

THREE REPUBLICANS HAVE CONFERENCE WITH WILSON REGARDING PEACE TREATY

How Versailles Conference Reached Many of Agreements Described By President

SENATOR COLT ADMITS SHANTUNG SETTLEMENT APPEARS IN NEW LIGHT

Senate Adopts Resolution Asking For Information Regarding Negotiations Effecting Chinese Peninsula; President Opposes Making Any Reservations in Ratification; Insists That Article Ten Is Essential To League; Private Conversations With Premiers Recalled For Information of Senators; No Debate Today

Washington, July 17.—How the Versailles conference reached many of the agreements embodied in the treaty of peace was described by President Wilson today to three Republican Senators invited to the White House at the head of a long list of Republican members whom he purposes to take into his confidence.

Afterward one of his callers, Senator Colt, of Rhode Island, said Mr. Wilson had been able to place the Shantung settlement in a new light and had clarified other disputed points in the treaty.

Senator McCumber, of North Dakota, and Senator Nelson, of Minnesota, the others who saw the President, were reticent as to the subjects discussed but said the President had given them much interesting information.

President Opposes Reservations. Senator Colt, who announced his general approval of the League of Nations in a Senate speech delivered shortly before he went to the White House, indicated after the conference that his doubt over certain portions of the league covenant had not been removed. He said he was not ready to express an opinion regarding Shantung and intimated that the President might make public a statement soon on the subject.

Senator McCumber is the only Republican member of the Foreign Relations Committee who has favored the league and it is understood Mr. Wilson talked over with him committee action on the treaty and the general situation on the Republican side of the Senate. Senator Nelson never has made a public declaration for or against the treaty. To all of his callers the President is said to have reiterated his opposition to reservations of any character in Senate ratification of the treaty.

The President, tomorrow will continue his talks with Senators inclined to be friendly toward the treaty provisions, though it is expected that later he will seek a conference with virtually every Republican Senator, including those who have most bitterly opposed ratification. Senators Kellogg, Mann, and Keynon, Iowa, both of whom have kept open minds on the treaty, have been invited to call on the President tomorrow morning and Senators McNary, Oregon, a league supporter and Capper, Kansas, who has taken no definite stand, in the afternoon.

Senate Debates Shantung. The position of the foreign relations committee with regard to meeting the President as a body was explained in a statement tonight by Chairman Lodge, who said no congressional committee "has any right or should have any right to summon" a President before it, and that Mr. Wilson had not asked to appear. He made no prediction whether the committee would accept later the President's offer to receive it at the White House but pointed out that so far committee consideration of the treaty is in its preliminary stages.

While the President was beginning his White House conferences the Senate debated Shantung and the league and adopted without a record vote a resolution by Senator Borah, Republican, Idaho, asking for information relative to the Shantung negotiations. Specifically, it asks the President for any information as to whether the Chinese delegates were "intimidated by the Japanese and requested a copy of a letter said to have been written on behalf of General Bliss, Secretary Lansing and Henry White, protesting against the Shantung settlement."

Several Senators speaking. In his address announcing acceptance of the league principles, Senator Colt declared the covenant would not conflict with the American constitution nor create a super-government, and asserted that "if it is unthinkable for us to desert England, France and Italy, when the world is in chaos then we must become a member of the league as providing the only machinery for the restoration of peace and order."

He withheld judgment, however, as to the Monroe Doctrine and other features.

Senator Sherman, Republican, of Illinois, attacking the Shantung provision as a step toward the dismemberment of China and the enthronement of "an Asiatic Kaiser" at Tokio, declared Japan never intended to give up the peninsula passing to her control under the peace treaty. He characterized

WAR INSURANCE IS TOO CENTRALIZED

Hughes Advisory Committee Urges Establishment of Local Government Offices

THREE-FOURTHS OF THE POLICIES DISCONTINUED

Greatest Difficulty Presented Is That Thirty Per Cent of Addresses of Soldiers Are Incorrect; Publicity Campaign and Enlistment of Volunteer Agencies Are Recommended

Washington, July 17.—Systematic decentralization of the Bureau of War Risk Insurance by the establishment at suitable points throughout the country of local offices for the more effective transaction of business was recommended today by the advisory committee of thirteen, headed by Charles Evans Hughes, which had been in conference for three days with Director Cholmeley-Jones and his associates.

