front was quieter than any night last week. The first intimation we had of any large movement by the Germans was a heavy shelling begun at 7:30 o'clock on Friday morning. An immense number of gas shells were used, both in the north side, conspicuously on Bourlon Wood, and on some sections of the south side.

On the south side an infantry attack was launched almost simultaneously with the beginning of the shelling, for our new line was not defended by a trench system with thick wire entanglements requiring artillery preparation to cut the wire. The Germans had practically open positions confronting them everywhere.

The attack on the southern side seems to have been launched against the 12,000 yard front from Crevecœur to east and south of Gonnelieu. Gonnelieu is the point on the extreme right where our recent advance started. There, at the angle formed by our old line and the new, was the point where the enemy could hope to gain the large results. Doubtless the Germans calculated that if they could cut there into the base of the salient all our recent gains would be endangered, our troops in advanced positions would be cut off and compelled to surrender.

The Germans attacked in great force. It is probable that in this southern attack alone six divisions (70,000 men) were employed; appearances seem to point to as many as ten. Cavalry supported their infantry.

At the point known as the Bird Cage the Germans first succeeded in penetrating our lines southeast of Gonnelieu and advancing across the open country until they reached the village of Villers-Guislain. From the breach here they attempted to push northeastward, strengthened by other troops on their right which poured through the widening breach in our lines.

On the right centre they went through Gonnelieu; on the extreme right they got close to La Vacquerie. On the left they carried the triangular wood, the Bois Gauche, west of Gonnelieu, and penetrated to Gouzeaucourt. This was as far as they got.

Our first thin line of troops had resisted as far as possible, but the enemy came in masses and through whatever gaps our machine guns and rifles made other masses followed. At every hundred yards of advance, however, their attack lost momentum. At 10:30 in the morning their rush was definitely held west of the ridge of Gouzeaucourt, Gauche Wood marking a further slight advance.

Tanks Render Aid.

They were able to maintain themselves in those positions for four hours. Unable to advance further, they endeavored to dig themselves in. Then our counter attack fell upon them, the tanks assisting. At 3 o'clock the German lines began to give and as our men forced an entrance into Gouzeaucourt large numbers of Germans streamed out of the village back to the eastward.

But while most of the enemy infantry fell back German machine gunners and snipers continued to hold the village. They fought hard, but we pushed our way steadily through the village until the whole place was again in our hands.

Continuing, we worked our way to Gauche Wood, where again we encountered stiff fighting. Before long we again ejected the Germans from the wood, and the whole of the Quentin spur was once more in our hands up to the outskirts of Villers-Guislain and Gonnelieu.

On the extreme north from the crossings of the canal to Crevecœur the Germans endeavored to reach Masnieres, but did not succeed in penetrating the place itself or in shaking our hold on the crossings of the canal here or at Marcoing.

The attack on the northern side of the salient developed two hours later than on the southern side, but furnished the heaviest and most dramatic fighting. It was massed against our positions all the way from Cantaing to Fontaine, Bourlon Wood and Moeuvres, a front of about 12,000 yards. The attack was in force everywhere, but the enemy made a supreme effort in the section from Bourlon Wood west toward Moeuvres. Five German divisions were thrown on this front; three of them were concentrated in the 5,000 yards from Bourlon to Moeuvres.

High explosives and shrapnel were thrown all over and back of our salient as far south as Havricourt Wood. On the extreme right, at Cantaing, the infantry attack never threatened us seriously, although Cantaing itself, which only three days ago was still undamaged, was under a heavy barrage of 5.9 shells and is being unceasingly knocked to pieces.

Before Fontaine and Bourlon Wood itself the enemy failed entirely to make any impression on our lines. The heights of the wood are the prize for which he is fighting. Here, after drenching the whole wood with gas until he hoped our garrison would be unable to defend it, he flung attack after attack against the wood, but nowhere succeeded even in forcing an entrance to it, despite the great masses of men employed.

In the open country west of the wood extraordinary fighting went on. How many massed waves of Germans came no one seems to know, but from half past 9 until dark they never stopped. Wave after wave, mass upon mass, they came. Our gunners' observation officers say the ground was simply covered with Germans; it was impossible to miss them. At the end of the day the ground was still covered with Germans, but they were dead Germans.

Inches Won at Terrible Cost.

At some places field guns were brought up by the Germans with their infantry, presumably with the idea that they would be useful against our tanks. Our guns knocked them out, in some cases before they had fired more than a single round. At one time some of the Germans actually got forward 2,000 yards and are said to have reached the sugar refinery of Graincourt, but they could not stay there.

It was only the apex of the swarm that reached that point. Both to the right and left the oncoming flood was held up and at the end of the dreadful bloody day the whole gain that the enemy had made at a price so awful in number of lives was represented on the map by a little dent in our positions in the open country where it means nothing. Rarely have a few yards of ground been won at such a terrible cost.

