

WEATHER

Local thundershowers Sunday; Monday generally fair.

The News and Observer

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FORTY PAGES TODAY.

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NEW GERMAN CABINET IS FORMED WHICH WILL PROBABLY ACCEPT PEACE TREATY CONDITIONS

THE HAND OF TIME NEARS POINT WHEN THE HOUR FOR PEACE WILL STRIKE

Time Limit Expiring Tomorrow, The Peace Council Plans for The Signing of Treaty; German Preparations

NEW GERMAN CABINET IS ANNOUNCED WITH BAUER AS THE PREMIER

Prospects of Giving Former Ex-Kaiser a Trial Meets With Much Opposition With The Late Militaristic Element; Italian Situation Not Yet Cleared Up; King Emmanuel Expects Nitti To Form New Cabinet; Sonnino Sat at Peace Conference Table Saturday; State of Siege West of The Rhine

ERZBERGER WILL PROBABLY HEAD NEW DELEGATION



HERR ERZBERGER.

Herr Erzberger is the German who, as head of the armistice commission, spent what he declared to the German National Assembly to be "the most uncomfortable hour of his life," while Gen. Foch was delivering the ultimatum of the allies to him for transmission to the German government.

BAUER NEW PREMIER OF GERMAN CABINET

Mueller, Majority Socialist, New Minister of Foreign Affairs

Berlin, June 21.—(By the Associated Press.)—A new German cabinet has been formed under the premiership of Herr Bauer, formerly minister of labor, with Dr. Herman Mueller, the majority socialist leader, as minister of foreign affairs.

The other members of the cabinet are: Minister of the Interior—Dr. Eduard David. Minister of Finance and Vice-Premier—Mathias Erzberger. Minister of Economics—Herr Wissell. Minister of Labor—Herr Schlicke. Minister of the Treasury—Herr Meyer.

Herr Bauer the new premier is a socialist and held the post of minister of labor. In the course of his official duties he has had much to do with the striking workmen, and recently brought about a settlement of the general strike in Berlin.

Dr. Mueller has become one of the leaders of the majority socialists since the revolution. He was party whip in the National Assembly. In a recent speech Dr. Mueller declared the former German emperor was not wanted in Germany and "that he belongs in a pathological ward."

The name of Eduard David has been linked with that of Philipp Scheidemann as one of the leaders of the German socialist party in the Reichstag since before the war. From 1915 to the time of the revolution last November, Dr. David in his speeches in the Reichstag opposed a war of conquest by Germany.

Dr. David was a member of the original German delegation to the peace conference, but retired in favor of Herr Landsberg on account of ill health. Mathias Erzberger was head of the German armistice commission and is one of the leaders of the Centrist or clerical party.

The famous Belchotag peace resolution, adopted in July, 1917, and declaring for "peace without annexation or indemnity," was the work of Erzberger.

NEW PLAN TO RATIFY LEAGUE OF NATIONS

Ellihu Root Proposes Plan For Acceptance To Senate Committee

SUGGESTS RESERVATIONS IN RATIFYING MEASURE

Would Soften Obligations For Guaranteeing Integrity of Foreign Nations and Further Safeguard Monroe Doctrine; Decision To Bring Up Knox Resolution

(By The Associated Press.) Washington, June 21.—The League of Nations controversy in the Senate was enlivened today by a series of developments accepted as foreshadowing the lines into which the final ratification fight may fall.

Ellihu Root, Secretary of State under President Roosevelt, laid before the Foreign Relations committee, a program for acceptance of the league with certain reservations.

Senator Borah, Republican, of Idaho, gave notice in a Senate speech that he could not remain in the Republican party if it failed to take a more definite stand against the league.

Assured of Ratification. Senator Hitchcock, Democrat, Nebraska, replied that no party dared stand against the league proposal and declared the covenant was assured of ratification by Republican votes.

Senator Knox, Republican, Pennsylvania, decided to call for a show-down of Senate opposition Monday by bringing in his resolution declaring the treaty cannot be accepted with the league covenant attached.

Of these developments, the recommendation of former Secretary Root, presented after two days of conferences with league opponents, attracted widest attention tonight because it was regarded as embodying a plan on which an appeal is likely to be made for unity of action by all of those who do not fully approve the Paris covenant.

Root's Proposed Reservations. The reservations which Mr. Root suggested should be written into the Senate's ratification resolution would be designed to soften the nation's obligations for guaranteeing the integrity of foreign countries, and to further safeguard the Monroe doctrine, the right of withdrawal from the league and the determination of purely domestic problems. These reservations could be made, the former secretary declared, in perfect harmony with the traditions of diplomacy and without endangering other league provisions.