Work undertaken by the bureau was declared to be "stupendous" in which the greatest difficulty at present was the fact that about 30 per cent of the addresses of discharged service men are incorrect, so that the bureau is unable to communicate with them regarding the continuance of their payments and conversion of the term policies to permanent insurance insurance. In this connection it was disclosed that approximately three-fourths of the holders of existing policies, which aggregated \$40,000,000, have not continued their payments. Policies were written for about 4,000,000 men.

Confidence Is Needed. "This vast undertaking," the Hughes report said, "cannot be carried out merely through correspondence with a central office in Washington. To attempt to do so would inevitably cause delays and misunderstandings and create a widespread dissatisfaction with an enterprise which to be successful must command a high degree of confidence."

We are informed that a considerable number of applications for permanent insurance have been received. It is to be hoped that there will be a general reinstatement of policies and an acceptance by all of the exceptional opportunity for insurance at low cost which the government has offered. To accomplish this it will be necessary to be in constant touch with the insured during the period of insurance."

Recommendations Made. The recommendations of the committee were set forth as follows:

"First: We recommend that a qualified representative of the bureau be instructed to proceed immediately to the capital of each State to confer with the governor of the State for the purpose of securing the aid of the State and the officers of cities and counties in obtaining correct addresses of soldiers, sailors and marines and their dependents residing within the State. We recommend further that in order to correct the address list, immediate effort be made to elicit the cooperation of all voluntary agencies available for the purpose, such as the American Red Cross, the American Federation of Labor and the other associations which have so helpfully contributed their aid in connection with war activities."

"Second: We recommend that the bureau immediately proceed to establish local representatives in each State or in such districts as it may seem advisable to divide the country for this purpose, to the end that there may be constant provision for personal contact with the insured soldiers, sailors and marines and their dependents for the procuring by them of information with respect to their privileges and obligations, for the local payment of premiums and furnishing of proofs, and for whatever local business may be conveniently transacted within the district."

Urges Publicity Campaign. "Third: That the cooperation of voluntary agencies desired to meet the immediate exigencies of the bureau should be secured to the fullest extent possible, to the end that their aid may always be available for the purpose of reaching the insured."

"Fourth: That in addition to the means already suggested, and the cooperation of these agencies, there should be started a publicity campaign through adequate advertising for the purpose of giving information to soldiers, sailors, and marines and their dependents, with respect to allotments, allowances, and compensation and for the purpose of directing attention to the importance of the reinstatement of policies and the continuance of their insurance, by the soldiers, sailors and marines."

Business Basis Needed. "Fifth: It is apparent that the undertaking of the government to provide permanent insurance for the soldiers, sailors and marines is a business undertaking which cannot successfully be continued except upon business principles. We deem it of vital importance that immediate steps should be taken, and appropriate legislation should be secured, for the purpose of adequately organizing the bureau upon a permanent basis."

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France Honors American Generals For War Work



Ambassador Jusserand of France (1) Standing in front of French Embassy in Washington, D. C., with American Officers on whom he had conferred Legion of Honor on behalf of French Government. (2) Major General Coe. (3) Major General Kenly. (4) Major General Sibert.

BELA KUN OUSTED REPORT DECLARES

Head of Hungarian Communist Government Has Lost Control, Paris Hears

Paris, July 17.—(By The Associated Press.)—Bela Kun, head of the Hungarian communist government, has been ousted, according to dispatches from reliable sources in Vienna received by the peace conference. Troops returning from the Czech frontier reported entering Budapest in large numbers. Budapest was in disorder.

Herr Boehm and Herr Lander have taken over control of the communist government. Bela Kun was reported in a Budapest dispatch received Wednesday, to have broken off with nearly all the socialist leaders. Officers of the soviet army were said to be deserting at every opportunity. The communist leader was quoted as having told his minister of education that he was tired of trying to ride socialist and communist horses at the same time.

Herr Boehm, who has been commander of the Hungarian armies, was reported in a dispatch from Vienna Wednesday. This dispatch also stated that Bela Kun was seeking some excuse to leave Hungary and that he would not return.

Bela Kun assumed the post of foreign commissary, or minister of foreign affairs in the Hungarian soviet government, which succeeded the republican government set up by Count Károlyi. He took office in March, 1919, and immediately got in touch with the heads of the Russian soviet government. He was considered the founder of the communist party in Hungary.

The council of five at Paris, July 5, reached the conclusion, it was stated, that it was impossible to make peace with Bela Kun's government. Consequently it was considered necessary to maintain the blockade.

Recent events in Budapest have pre-arranged trouble. An attack was made on the soviet headquarters by three monitors in the Danube, aided by land forces on July 2. As a result of this uprising forty youths from the Budapest Military Academy and three officers were hanged. Bela Kun then issued a proclamation stating: "Blood shall flow henceforth, if necessary to insure the protection of the proletariat."

