has been done promotion and leadership in the navy should go to those who have mastered strategy and tactics as taught at the War College as well as to those who have shown mastery over the sea in the actual practice of seamanship afloat."

JAPS FOR THE OPEN DOOR IN FAR EAST

Delegates To Peace Conference Arrive En Route in New York City

WOULD KEEP PACIFIC OPEN TO COMMERCE

Co-operation With Allies in Bringing About a Lasting Peace

(By The Associated Press.)

New York, Dec. 31.—Japan will enter the peace conference pledged to a policy of peace and the "open door" in the far west in the maintenance of which she will welcome the cooperation of the allies, Baron Nobunaki Makino, of the Japanese peace commission declared on his arrival here today with fellow delegates, on the way to France. His country's course in her foreign relations, said the Baron, who is a member of the Japanese House of Peers, will be such as to insure the most effective partnership with the associated powers in the work of reconstruction.

Having established peace in the Orient by clearing Germany from her far eastern bases and keeping the Pacific open to commerce, he added, Japan is fully in accord with the allies for a just and lasting world peace.

Accompanying Baron Makino on his arrival on a special train, with an official escort, provided by the State department, were Lieut. Gen. Takeji Nara and Vice Admiral Isamu Takeishita, military and naval representatives; Pigo Fukui, director of the Bank of Japan, and Kikusaburo Fukui and Matzuo Kita, noted Japanese financiers. Marquis Saionji, Senior delegate, will join the party in Paris, traveling by way of the Suez canal. Baron Chinda, ambassador to England, is the third peace envoy of Ambassadorial rank.

Baron Makino and his party will sail January 4.

The Baron spoke enthusiastically of his trip across the continent, the first since he journeyed to San Francisco in the early seventies, on his way home after attending school in Philadelphia. Baron Makino asserted that "every-

HERE'S MARSHAL PETAIN RECEIVING HIS BATON FROM POINCARE IN REDEEMED METZ



First picture of the French military ceremony in re-won Metz, when President Poincaré presented the military baton of a marshal of France to General Petain. Poincaré, hat off, is handing the baton to the general, and standing near are "Papa" Marshal Joffre and Marshal Ferdinand Foch of France, General "Black Jack" Pershing of the American forces, General Sir Douglas Haig of the British, General Gillian, Belgian army, General Albrici, Italian army, and General Haller, Portuguese forces.

FIRST YEAR'S WORK FARM LOAN SYSTEM

Features of Annual Report of Board Made To Congress Yesterday

GREATER LENDING POWER OF FEDERAL LAND BANKS

Grant of Authority For Them To Write Fire Insurance Also Is Asked

(By The Associated Press.)

Washington, Dec. 31.—Increase in the lending power of Federal land banks and the grant of authority for them to write fire insurance on farm property were advocated by the farm loan board in its annual report submitted today to Congress. Modification of the Federal farm loan act so as to make the minimum loan \$500 instead of \$100, and maximum loans \$25,000 instead of \$10,000 also was urged.

The report was described as covering "the first year of operation" of the farm loan system, the first year of the board being spent in organization.

Year of Progress. "The year was one of very evident progress," declared the report, which contained a table showing that farm loan applications increased from 1,839 to 3,439 during the year; that the capital of the twelve Federal land banks increased from \$10,488,250 to \$16,250,285; that loans in force increased from \$29,816,204 to \$149,004,439; that joint stock land banks increased from four to nine; and their loans now amount to \$7,380,734; and that interest rates of the land banks was 5 or 5 1/2 per cent and that of stock land banks was six per cent.

Interesting information as to the application by borrowers of loans from the land banks was given in a detailed statement dealing with about one-third of all the loans closed by the banks. This statement showed that eight per cent of the proceeds of the loans were used to buy land; ten per cent for buildings and improvements; ten per cent for payment of other debts; five per cent for purchase of bank stock; four per cent for purchase of live stock, and three per cent for implements and equipment.

"The loaning of over \$150,000,000 has been of distinct and direct benefit to more than 64,000 borrowers," declared the report, "and has been of indirect benefit to every applicant for a farm loan throughout private agriculture."