The decision to bring up the Knox resolution was reached after a conference of leaders had agreed that some vote revealing the exact state of Senate opposition would clarify the air and strengthen the position of league opponents. There were rumors tonight that this decision might be reversed, however, and a substitute for the Knox measure brought in later in the week. But it seemed certain the opposition was determined to show its strength in some concrete manner before the treaty is submitted for ratification.

Former Senator Root's recommendation.

(Continued on Page Two.)

RADICAL JOINTS IN N. Y. RAIDED

Sign Telling How To "Open The Jails" Removed By The Police

New York, June 21.—Headquarters of three radical organizations in this city were raided this afternoon by a joint force of state troops and agents of the Law legislative committee, which is investigating Bolsheviki propaganda in this city. A large quantity of books and papers was seized.

About thirty persons found at the Rad school vigorously protested seizure of documents. This raid had been planned at the office of Chief City Magistrate McArdoo, who issued the search warrants.

Meanwhile radical socialists were holding an outdoor meeting uptown, to protest against the seizure of documents in the recent descent on the Russian Soviet government bureau. Hand bills reading "Hands off Russia, Down With Kolchak," were distributed and seventeen speakers were scheduled to address the radicals, comprising about 150 men. Copies of the Rebel Worker, a Radical weekly, were being offered for sale by a person who solicited members for the "One big union."

PRESIDENT OF GERMAN REPUBLIC STICKS TO HIS JOB



FRIEDRICH EBERT

MARSHALL DINES PESSOA OF BRAZIL

President-Elect of Southern Neighbor Republic Warmly Up To Uncle Sam

(By The Associated Press.) Washington, June 21.—Brazil will rejoice in continuing to develop more and more the relations that bind her to the United States, President-elect Epitacio Pessoa, of the Brazilian republic, declared tonight at a dinner given in his honor by the Vice-President of the United States. The distinguished visitor took the first occasion after his arrival here as the guest of the nation to express the admiration of the Brazilian people for this country and to pledge their continued friendship. It was the entrance of the United States into the war, he said, that had a decisive influence on Brazil's procedure.

Arriving here aboard a special train from New York, President-elect Pessoa and his party were met by high government officials and taken to a private residence set aside for their use. Shortly thereafter Acting Secretary of State Polk called and escorted him to the White House where he was received by Vice-President Marshall and formally welcomed to Washington as the guest of the nation. Dr. Pessoa expressed appreciation for the courtesies extended him and said it gave him great pleasure to be here. Meanwhile, the wife and daughter of the president-elect were taken to a hotel where Mrs. Marshall received them.

The dinner tonight was at the Pan-American Union, with Vice-President Marshall as host. In proposing a toast to the President and Vice-President and to the United States, Dr. Pessoa said Brazil's friendship "increased with the confidence you were able to inspire in the Brazilian people in the solidarity you always showed them for the defense of their rights and legitimate interests in every phase of their history."

Tomorrow the party will visit Mount Vernon as guests of Secretary Daniels on the Mayflower and Dr. Pessoa will lay a wreath on the tomb of Washington.

NAVY DEPARTMENT WANTS HELP OF THE LAW

In Defending Suit Against Government By Refining Company

Washington, June 21.—Secretary Daniels today asked Attorney-General Palmer to place the legal machinery of the Department of Justice at the disposal of the Navy Department in defending the suit brought against the government by the Atlantic Refining Company to recover \$2,300,000, representing the difference between the tentative prices paid by the navy for fuel oil and gasoline during the war and the current market prices in Philadelphia.

Navy Department officials said today that with one exception the Atlantic Refining Company was the only oil company to refuse to accept the government's prices. The first step of the government in the suit was the filing of a motion to change jurisdiction from the district court in Philadelphia to the Court of Claims, which is now before the district court.

HANDLEY-PAGE PLANE PROBABLY TO HOP OFF FOR IRISH COAST TODAY

St. John's, N. F., June 21.—The Handley-Page bombing plane, piloted by Vice Admiral Mark Kerr, probably will start from Harbor Grace tomorrow morning on attempted flight to the Irish coast, it was announced here tonight. The hour for the start has been tentatively for 9 a. m.

LABOR RE-ELECTS SAMUEL GOMPERS

A. F. of L. Stages Demonstration in Honor of Their Trusted Leader

IT IS ORGANIZED LABOR'S ANSWER TO TRADUCERS

Resolution Adopted To Take Action in Regard to a Joint Resolution in Congress Providing For Conference of Industrial Heads As Announced By War Labor Board

(By The Associated Press.) Atlantic City, N. J., June 21.—Samuel Gompers was re-elected president of the American Federation of Labor at the organization's convention today and was voted a salary of \$10,000 a year. One radical vote against the reelection of Mr. Gompers and a handful of delegates sat in their chairs, while the rest staged a demonstration in honor of their leader, who said his election was organized labor's answer to its traducers and opponents.