In the Germans' first advance all sorts of curious things happened. The weight of the attack broke our outpost line before warning reached points in the rear. Our men were getting up or having breakfast. One officer was in his bath and had to escape covered with soap and wrapped in towels. The enemy captured one of our dressing stations, but the doctors went on with their work, and when later our counter attack recovered the dressing station the staff of surgeons was still at work.

German Successes Discounted.

Not far from Gouzeaucourt one of our units had established an advance headquarters. There was an exciting time when the situation was discovered, but the staff personnel escaped in various stages of unreadiness. Many miscellaneous belongings fell into German hands and had been removed by the time we got the place back.

The Germans captured some guns, but not as many as at one time was likely. On the ground that they overran there was a considerable number of guns, but some were taken away as the enemy advanced, while two-thirds of those temporarily in his hands were recaptured when we came back. The Germans also took some prisoners, but nothing like the 4,000 they claim.

While the Germans gained a success, they are a long way from having turned our victory into defeat. That such efforts were to be expected we knew, and it was evident that the neighborhood of Gonnelieu, at the base of the salient, would be a likely place for the blow to fall, while the real object would be the recovery of Bourlon Wood heights. While, therefore, some such attack was expected and perhaps still is to be expected, this enveloping operation with a great weight of troops found us at some points unprepared. The stubbornness of our troops and the way they drove in with great gallantry in counter attacks saved what might have been an awkward situation.

New Krupp Factory Opened in Switzerland

GENEVA, Dec. 2.—Germany's great gun makers, the Krupps, have opened a branch factory at Lucerne with a capital of 30,000,000 marks ($7,500,000 under normal exchange). The directors registered include Arthur Krupp and Counsellor Ernest Hauer, director of the principal Krupp factory at Essen. In compliance with the Swiss law providing that when new enterprises are established their objects must be set forth, the company declares its purpose to be the fabrication of arms, cannon and munitions of war, the acquisition of factories, mines and metals, and also their sale.

The Krupps have purchased several houses and a large amount of ground at Lucerne. Sixty-four expert employees have arrived there and 300 others are expected shortly.

OFFICIAL REPORTS.

London Admits Withdrawal From Dangerous Salient.

LONDON, Dec. 2.—Following are the official reports on the fighting on the western front:

British (day)—In the fighting yesterday in the neighborhood of Masnieres the enemy delivered no less than nine separate attacks upon our positions in and around the village. All were beaten off with heavy losses to the enemy. In the last attack detachments of German infantry succeeded in gaining a foothold in the adjoining village of Les Rues Vertes, on the west bank of the Canal de Lescaut, but were driven out by our counter attack.

Hostile raiding parties were repulsed during the night in the neighborhood of Avion and south of Armentieres. We secured a few prisoners.

British (night)—A minor operation was undertaken early this morning by the rifle, north county and home county battalions northeast of Ypres. Some fortified buildings and strong points on the main ridge north of Passchendaele were captured and a number of prisoners taken.

On the Cambrai battle front our troops were withdrawn under orders last night from the sharp salient formed by the village of Masnieres, without molestation from the enemy. This morning the enemy was still continuing to shell the evacuated village. Ten hostile attacks delivered on this front within the last twenty-four hours have been completely repulsed.

Fighting occurred in and around Gonnelie Village. Hostile attacks delivered during the afternoon and evening in the neighborhood of La Vacquerie and Bovrealon were broken up by our rifle and machine gunfire or crushed by our artillery.

Concentrations of hostile infantry in the vicinity of Moeuvres were successfully engaged by our artillery.

German (Day)—In Flanders there was moderate firing, which continued all day and increased to the greatest violence in the evening on both sides of Passchendaele and was carried on intensely throughout the night.

Fighting continues near Cambrai. In the sector from Inchy as far as Bourlon, after the successful enterprises by our troops, a lively artillery action developed in the afternoon. Enemy infantry attacks west of Moeuvres were frustrated by our fire. East of Moeuvres they collapsed before our lines. The village of Masnieres was cleared of the enemy, prisoners being brought in.

The enemy launched strong counter attacks, with forces newly brought up, against the positions we wrested from him on the western bank of the Scheldt.

Indian Cavalry in Action.

After a desperate struggle lasting until darkness, we repulsed the enemy. Indian cavalry advancing from Epehy was shot down. A similar failure was encountered by the enemy in infantry attacks which, after a heavy bombardment, he launched against our lines west of Vendhuile.

The fighting yesterday cost the British especially heavy losses. Several hundred prisoners fell into our hands. In the fighting region up to the present sixty British guns and more than 100 machine guns have been captured.

North of Pinon our storming troops brought in prisoners from a successful undertaking. A French advance west of Brimont failed. On the eastern bank of the Meuse there was only a temporary revival of the artillery activity.

On both sides of Altkirch there was increased artillery activity.

German (night)—Near Passchendaele local English attacks failed. There is nothing to report from the other fronts.