NATIONAL GUARD CAVALRY DIVISION GOES TO TEXAS

Organization of This Unit Will Be Pushed Vigorously, Says Department

Washington, July 17.—Organization of the extra cavalry division provided for in the War Department plan for the National Guard will be pushed vigorously, it was said today. There is no anticipation that the sixteen divisions of infantry, corresponding to the war organization of the State forces, will be completed this year but efforts will be made to get the cavalry unit, six regiments of which will be raised in Texas, in condition to be mobilized against any emergency.

The infantry divisions will be numbered 51 to 66, inclusive, instead of 26 to 42 as during the war. The numbers up to and including fifty are reserved for regular army divisions, most of which would be created only in the event of war. Plans for the regular organization call for a cavalry division recruited from the entire country, but also stationed in Texas.

The National Guard reorganization plans as announced make no immediate provision for the special arms and auxiliary services such as tank corps and air service, these having been laid aside temporarily.

Expected Transport Arrivals. Washington, July 17.—Expected transport arrivals announced today were: Aquitania, New York, July 20; America, New York, July 22; Agamemnon, New York, July 23; Sierra, New York, July 23.

STRIKE IMPENDS IN REYNOLDS PLANT

Workers Decline Counter Proposition of Company; New Statement Issued

Winston-Salem, July 17.—The tobacco workers union here, composed of white and colored operatives, numbering at least three thousand, at meetings held last night, voted unanimously to reject a proposition submitted to the union by the R. J. Reynolds Company, the same being an answer to the demands submitted to the company ten days ago for an eight-hour work day with ten hours pay.

The action taken by the union means a strike, provided their vote in rejecting the counter proposition is accepted and endorsed by the International Tobacco Workers' Union, which has its headquarters in Louisville, Ky.

President W. N. Reynolds, of the R. J. Reynolds Company, this afternoon gave out a statement, the same being a proposition submitted and addressed "To All Factory Employees in Winston-Salem."

"This proposition is final, so far as we are concerned," declared President Reynolds, who added that he and his associates regarded it a fair one to all parties concerned, and he believed that it would be accepted by those who stood for a "square deal."

The statement submitted by the company says: "Most careful consideration has been given the suggestions made by the representatives of some of you at a conference held on the 10th instant with officials of this company. At that conference stress was laid upon three points, namely: complaints, the eight-hour day and wage scale."

"Dealing with these subjects in the order named, you are informed that each complaint made by you is being thoroughly investigated, and if just cause for the complaint be found to exist, the condition complained of will be remedied as rapidly as practicable. We want you to know that it is our desire to have working conditions in our factories as favorable to you as may be reasonable."

"In connection with the eight-hour day it was explained to you at the meeting that this company is engaged in a business where the competition is perhaps keener than in any other business of like size in the country. To enable us to meet that competition, it is absolutely necessary that we produce our products at a cost no greater than the cost at which goods sold in competition are produced by our competitors. Labor cost, of course is one of the main items entering into the cost of production, but we are perfectly willing to pay those who work for us as much as those are paid who work for our competitors. That being true, the following proposition was made:

"That our employees select two men, the company would select a third and the three so selected should visit such plants of our competitors as they might select of those where tobacco and cigarettes that are sold in competition with our brands are manufactured, and if they find that we pay less wages than are being paid by our competitors we would gladly pay as much as they pay or more, all expenses of this investigating committee to be borne by our company. We thought this proposition was absolutely fair to you and the only reason that we can assign for your failure to then accept it is that you already believe that you are receiving wages as great or greater than the wages that are being paid to men and women doing the same work for our competitors."

"It has been the policy of this company and its predecessors for forty years to pay wages as high as the business would justify and in consequence of that policy there has been no trouble between the employer and employee. We desire to continue that policy, and to help you as far as we can meet the high cost of living. After a careful consideration, we propose the following plan which we hope will be satisfactory to you as it is the best we can do under existing conditions: "We will go on an eight-hour basis, allowing the existing rate of pay per hour for eight hours work, with time and a half for overtime and double time for Sundays and holidays, holidays to include New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas

REVENUE SERVICE NOW REORGANIZED

The Only Change in Southern Districts Is That Made in North Carolina

Washington, July 17.—Vast increase in the work of the Bureau of Internal Revenue has brought about reorganization of the entire tax collection service, details of which were announced today by Commissioner Roper. Each State with the exception of Nevada will be made a separate collection district and permanent personal service headquarters will be established in every important city to furnish blanks and advice to taxpayers as to how they may fulfill their obligations to the government.