Reduced Interest Rate. "A distinct reduction, not only of the rate of interest on such loans, but also in the accompanying charges, was manifested immediately after the passage of the act."

"While the loans made by Federal Land banks in the last year probably represent only about one-eighth of the total loans made by all agencies, they are far greater than any other single agency."

Despite the large production and high prices, net returns of the 1918 crop year "was much less than is popularly supposed," declared the report which explained that big profits were eliminated by the scarcity of farm labor, its high cost as also that of fertilizers, implements and machinery.

SOLDIER KILLED IN STREET CAR ACCIDENT. Petersburg, Va., Dec. 31.—Foreman Goodwin, a private in Company C, school troops, at Camp Lee, was struck by an electric car near camp this afternoon and died of his injuries at the base hospital shortly afterwards. He was riding a motorcycle and attempted to cross in front of the car. The body will be shipped to Ellamere, W. Va.

Special New Year's Races, Pinchurst, today at 2:00 p. m.—adv.

DEAD YEAR BRINGS OFFICIAL CHANGES

Baruch, Love, Lovett, Gray and Other Faithful Servants End Labors

DIRECTOR M'ADOO WILL RETIRE IN A FEW DAYS

Appointment of New Railway Directorate Head Expected To Be Made Soon

(By The Associated Press.)

Washington, Dec. 31.—With the ending of the year 1918 at midnight tonight, a number of officials who have served the government during the war retired from office and at least two agencies—the war industries board and the treasury's capital issues committee—ceased to exist.

Officials who ended their services include Chairman Baruch of the War Industries Board; Assistant Secretary of the Treasury Love; Robert S. Lovett, Director of Capital Expenditures for the railroad administration; Director of Operations Gray, of the Railroad Administration; Solicitor of the Internal Revenue Bureau Ballantine.

McAdoo's Successor. William McAdoo had expected to end his duties as Director General of Railroads but he will remain at his desk until next Saturday. The appointment of a successor is daily expected at the White House.

It has been generally understood Dr. Harry A. Garfield, who resigned as Fuel Administrator some time ago, expected to resume his duties as President of Williams College early in the year. While the War Industries Board dissolved at midnight tonight some of its work already has been turned over to the departments of commerce, interior and agriculture and others will be taken over by the War Trade board, which will continue to function for the present.

Price Fixing Committee. The board's price fixing committee it is understood will continue its work until the prices fixed on certain commodities expire by limitation next July 31. But prices on steel, copper, pig iron, zinc, cement and other commodities expired tonight at midnight.

Under the present plan of the price fixing committee existing fixed prices would continue as follows: sand, gravel and crushed stone in the Norfolk district March 1; cotton compressing July 31; brick for Philadelphia, Baltimore and Washington districts January 31 and hides and leather February 1.

Capital Issues Committee. With the dissolution of the treasury's capital issues committee all government jurisdiction over private and public issues of securities ends.

REPORT ON SITUATION IN ARCHANGEL REGION.

Washington, Dec. 31.—Favorable reports on the situation in the Archangel region of Russia, where some unofficial accounts have pictured the north Russian, allied and American forces as facing destruction at the hands of Bolsheviks in overwhelming numbers, have been given to the state department by G. A. Martinson, representative here of the Archangel government.

Situation in Turkey. Paris, Dec. 31.—(Havas)—A liberal cabinet, favorable to the entente, has been organized in Constantinople, under the presidency of Prince Sabaheddin. This action followed the recent discussion of the Turkish cabinet.

The food situation in Constantinople, it is reported, is deplorable, all articles having reached exorbitant prices. Distribution of water in the city had been interrupted on account of the shortage of coal.

WILMINGTON SHIPS IN CUBAN TRADE

Initial Voyage of Commerce Laden Vessel Set For February 15

PRaises TAR HEELS WHO BROKE HINDENBURG LINE

Senate and House Confer on Revenue Bill Will Meet Monday

(By Special Lensed Wire.)