Second in importance was adoption of a resolution directing the executive council to investigate and take action in regard to a joint resolution now before Congress providing for establishment of a conference of industrial heads in accordance with plans recently announced in Washington by Basil M. Manley, joint chairman of the National War Labor Board.

A list of those suggested to represent labor, as published a few days ago, is headed by Frank P. Walsh, former chairman of the board. Mr. Gompers' name was second.

Mention of the proposed plan brought a storm of denunciations from the delegates, radicals as well as conservatives. Andrew Furuseth, of the Seaman's Union, said that in reality the proposal, if adopted by both houses of Congress, meant inauguration of a commission form of government "which is a form of government despotism that would shake, not liberate."

Outsiders Can't Speak For Federation. President Gompers announced he had sent a telegram to sponsors of the resolution in the Senate and House as soon as he heard about the plan. The message, addressed to Senator Poindexter and to Representative Clyde M. Kelly, of Pennsylvania, follows:

"The newspapers publish that you and Representative M. Clyde Kelly have introduced into the Senate and House, respectively, bills vitally affecting the interests of labor. Before any progress on these bills is made in Congress I think it necessary that a conference should be had with the representatives of the American Federation of Labor.

The acceptance of the attempt for others to speak in the name of American labor will, I am sure, arouse resentment."

Burleson Assailed Again. Postmaster-General Burleson again was assailed. A resolution adopted unanimously expressed organized labor's disapproval of the zone postal system for second-class matter and "petitioned Congress to annul this ob-

RED FLAG RAISED AT NAVAL STATION

Some of Sailors Discontented Because Discharge Orders Were Cancelled

Morehead City, June 21.—Discontent among some of the sailors at the Naval Air station here caused the raising of a red flag from the camp flag pole last night. Disappointment over the temporary cancellation of discharge orders is believed to have been responsible for the outbreak. Four men have been placed in the guard house today.

The flag was found floating from the top of the pole shortly after 6 o'clock and caused great consternation. It was not taken down immediately but an investigation was at once started to determine the guilty persons. The flag has been sent to Washington, it is understood, for finger print tests with a view to finding out who the guilty ones are.

Three hundred and fifty men were to have been discharged today and the first two days of next week. There are about 400 men stationed at the post. Yesterday orders were received cancelling temporarily the orders that had been issued previously.

Fifty-seven sailors received their discharge at the naval air station today and left for their homes.

Troopship Arrives at Newport News. Newport News, Va., June 21.—The battleship Nebraska, from Brest, arrived here today several hours ahead of schedule, carrying 1,224 officers and men of the A. E. F.

THREATENS TO KICK OUT OF THE PARTY TRACES



BORAH RESTLESS IN PARTY HARNESS

If It Doesn't Fit His Notions As To League He Would Cast It Off

IDAHO MAN THREATENS TO KICK OUT OF TRACES

Insists On Partisan Treatment of Treaty and Covenant in Senate, Says Republican Party to Neutrality; Idaho Senator in a Rage

(By The Associated Press.) Washington, June 21.—Senator Borah made a threat of withdrawing from his party during a sharp debate in the Senate today, which started when the Idaho Senator read into the record a petition signed by twenty-eight prominent New York Republicans, asking that the peace treaty be ratified without delay. Among the signers were George W. Wickersham, former Attorney General, and Oscar S. Straus, former Ambassador to Turkey, who were bitterly assailed by Mr. Borah. Mr. Straus was talking to several Senators just outside the Senate.

The speaker also quoted an appeal of former President Taft against the Knox resolution, in which Mr. Taft urged that politics should stop at the water's edge.

"I agree with that perfectly," continued Mr. Borah, "does politics stop at the water's edge regarding the Monroe Doctrine? Yes, but on this side of the water. And so with a multitude of other things in this covenant. It is inconceivable that this can be kept out of politics, for the people have no way to express themselves except through political parties."

"Was that the view of those who signed the round robin?" interrupted Senator Flanders, Democrat, Ohio. "I can only assume to speak for myself," replied Mr. Borah. "There never was an instant when I would not have denounced my party as cowardly if it had taken a stand for this league."

"Mr. Hays, (the Republican National Chairman), says that it is a political question. It is, but it has two sides, on which side does he stand?"