BIG ARMY BALLOON AT LARGE.

Blown From Fort Omaha, Dragging 6,000 Feet Cable.

Special Despatch to THE SUN.

OMAHA, Dec. 2.—The largest army balloon stationed at the Fort Omaha balloon training station escaped this afternoon and with a big cable 6,000 feet long trailing beneath started southward at an altitude of 10,000 feet.

Ninety minutes later the runaway balloon passed Humboldt, Neb., near the Kansas line, 100 miles to the south. At the time the balloon was headed for Kansas City. Army officers sent the warning that telephone and telegraph lines along the way probably will be destroyed by the trailing cable when the balloon descends below 6,000 feet.

The escape was made during the high wind when the balloon was being made ready for an ascension. There were no occupants in the basket at the time. The brakes on the winding drum broke and before it could be repaired the balloon had unwound the 6,000 feet of cable and sailed away.

New Uprisings in China.

PEKIN, Dec. 2.—Uprisings are in progress in the Yang-tse-kiang provinces, including two independence movements. Rebels in Hu-nan province are threatening to march on Hankow.

A mandate was issued to-day announcing the appointment of the following Cabinet:

Minister of Foreign Affairs, Lu Cheng-Hsiang; Minister of the Interior, Chin Nun-Hsun; Minister of Finance, Wang Ko King; Minister of the Navy, Admiral Liu Kuang-Hsun; Minister of Agriculture, Tien Wen Lieh; Minister of Communications, Tsao Yulin; Chief of the General Staff, Yin Tchang; acting Premier and War Minister, Wang Chi Chen.

FOE TRIES DRIVE UPON LOWER PIAVE

Fails in Attempted Lodgment on Roads That Traverse Inundated Area.

MET WITH SHELL FIRE

Snipers in Farmhouses Give Considerable Trouble to Italian Troops.

By the Associated Press.

ITALIAN ARMY HEADQUARTERS IN NORTHERN ITALY, Dec. 2.—The enemy again has turned his attention to the lower Piave, where a large force of his infantry, with machine guns, have attempted to seek a lodgment inside the inundated triangle between the Piave and the old Piave.

This inundated region is crossed laterally by several roads which stand just above the water, and, taking advantage of this, the enemy has advanced his forces along these high stretches and given considerable trouble with sniping from the supper windows of farmhouses.

The Italian batteries west of the triangle and marine batteries at the mouth of the river have shelled heavily these movements along the roads crossing the inundated sector until the attempt to approach from that direction has been stopped.

SCRIVEN UNDER FIRE.

American General on the Italian Front Has Close Calls.

By the Associated Press.

ITALIAN ARMY HEADQUARTERS IN NORTHERN ITALY, Dec. 2.—Brig.-Gen. Scriven continues his tours of inspection on behalf of the American Government, visiting the Duke of Aosta, commander of the Third Army, at his headquarters and making a careful survey of Sega Mill and Cemetery Road, where a desperate fight occurred and Austrians who had crossed the Piave were thrown back into the river. The Duke of Aosta gave Gen. Scriven as a memento of that fight the hat chevron of an officer of the Ninety-fourth Austrian Regiment, such as is worn in front of officers' caps.

At Sega Mill a heavy bombardment was in progress, the enemy using guns of large and small calibres as well as machine guns and rifles. One shell struck a trench in which Gen. Scriven was making observations, opening a huge fissure and killing two Italian soldiers outright. The Italian artillery was more than holding its own with guns of all calibres and large numbers of airplanes.

While Gen. Scriven was in the trenches Austrian batteries got the range of his army automobile, which was waiting on Cemetery Road. They landed two shrapnel shells, which came dangerously near to demolishing the car and its attendants, although they all escaped with a shaking up.

VENICE CLERGY STAY.

Patriarch Orders Them to Give Aid to Inhabitants.

VENICE, Dec. 2.—All members of the clergy in Venice have been directed by Mgr. La Fontaine, Patriarch of Venice, not to leave the city in any circumstances, but to remain to encourage and minister to the inhabitants. The order was read by the prelate at an assembly of the clergy at the diocesan palace.

Another notable instance of fidelity to the people was given by Count Nicolo Mocenigo, who lost all of his possessions at Conegliano, of which town he was Mayor and which is occupied by the enemy. The Count has opened his palace in Venice and has made known to refugees from Conegliano that they will be cared for at the palace and that he will remain in Venice to protect their interests.

U. S. FILES PROTEST AGAINST ARMISTICE

Continued from First Page.

Notice must be given at which part it is intended to cross the front. The commander of the German eastern front will place at the disposition of the Russian commission the necessary apparatus so that it may keep in communication with its chief command.

'VON HOFFMEISTER.'

"The Russian Parliamentarians decided to appoint as the place the junction of the Dvinsk-Vilna line, whence the Russian representatives will be conducted to the Brest-Litvosk headquarters of the German commander. The time appointed is midday of November 19 (Russian calendar, or December 2, new calendar). At the same time we were informed that no firing would occur unless prompted, and that enemy fraternization would be stopped. We were blindfolded again and conducted to our lines."