Washington, Dec. 31.—The initial voyage of a commerce-laden ship, under the direction of the South Atlantic Maritime Association, will be made from Wilmington, N. C., to Cuba in February. The vessel will sail from the North Carolina seaport town on February 15 and simultaneously ships will sail from Charleston, Brunswick, Savannah and Jacksonville for Cuba, each loaded with American commerce.

The ports of the South have co-operatively formed the South Atlantic Maritime Association as an agency to develop the channels of commerce and shift the emphasis from the congested railway centers of the North and West to ocean-going traffic. Matthew Hale, of Boston, who is a shipbuilder at Wilmington, is a sponsor of the idea, and he had the support of men like Hugh McInnes and other representative citizens of Wilmington.

"It is one of the finest movements undertaken in the South," said Frank A. Hampton, Secretary to Senator Simmons, today in analyzing this commercial development. The senior Senator from North Carolina has been instrumental in placing the advantages before the Director General of Railroads W. G. McAdoo. The enterprise has had the observation of no less a personage than President Wilson, whom Matthew Hale can count as a friend.

The railroad administration has promised to furnish the freight for these cargoes that will journey from Wilmington and the other four seaport towns on February 15 to Cuba. The trips to foreign ports will be a periodical event from these five seaport centers. Ships will convey American manufacturers to other countries and import to this country the products needed in the course of mutual trading. The congestion of traffic at inland cities will be thus relieved.

It is understood that the cargoes on the initial trip to Cuba will consist of products diverted from railroad traffic commonly tied-up in the middle west. Whether meat or corn, the story will be the same. In other words, the railways will share with inland waterways its overcast burdens of freight. The development of southern ports is self-evident, if the plans measure up to the program.

How a detachment of North Carolina, Tennessee and South Carolina troops smashed the Hindenburg line and captured the trench defense system—their feat is described in a letter received in Washington from Col. John K. Herr, a District of Columbia soldier, who is chief of staff of the Thirtieth American Division.

"I have never seen a finer body of men," states this Yankee officer of the North Carolina and allied states' soldiers. "They have a splendid physique and undoubted courage. It was they who broke the Hindenburg line north of San Quentin at Bellecourt, where the canal runs through a tunnel. This tunnel is capable of holding a division, and the Boche had a complete underground system branching to the main Hindenburg line just west of it, with many other tunnels leading to Bellecourt and other places west of the canal."

"The Hindenburg line itself consisted of three complete trench systems, the last of which was concrete, with pill boxes and wire in front. On September 29, we captured the entire system, including the canal tunnel and the town of Bellecourt and Navy, capturing 1,700 prisoners, sixty field guns, hundreds of machine guns and trench mortars. On October 8 we captured 1,800 prisoners and many field and machine guns. We took the towns of Brancourt, and Premont."

"We attacked again on the 9, 10 and 11. We advanced five miles and took the towns of San Supplie, Basigny, Vaux Audin, Malzinghem, and Blandcourt, liberating thousands of inhabitants, who ran out and greeted us."

"Some of the feats which our men performed, collectively and individually, are almost unbelievable. I saw a man strap a Lewis machine gun to himself when he saw how a secreted machine gun was sniping his comrades on all sides. He set out to clean the nest. He crawled over the top against the orders of his officers, and advanced alone, firing the gun as he went. He silenced the Hun, but was himself riddled with bullets. His dead body was decorated with the cross of war for the brave deed in which he lost his life and saved others."

Midshipman Stevens Resigns. Midshipman H. D. Stevens, of Asheville, son of Senator-elect Hester B. Stevens, of Buncombe county, has resigned from the Naval Academy at Annapolis. He will resume his law studies at the University of North Carolina. Young Stevens was appointed to Annapolis as an alternate to Worth Bagley Daniels, both were appointees of Senator Overman, and each will renew their studies at the State University.

Worth Daniels will continue his medical studies, while Harry Stevens will finish his law course. The vacancies created by their resignation have already been supplied by Senator Overman, announcements to be made later.

Senator Lee S. Overman returned to

(Continued on Page Two)