Would Trample on Platform. "I have been a Republican all my life. I should like to remain a Republican. But I would trample any platform that endorsed this treacherous scheme and I would spit upon any platform that was silent on the subject. The international bankers may monopolize everything else in the United States, but they can't monopolize the right to organize a new political party."

"Mr. Hays cannot commit the Republican party to neutrality. Certain Republicans don't want the party to take a definite position because they know the Democratic party is thoroughly organized and that in every precinct in the United States it is fighting for the league of nations."

Straus Is Around the Corridors. "Mr. Straus is around the corridors of the Capitol now exerting his influence as a Republican to get the party not to take a stand against the league. Why is he here? What does he represent? So far as I'm concerned it doesn't make any difference what the Republican party does. I know there'll be a party that will stand for American rights."

In his reply Senator Hitchcock declared it was plain why the Republicans did not take a party stand against the league, because "every test of public sentiment made heretofore has shown an overwhelming sentiment, Republicans as well as Democrats, for the league."

Hitchcock's Cutting Retort. "If the Republicans defeat this treaty," Mr. Hitchcock continued, "they

EIGHT SHIPS FOR SOUTHERN EXPORTS

Shipping Board Makes Allocation To South Atlantic Maritime Corporation

ASSIGNED FOR SHIPPING GOODS TO SOUTH AMERICA

Fight For Vessels Has Been Pressed Vigorously By Several Southern Senators, Notably Senator Simmons; North Carolina Senator Declines Invitation To Speak

The News and Observer Bureau, 603 District National Bank Bldg. By S. R. WINTERS. (By Special Leased Wire.)

Washington, June 21.—The United States Shipping Board today assigned eight ships to the South Atlantic Maritime Corporation for plying commerce between Wilmington, Savannah, Brunswick, Jacksonville and Charleston and Latin America. Matthew Hale, president of the corporation, was elated over the final triumph of the claims of the Southern ports, and stated that all the ships necessary for conducting trade between South Atlantic ports and Cuba, South and Central America at this time has been allocated by Chairman Edward N. Hurley.

For the Cuban trade, the two vessels, "Point Loma" and "Lake Pepin," have been allocated for conducting commerce through Southern ports and Argentine trade, these three ships have been assigned. The "Walrus," with a capacity of 7,500 tons and the "Jacona" and the "Glen Ridge" with similar capacity. For the Brazilian trade, the "Boston Bridge," 5,975 tons; the "Annapolis," 5,075 tons, and the "Waterbury," 7,500 tons, have been allocated.

Senator Simmons and other Southern senators who have vigorously pressed the fight for the recognition of South Atlantic ports, expressed gratification today over the complete victory won. The presentation of the merits of the claims of the South Atlantic Maritime Corporation has been persistent, and constant in its application. The claim for recognition has embraced a period of several months past, and the quiet but effective campaign of Matthew Hale, of Wilmington, is an established fact. Mr. Hale crystallized definite form for the idea by associating with him the foremost men and public officials of the five South Carolina ports constituting the "league of cities."

The Boston cities who came to Wilmington and established his identity within a brief time has overcome many obstacles which resulted in the final triumph as officially recorded today. He organized a business organization in the form of a quasi-public corporation which has been instrumental in presenting the importance of the "league of cities" to Wilmington and all North Carolina.

Senator Simmons desires that the people of North Carolina and the South be advised of the splendid spirit of co-operation and helpfulness which is now being shown in this matter by Hon. Edward N. Hurley, chairman of the United States Shipping Board and his associates. Mr. Hurley has taken much interest in the development of the ports of the South not only for the sake of relieving congestion in the densely populated section of the Middle Atlantic States, but also on account of his deep interest in the development of the ports of the South, and every section of the United States in the matter of foreign trade.

To Make No Engagements. Senator F. M. Simmons in a letter today to James A. Gray, of Winston-Salem, president of the Carolina Bankers' Association, declined the invitation to address the bankers in annual convention in Winston-Salem. Among the plausible reasons stated for declining the invitation, the senior North Carolina Senator states:

"The Senate is so nearly equally divided between the two parties (49 Republicans and 47 Democrats), that in the political contests especially, that we are expecting, it will very probably often happen that the loss of one vote or of the influence of one Democratic Senator or otherwise, would entail very serious consequences. There is, too, of course, the paramount, patriotic duty of not depriving the President of the United States of the support and influence of any Democratic Senator even for a day in these times when vicious and partisan attacks are being made upon him for party purposes, while he is handling the gravest and most far-reaching questions that concern the people of the whole world."

"I feel that these duties, which I cannot and must not escape, are going to tax my physical strength and health, which are not now as good as they might be, as greatly as I feel can be safely done, and I do not believe it

(Continued on Page Two.)