BOLSHEVIKI OPPOSED.

Ministries Refuse to Deal With Revolutionary Committee.

PETROGRAD, Dec. 2.—Employees of the Ministries of Finance, Agriculture and Communications have refused to recognise the authority of the Bolsheviki and have begun a strike of two days.

The Military Revolutionary Committee sent a sailor to the Ministry of Supplies to ascertain the amount of meat and other food in Petrograd. The official in charge declined to deal with an agent of the revolutionists and refused the information.

Incomplete returns from the election for the Constituent Assembly indicate that the Bolsheviki have carried Petrograd, receiving 372,000 votes, against 211,000 for the Constitutional Democrats and 116,000 for the Social Revolutionaries.

TANK CORPS' MOTTO TRACED TO CARLYLE

Doing One's Damnedest Can't Be Called Altogether New.

Special Cable Despatch to THE SUN.

LONDON, Dec. 2.—England has gone wild over the tank motto at the battle of Cambrai: "The tank corps this day expects every tank to do its damnedest." A literary expert discovers that the motto first was used by Carlyle. Talking one day to the philosopher, a Scotch clergyman defined the true aim of man's existence to be "to glorify God and enjoy Him forever. Does not that give a true ideal of the highest life?"

To this Carlyle replied: "No. I should say that the chief end of man is to do his "damnedest."

ALLIES' CONFERENCE QUICK TO DECIDE

Permanent Councils Left to Execute Policies Which Were Adopted.

U. S. METHODS APPLIED

Leading Position Assumed by Americans in Economic Direction of War.

From a Staff Correspondent of THE SUN.

PARIS, Dec. 2.—So completely had the work of crystallizing the essential military and economical conditions been accomplished by its different committees that the interallied conference was able yesterday to confide the execution of its decisions to the Supreme War Council and the Interallied Council of Financial, Technical and Ecomnomic Experts, the former of which will sit permanently at Versailles and the latter in London.

With regard to the military programme, the position of the United States is influenced by the fact that at the present moment she can take only a minor part in the operations and the participation of her representatives in the Supreme War Council is more for the purpose of familiarizing them with the conditions and with the plans for the future that for any part they take in framing decisions affecting immediate problems.

In the economic direction of the war the United States took a leading position. It is not too much to say that the rapidity of the conference in reaching results was due to the organization of committees where the Americans brought to bear their efficient business methods, clarifying conditions so that their recommendations could be passed upon without delay.

In this laborious task the Americans earned the heartiest commendation of their colleagues. Lord Northcliffe referred to them as the live wires of the conference in attaining results quickly and accurately. The British mission still is here. It will continue its committee work and engage in individual conferences with the American, French and Italian delegates. Earl Reading and Foreign Minister Balfour had talks with Col. House this morning. Ambassador Maklakof, accompanied by the Russian charge d'affaires, also had an extended conference with the head of the American mission.

AMERICANS END WORK.

Will Not Join War Council Until They Return Home.

PARIS, Dec. 2.—The members of the American war mission began winding up their affairs to-day preparatory to leaving for America. They were busy compiling reports and clearing up minor details in conference with their French and British associates.

Gen. Pershing, commander of the American expeditionary forces, and Viscount Northcliffe had a conference here to-day.

It is announced officially that no plenary meeting of the conference will be held and that the Americans will take no further part in the meetings of the Supreme War Council until the mission has returned home and made its report. Col. House and Gen. Bliss represented the United States at the meeting of the War Council yesterday, but the permanent representation still is undetermined. Col. House has been in frequent communication with President Wilson, who has been advised on all the important developments.

The Interallied Council, which is a permanent body, dealing with finance, shipping, munitions and other economic and industrial aspects of the war, will open its meetings in London within a fortnight.

The problem of shipping has been solved by the Allies, Bainbridge Colby, representative of the American Shipping Board, said to-day. The solution is found in the enormous shipbuilding programme of the United States.

"I am not permitted, by the nature of things, to discuss the work of our mission and its results," said Mr. Colby, who has been one of the busiest members of the mission. "I can at least say, however, that it has been of the highest value and significance. My time has been almost entirely engaged with the shipping problem, which is in a sense the problem of the war.

"I think I can fairly say that the problem is solved. The stupendous building programme of America is the answer to the submarine, the answer which the defective psychology of Germany could not foresee."

WAR CROSSES FOR AMERICANS.

France Awards Three to Field Ambulance Men.

PARIS, Dec. 2.—War Crosses have been awarded to Robert P. Lamont of Evanston, Ill.; Benjamin Burton, Jr., of Colusa, Cal., and Herbert Hope of Oakland, Cal., of the American Field Service.

Mr. Lamont's left hand was torn off by a shell on October 7. Mr. Burton and Mr. Hope drove a motor truck under heavy bombardment on October 8, two men with them being killed.