Ten collection districts are abolished effective August 1, being consolidated with other districts to permit the creation of the new districts in States which heretofore have not had separate districts. Creation of the new districts will date from the appointment and confirmation of the collector in each.

Change in North Carolina. Appointment of a large number of new employees is not contemplated as the Commissioner expects the more effective utilization of the present field force will obviate the necessity for taking on new men. The number of collection districts is limited by law to 64.

The only change in southern districts is that of the Fifth North Carolina District, which is combined with the Fourth District, with headquarters at Raleigh to permit of the creation of a separate collection district for the State of Mississippi, which now forms a part of the Alabama District.

An idea in the growth in the bureau's work is shown in the statement that the number of returns has increased in ten years from 300,000 to a total of 15,000,000.

"The highly centralized office organization of the internal revenue field service no longer meets the needs of the taxpayers of the country," Commissioner Roper said. "The new plan contemplates that the people of every community, where the number of taxpayers requires it, shall be assured that within easy reach is a branch revenue office open at all times, where the taxpayer can obtain expert assistance in making his returns and paying his tax, thus saving him worries and penalties and relieving the service of the present congestion in the Central collection office."

It is expected by officials of the bureau that qualified men now engaged in supervising the collection of liquor taxes will be used in the enforcement of National prohibition.

AMERICAN GENERALS DUE TO RETURN AT EARLY DATE

Washington, July 17.—Lieutenant General Hunter Liggett, former commander of the American Army of Occupation in Germany; Major General Joseph T. Dickman, and nine other general officers are aboard the transport Aquitania, due at New York July 20, the War Department today announced.

Assistant Secretary of War Crowell and other members of the American mission also are on board. The Aquitania and the America, due at New York July 22 are bringing practically all of the fifth division of regulars.

(watchmen of course excepted.) This means that you get eleven hours pay for ten hours work. When work hours close at noon on Saturdays, piece workers as well as day workers who put in five hours or more shall be paid at the same rate per hour as is allowed on other days when ten hours are made. "Only faithful service and co-operation, as well as co-operation in the matter of saving and preventing waste, can justify this increase, and such service and co-operation we believe we have the right to expect at your hands."

ITALY WANTED AUSTRIAN CONCESSIONS IN CHINA.

Paris, July 17.—(By The Associated Press.)—The Inter-allied council today refused Italy's request that Austrian concessions at Tien-Tsin, China, be transferred to her.

ALL EFFORTS AGAINST DRASTIC FEATURES OF DRY BILL VOTED DOWN

URGE BETTER PAY FOR COL. TAYLOR

Bills Introduced in Both Houses of Congress To Increase Collector's Salary

MR. GODWIN OUTLINES REASONS FOR ADVANCE

All Other Collectors Receive From \$5,000 To \$12,000; Business of Office Has Grown Rapidly; Hurley Promises Ships To Relieve Cotton Congestion at Wilmington

News and Observer Bureau, 603 District National Bank Building. By FRANK W. LEWIS. (Special Lensed Wire.)

Washington, July 17.—Senator Simmons today introduced a bill in the Senate and Congressman Godwin introduced one in the House to increase the annual salary of the Collector of Customs of the District of North Carolina. Senator Simmons' bill provides for fixing the salary at \$5,000 and Congressman Godwin's bill fixes it at \$7,500. Senator Simmons introduced a similar bill at the last session. It was reported unanimously by the committee and passed the Senate but was defeated in the House. Col. Walker Taylor, of Wilmington, is the official affected.

Congressman Godwin, in behalf of the passage of his bill, said: "According to the annual report issued by the Collector of Customs for the District of North Carolina, Wilmington jumped from forty-ninth place to a position only eighth from the top of the list of American ports of entry. The expense of collecting this amount was \$15,482.23, making the per dollar cost of collection less than one cent as against an average of two cents throughout the country. This figure places the North Carolina district at the head of the list in the item of collection costs. The salary of the collector in the North Carolina district stands at the foot of the list, he receiving a compensation of \$2,500 per year as against from \$5,000 to \$12,000 in other districts. It is the only district that pays less than \$5,000."

"The increase in receipts is partly a result of the making of Wilmington a port of entry and diverting the receipts of that office from New York to the central office of the North Carolina district. This was brought about through the personal efforts of Colonel Taylor, who is the present collector for the Wilmington office. Efforts are now being made to have the Durham office diverted to the office there and next year's report will show an even greater increase."