A divisional citation has been awarded to Philip Rice of Wilkesbarre, Pa., for bravery in carrying wounded men from the battlefield under heavy fire in the Verdun sector in August and September.

All the citations were awarded for services performed before the sections to which the men were attached were incorporated in the American Army.

DRY U. S. IN 2 YEARS, BRYAN'S PREDICTION

W. C. T. U. Told Federal Amendment Will Be Adopted.

WASHINGTON, Dec. 2.—Ratification by the States of a prohibition amendment to the Federal Constitution within two years was predicted to-night by William Jennings Bryan, speaking before the opening session of the annual convention of the Woman's Christian Temperance Union. With twenty-six States already dry and prohibition territory spreading in others, Mr. Bryan said a Federal amendment before 1920 seemed certain.

Mr. Bryan asserted the action of the President in ordering a reduction in the alcoholic contents of beer was a great step forward for prohibition. The failure to suspend the manufacture of beer entirely because it would put the country on a whisky basis, he said, meant that there would be but one argument in the future on the prohibition question, and that Congress should lose no time in saying there should be no further conversion of foodstuffs into either beer or whiskey.

Almost 1,000 delegates, representing every State, are here for the convention, which will continue until next Friday. The national officers are preparing to devote their energies to the fight for passage by the House of the amendment resolution already passed by the Senate. They profess confidence that the House will act favorably before Christmas.

FRANCE DETERMINED TO FOIL PACIFISTS

Youth of 16 Found to Be Dangerous Anarchist.

Special Cable Despatch to THE SUN.

PARIS, Dec. 2.—The French Government has not slackened its efforts to uncover and destroy the insidious campaign which is being carried on for the purpose of poisoning the minds of the younger generation of France by means of the dissemination of pacifist and anti-patriotic literature.

A student 16 years old, Maurice Barrion, was arrested yesterday charged with being a dangerous person. Despite his youth, he has written several pamphlets of an anarchistic nature. During a strike of clothing workers he appealed to the soldiers to turn their arms upon the representatives of law and order, and he was a close associate of Helene Brion, the school teacher who was arrested recently for carrying on an anti-military propaganda.

In his rooms was found a great mass of literature of a seditious nature, advocating an immediate peace and preaching the doctrine of revolution. It was addressed particularly to soldiers, workmen and women. The purport of the pamphlets was to absolve Germany of responsibility for the war and to put the blame on the Allies.

Young Barrion was intimate with Sebastian Faure and other militant anarchists. It is understood that fifteen or twenty other arrests will be made soon on similar charges. The police inquiry into the accusations against Helene Brion, Suzanne Dufour and Gaston Moufiard, already under arrest, are expected to result soon in their indictment.

WAR REVENUE TAX EXCEEDS ESTIMATE

Senator Simmons Says Showing Averts Necessity for New Legislation Now.

Special Despatch to THE SUN.

WASHINGTON, Dec. 2.—Of all revenue raising legislation enacted by Congress during the last decade perhaps that from which the returns have been most surprising to economic experts of Washington is that of September, 1916, which increased corporation taxes and boosted their assessments in the year closing with June last to three times the amount of the previous year. During the fiscal year 1916-17 American corporations paid the Government $181,720,990 as taxes on their profits. In the previous year they were taxed only $58,547,081.

Daniel C. Roper, Commissioner of Internal Revenue, in his annual report made public to-day refers to this increase being greater by many million dollars than the highest estimates made a year ago, and in this respect the result is both gratifying and surprising.

That the war revenue law is working out so smoothly as to insure the Government more than half a billion more than its original expectations means just so much more Federal credit when it comes to the necessary increases in the volume of money which the Government must borrow to meet the cost of war.

Means Success of Loans.

It is thought by Congressional leaders to spell the certain success of not alone the next, but of all subsequent Liberty Loan flotations. It means also that the question of the duration of the post war debts of the Government will be shortened by just that percentage as the difference between the anticipated income from war taxes and the actual income measures.

The productivity of the war revenue law is proving a delightful surprise even to its framers. This gratifying announcement was made to-night by Chairman Simmons of the Senate Committee on Finance, coauthor of the measure with Representative Kitchin of North Carolina, head of the House Committee on Ways and Means.

Instead of the $2,500,000,000 which the war revenue law was presumed to add to the annual Treasury increment of the nation the early returns from collectors of internal revenue and the revised estimate of the Treasury sharps now indicate that the revenue return of the bill will approximate $3,000,000,000.

May Avoid New Legislation.

This brings cheer to Chairman Simmons. It is particularly gratifying in view of the hard fight which the conservative element in the Senate put up last session to keep the radical group in Congress from writing into the income tax provisions of the measure and into the war profits schedule infinitely higher rates than those which the bill makes applicable.

"I am glad to say that for the present I do not believe any new revenue legislation will have to be considered," said Chairman Simmons to-night. "I am encouraged at the preliminary figures from the operation of the law and encouraged to believe that if the volume of revenue shall be sustained as the year advances and the funds flow in the country can take comfort from the knowledge that the exigencies of the war have been met in a fashion which will insure the preservation of the country's credit without resort to new conscription of the profits of industry."

The number of returns made by the corporations totalled 365,047. Not all of these corporations were run at a profit. However, 204,851 had a combined taxable net income of $8,698,841,337. Upon this sum income taxes totalling $172,876,826 were assessed. Some of the corporations failed to obey the law and penalties amounting to $7,844,164 were exacted.

Startling Prosperity Increase.

Although only 56 per cent. of the corporations showed profits which put them in the taxable class there was a startling increase in their prosperity. The average per corporation of those returning a taxable income for each year was, for 1916, $27,154, and for 1917 $42,503. The excess in aggregate net earnings of the taxable companies represented an increase in earnings of a little over 67 per cent. In other words the corporations' net income jumped from $5,154,442,389 in 1915-16 to $8,693,841,337 in the following twelve months.

But the increase in revenue, which was about 235 per cent., was not due alone to the increased prosperity of the corporations. To the extent of 100 per cent. the increase may be accounted for in the higher tax rate (2 per cent.) imposed by the act of 1916, operative during 1917, as against 1 per cent. imposed by the act of October 3, 1913, under which the revenue of 1915-16 was collected.

New York State corporations paid the greatest total of the country, being assessed $46,566,951. Pennsylvania was second with $24,233,366 and Illinois third with $14,359,537.

$400,000 Bible Campaign Begun.

Churches throughout the country embarked upon a campaign yesterday to raise $400,000 to buy testaments for the soldiers and sailors. Announcements were made that next Sunday would be universal Bible Sunday and that special offerings would be made on that day. President Wilson and former President Roosevelt have approved the appeal.

CONGRESS KEEN TO TURN LIGHT ON WAR

Members Primed With Curiosity as to Expenditures and Other Problems.

SESSION BEGINS AT NOON

Inquiries Probable if President's Address Does Not Explain Many Questions.

Special Despatch to THE SUN.

WASHINGTON, Dec. 2.—Congress will reassemble at noon to-morrow for what promises to be the most enlivening session of its history.

When the gavels of Vice-President Marshall and Speaker Clark rap for order they will signal the attention of more than 500 legislators to duties which transcend in importance the duties of any parliamentary body in the world; for America to-day the hope of democracy throughout the world, the superweight in the scales of civilization, has assumed the relation of brother to the fighting forces of democracy in Europe's blood pit.

Anticipation that in his address to Congress the President will confine himself to military policy and domestic legislation is general in Washington. It is not believed that the President, pending the receipt of definite information with regard to the conclusions of the interallied conference at Versailles, will include in his suggestions and requests to Congress anything dealing with the external relations of the United States, most particularly with regard to the insistent suggestion that a declaration of war against Austria-Hungary and the other monarchies of the Central Power group is necessary for the complete participation of the United States in the war.

May Review Home Problems.

A general review of the developments of the last two months in America's war activities and suggestions as to internal problems such as the coal shortage, the conditions in the realm of food production and distribution, the progress of the Federal shipbuilding plan are subjects which it is natural to assume the President will discuss in general terms, giving in this discussion the Administration's interpretation of what constitutes a progressive policy in these essentials of the general war scheme.

As to what the President may have to say with regard to general laws or conditions, it is generally believed that he will extend to the united labor elements of the nation a certain amount of felicitation over the patriotic devotion to duty which has been displayed in the conferences of the American Federation of Labor and in the outgivings of the railway brotherhood chiefs in which the "Big Four" promised most tentatively to behave as well as they could under the circumstances.

It is not believed that the President will anticipate even by suggestion such legislative action as a more imminent threat of a possible tieup of the transportation service of the nation may necessitate.

It is understood that America's relations with foreign Governments, particularly with the three countries in alliance with Germany, with the general attitude of the Government toward the neutrals and toward the nations with which we are in alliance, will be the subject of later communications.

It will be in working out the principles of complete fraternalism that the Congress will find its stupendous function. This is the thought back of the message which President Wilson as Chief Executive of the nation will convey on Tuesday to Congress. The details of the President's plans for the rescue of a world from the claws of oppression, the security of the rights of the little peoples and the dethronement of autocracy will be the work of Congress.

Stormier Days Indicated.

It is not to be anticipated that a similar subservience in matters of legislation such as characterized the extra session will prevail in the coming Congressional session. The clamor to stand by the President has lost some of its force. In the earlier days of the participation of America in the world war there was much Congressional doubt as to the popularity of the war.