"In addition to handling the collection of nearly three million dollars of import money, the Wilmington office also looks after the Bureau of Immigration, Bureau of Navigation, the Civil Service Commission, and is Shipping Commissioner and ad-measurer of vessels. The entire work is done with a force of three clerks. The Collector is also Custodian of the Customs House. Offices are maintained in Winston-Salem where collections are made."

"Col. Taylor is the only State-wide Federal appointee in North Carolina, and is Dean of Federal A. officers in the State. In my opinion he is the most competent and reliable Customs officer the State has had in a long time."

Cotton Congestion at Wilmington. Today Senator Simmons had a conference with Chairman Hurley and Assistant Director of Operations of the Shipping Board on the matter of getting relief from the cotton congestion at Wilmington. The serious facts of the case were brought to the attention of these officials, and they now have the matter under consideration. It was pointed out by Senator Simmons that one of the largest exporters of cotton at Wilmington, Alexander Sprunt & Son, had on the sidings in that city between 500 and 1,000 cars of cotton awaiting shipment, and that this congestion would continue until ships were furnished. Assurances were made that a ship would be provided for immediate use and to relieve the present congestion as soon as it was possible to do so. Chairman Hurley said that he appreciated the seriousness of the situation, but that the difficulty in moving the ship at this time was owing to the existing strike along the coast, but immediate action would be taken in the matter. Mr. Hurley said, looking to giving the relief asked for.

Nominations for Postmaster. Nominations for postmasters at twelve different places in North Carolina were today sent to the Senate by President Wilson, as follows:

Mortimer H. Mitchell, Aulander; John E. Brown, Boone; William E. Elmore, Bryson City; Albert W. Colwell, Clinton; Thomas S. Booth, East Durham; C. B. Daniels, Faison; Royall D. Jones, Fayetteville; Charles W. Bagby, Hickory; Arthur G. Walton, Jacksonville; William M. Haaner, Liberty; Robert T. Wade, Morehead City; Benjamin F. Dalton, Rutherfordton.

North Carolinians at Capital. General B. E. Royster, of Oxford, adjutant general of North Carolina; Chas. A. Hines and W. H. Wise, of

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House Races Through War-Time Enforcement Portion To Constitutional Measure Proper

PROHIBITION FORCES ARE IN CONTROL OF DEBATING THROUGHOUT THE SESSION

Volstead Puts Through An Amendment Adding "Manufacture" To Things That a Man May Not Do With Liquor in His Office or Home; Minority Were in Control for Brief Moment, Only To Be Thrown Out By Demand For Tellers; Igoe's Amendment Again Defeated

Washington, July 17.—Prohibition forces voted down in the House today every attempt to eliminate drastic provisions of the general enforcement bill, and while in full and absolute control shut off debate at the word of their leader despite the violent protest of the minority.

When they had raced through the war-time enforcement portion of the three-part bill and got into the constitutional prohibition measure proper, there were only 68 members on the floor and so much confusion that a speaker could not make himself heard. It was 7 o'clock tonight when the long roll-call to obtain a quorum was started and members had then gone home, after declaring there was no good reason for trying to force through a bill to take care of a situation that would not arise until January.

Before the House got into a snarl, however, the prohibition faction had fought off every attack on their bill. An amendment to strike out the minimum fine for those convicted of violating the war time act was fought over and defeated, 68 to 57. This was offered by Representative Roavis, Nebraska, prohibition member of the judiciary committee.

Made Even More Drastic. Chairman Volstead of the judiciary committee and patron of the bill, presented an amendment which was adopted without debate and which made the measure a bit more drastic in that it added the word "manufacture" to the many things a man may not do with liquor in his office or home.

For a brief moment late in the day the minority—described by the prohibitionists as the "Wets"—awung into power, only to be thrown out by a demand for tellers, which meant an accurate count on a vote to amend the bill so that a person charged with violating a liquor-selling injunction might demand and obtain a jury trial.

This motion, offered by Representative Gard, Democrat, of Ohio, and warmly supported by former Speaker Clark, had provoked an hour's debate, which was bitter at times, when the House put on the lid and started to vote. There was a noisy shout from the eyes, which appeared to have won. Instantly there was a demand for a division and after members had been counted, the result was announced—yes 70, nays 66.

The victory was not expected, even by the wets, and they realized they could not have won except for the large number of absentees on the other side. While the House was marching through the demand for tellers, which meant an accurate count on a vote to amend the bill so that a person charged with violating a liquor-selling injunction might demand and obtain a jury trial.

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