The legislators were far more disposed to acquiesce in the demands of the executive branch of the Government in view of this fact, comforting themselves with the hope and belief that if things went awry they would have a ready excuse that war exigencies demanded a concentration of authority and consequent concentration of trust in the responsible head of the Government. Now with the appreciation that the people of the nation are back of America's participation in the war, that a better spirit of Americanism prevails to-day than did eight months ago, and that the war has to be fought with complete victory as its only ultimate, they will be far more disposed to question Executive judgment as to methods of the pursuit of victory than they were of adequacy of preparation.

There will be investigations in the course of the coming session. Congress is preparing to ask more questions than it did at the extraordinary session. The legislators returning to Washington from their home districts are bringing with them all along the line the queries of their constituents as to what is being done with the vast sums of money which Liberty bond issues have yielded and which under the new tax laws the people already have begun to pour in unstinted volume into the Treasury.

The Congress begins its new session without a schedule of its activities. There is no legislative programme. Senator Martin of Virginia, Democratic Senate leader, said only yesterday: "There will be nothing to discuss in advance of the President's definition of his desires."

This is accepted here to mean that Congress will look to the President for that expression of his wishes and of the needs of the Government which will form the subject matter of the programme. Congress also will be guided by the President's wishes in the matter of the order in which these questions shall be taken up. Congress is ready to start business in orderly fashion and it stands at attention. The question of how closely the President's wishes are to be accepted as the complete Congressional guide of life remains to be answered after the words of the President have spoken.

WAR SERVICE HEADS TO MEET.

Chairmen of Committees Gather in Washington December 12.

WASHINGTON, Dec. 2.—Chairmen of war service committees, representing every branch of industry in the country, have been called by the Chamber of Commerce of the United States to meet here December 12 to perfect plans for cooperation with the Government.

These committees, which will take over the work of the abandoned special industrial and business committees of the Council of Nation Defence's advisory commission, already are effecting their organizations. The meeting here will be for the purpose of getting in touch with the Government.

RUMANIA TO SEND MISSION TO U. S.

Will Accompany Members of New Legation.

PARIS, Dec. 2.—The Rumanian Government has decided to send a special mission to the United States with the members of the newly established legation at Washington. The head of the mission will be the new Minister, Dr. Constantin Angelesco, former Minister of Public Works.

The other members will be George G. Danielopol, Deputy Director of the National Bank of Rumania; Prof. Mrasck, a geologist and specialist in questions relating to petroleum; M. Zahariade, head of the railroad service, and Commander Pantazi of the navy. Prince Antoine Bibesco will be first secretary of the legation, Nicolas Lahovary, second secretary; Frederic Nanb, third secretary, and Capt. Teishano, military attache.

"I shall be glad" said Dr. Angelesco, "to present to the great statesman President Wilson, and to the American people the salutations of my sovereign and the Rumanian people, united in the desire to tighten the bonds with the great American democracy. Rumania is fighting side by side with the United States, and although burdened by sorrow is prepared for any sacrifice to free more than four millions of its race from the Austro-Hungarian yoke.

"Rumania is filled with hope that the new relations with America will contribute to the strength of her democratic institutions and to the development of her agricultural and mineral resources."

LANSDOWNE FEARS DISASTER, SAYS FOE

Continued from First Page.

of their peoples and that Premier Lloyd George and Premier Clemenceau are virtually dictators invested with powers foreign to democratic principles. Comparison is made between the so-called policy of Germany to consult the people through the Reichstag on war matters and the avowed determination of British and French leaders to continue the war without consulting the people in their respective countries.

Typical German Sophistry.

Officials and diplomats point out that all this is typical German sophistry. No mention is made of the fact that either Lloyd George or Clemenceau would be eliminated from power by an adverse vote in the British and French Parliament. They are in power and their policies are being pursued because the people are behind them, but it appears now to be an important part of Germany's game to make the German people believe that the British and French are really anxious for peace.

Dr. von Kuhlmann's statement that Germany will make known her peace terms as soon as the Allies gather round a table at a peace gathering is simply a reiteration of statements made again and again by German propagandists. Germany long has realized the tremendous advantage which would accrue to the Teuton cause by a willingness of the Entente and the United States to accept a proposal for a peace conference.

Shrewd Teuton diplomats believe that this move would almost inevitably be followed by a truce and a premature peace. The idea of plunging Europe again in war because of some disagreement over peace terms would be unthinkable, as the Germans well konw. Consequently the beginning of peace negotiations, they believe, would mean the end of hostilities.

Would Be Entrapped.

Germany would then make known her peace terms and her enemies would be in the position of being forced to accept whatever Germany, in her role of conqueror, agreed to give. There might be efforts to disguise the real significance of peace terms in Entente countries, but the victorious German war machine and the occupation of vast territory by German troops would assure Germany of the power to carry out any negotiations to a successful conclusion.

Diplomats also point out that Germany well might usher in peace negotiations on some pretext, or by outlining liberal terms, and then later repudiate her promises. President Wilson has said that the German Government cannot be trusted, and both the British and French Governments know that the Hohenzollerns would not hesitate to make new promises scraps of paper, just as the old promises were so treated. Consequently until Germany's military power is broken the United States and the Entente are not interested in peace proposals regardless of their alleged purport.

The willingness of Germany to treat with the Bolsheviki was fully discounted here. It appears now that the German Government is seeking to capitalise the Russia embroglio to advertise anew its peace propaganda.

LLOYD GEORGE'S PLEA.

Let Us Strain Every Nerve for Unity, He Says.

OTTAWA, Dec. 2.—A statement given a *Petit Parisien* representative in Paris by David Lloyd George, British Prime Minister, who has been in France for the interallied conference, has been received by the agency here of the Reuter Telegram Company, Ltd. It follows:

"The moment is very serious. Everything must give way before the importance of our object. We have the men, the munitions, the economic and financial resources and the feeling that we are fighting for the right. Let us strain every nerve now to make unity of direction and control into realities. If we do not waste time and are resolved to win the war we shall do so. We must have the will, the patience, the endurance and the tenacity. Then we shall conquer."

TURKS FAIL NEAR JERUSALEM.

Pay Severely for Attacks Made on British Forces.

LONDON, Dec. 2.—The reenforced Turkish armies in Palestine continue to make attacks on the British positions northwest of Jerusalem, but have been repulsed with heavy losses. The following official report was issued to-day:

At 1 o'clock yesterday morning the Turks attacked our line in the neighborhood of Beit uret Tahta and Bir el Burj. They gained a footing in our position, but were ejected at daybreak, leaving 200 prisoners in our hands. The enemy's loss apparently has been very heavy during his recent attacks.

Bombarding raids were successfully carried out at Tulkeram, an important junction on the Turkish line of communications. About a ton of bombs was dropped on the camp, railway, anti-aircraft batteries and airdromes.

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ADVANCE FOR RAIL WORKERS DOUBTFUL

Brotherhoods' Appeal Seems to Find No Response by Administration.

TRAFFIC NOT TO STOP

President Empowered to Use Drastic Means to Keep Trains Running.

Special Despatch to THE SUN.

WASHINGTON, Dec. 2.—It is extremely doubtful if the railroad brotherhoods will get the increased pay they have decided to demand. That is the general opinion among railroad and Government officials here who are keeping in close touch with the railroad situation.

The railroads are awaiting the decision of the Interstate Commerce Commission as to the increased freight rates which have been asked. This decision is expected before the middle of the month. The demands of the brotherhoods are believed to be founded on the theory that the railroads will have considerably more income if the rate increase is granted, and they want to get a part of it.

The efforts of the four organizations of railroad employees are discounted to a large extent by members of the Administration. A member of the President's Cabinet explained the position of the brotherhood leaders as one where they continually had to appear to be trying to secure some advantage, financial or otherwise, for the employees to retain the positions they hold.

Tacit Threat Discounted.

The tacit threat contained in the demands of the brotherhoods seen in the time limit of one month, which they have put on their wage increase demands, also is discounted. It is known now to the railroad heads that the brotherhoods were not prepared to carry out their strike threat in August, 1916, when they clubbed Congress into passing the Adamson bill, called the "eight hour law." The railroad executives have given ample evidence that they do not intend to be blackjacked again in the same way.

The Government is not going to be hurried by the brotherhoods. Their wage demands must be presented to the railroads in the regular way, the services of the United States Board of Mediation and Conciliation called in to help in the usual way and the report of inability to adjust the demands of the employees and the reports of the railroads made in due course. If there then is no yielding on either side the usual appeal will be made to President Wilson.

Roads Trust President.

The railroads have indicated clearly that they are willing to trust to the fairness and judgment of the President in finally straightening out their relations with the brotherhoods. The brotherhoods, despite their conference with the President, have given no such indication.

It has been made clear that a strike threat by the brotherhoods will have no effect on the Government or on the railroads. The Administration will not permit the great lanes of traffic to be tied up because of demands of a comparative handful of men whose leaders are bent on getting more money for their followers. A few days ago, when Representative Adamson, chairman of the House Interstate Commerce Committee, called at the White House he asserted that the President was clothed with ample power to prevent the brotherhoods from tying up the roads because they wanted more money. The priority of shipments law gives this power, Mr. Adamson said. Two ways are open to the President—to use the military forces of the nation to keep the shipment of war supplies unchecked, or to apply the draft law to the railroad employees and make them work at their usual employment, but at the soldiers' stipend of $30 a month.

New Expense Not Covered.

It has been shown at the hearings before the Interstate Commerce Commission that the rate increases asked, which are expected to be granted this month, will not cover the increased wages given to all railroad employees in the last year and the increased cost of fuel and supplies. Frank A. Vanderlip and other financial authorities, aware of this fact, advocated an equipment loan to the railroads to aid them in the position in which they find themselves.

The railroad executives are relying to a large extent on the fairness of the President. They are sure they can convince him, if the matter finally goes to the White House for settlement