

WEATHER

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The News and Observer

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VOL. CX. NO. 27.

FORTY-FOUR PAGES TODAY.

RALEIGH, N. C., SUNDAY MORNING, JULY 27, 1919.

FORTY-FOUR PAGES TODAY.

PRICE: FIVE CENTS

PEACE OVERTURES MADE TO GERMANY IN 1917, HE SAYS

Mathias Erzberger Charges Continuation of War To Madness of Military Party

VICE-PREMIER SPEAKS IN NATIONAL ASSEMBLY

England and France Sought Peace Through Vatican, Says German Minister, But Overtures Were Rejected; Submarine Warfare Stopped Wilson's Peace Work

(By the Associated Press.) Berlin, July 26.—Peace overtures to Germany by Great Britain and France were made through the Vatican in August, 1917, according to the declaration of Mathias Erzberger, vice premier and minister of finance, in the German National Assembly Friday. These overtures, he added, were rejected by Germany.

Monsignor Pacelli, papal nuncio to Munich, on August 13, 1917, addressed a note to Imperial Chancellor Michaelis, enclosing a telegram from the British Minister at the Vatican to the papal secretary of State, to which the French government had assented. The British government, Erzberger explained, asked for a German declaration of Belgian independence and compensation and inquired as to what guarantees Germany would need for herself.

Chancellor Michaelis did not answer this note for four weeks; then, September 24, he wrote that the situation for giving such a declaration was not yet sufficiently clear.

Promises More Revelations.

Herr Erzberger promised more important revelations within a few days. Monsignor Pacelli's note said: "I have the honor herewith to transmit to Your Excellency a copy of a telegram which His Excellency, the King of England's minister at the Vatican, has handed to the cardinal secretary of state. The French government gives its assent to the statements made in the aforementioned telegram, and His Excellency earnestly desires actively to continue his efforts for the speedy attainment of a just and lasting peace, such as the Imperial government has shown such a conciliatory readiness to accept."

Your excellency's attention is particularly drawn to the point in the telegram relative to Belgium, with a view to obtaining, firstly, a positive declaration regarding the Imperial government's intentions with respect to Belgium's complete independence and compensation for damage caused Belgium through the war; secondly, a definite statement of guarantees for political, economic and military independence, which Germany desires.

"If these declarations have a satisfactory effect, His Excellency thinks an important step will have been taken towards the further development of negotiations. As a matter of fact the minister of Great Britain has already informed his government that the Holy See will reply to the communications made in the aforementioned telegram as soon as it has received the Imperial government's reply."

Note Causes Sensation.

"It may be permitted for my part, to give expression to my firm conviction that by using your influence to all highest quarters in behalf of the papal proposal and this peace work Your Excellency will gain the eternal thanks of the Fatherland and the whole of humanity, if a conciliatory reply be obtained which can open up the prospect of peace negotiations."

The reading of the note caused a great sensation in the assembly. In commenting, Herr Erzberger said: "In 1916 President Wilson used every effort to bring about peace, but Mr. Wilson's peace work was sabotaged by the proclamation of unrestricted submarine warfare, and at least twice an honorable peace could have been brought about, but a fight with the military party both times prevented it. At the end of September I was in Munich. The papal nuncio came to meet me, and with tears in his eyes said: 'Now everything is lost, and for your poor Fatherland, too.'"

"The collapse of Germany," continued Herr Erzberger, "was not brought about by revolution but by madness of the country's political and military authorities, by lack of political insight on the part of the conservatives and the supreme army command. These so-called authorities intimidated and terrorized the German people and are still pursuing these aims. We had to accept a peace of violence because that was the only way out."

"We have undertaken the responsibility for their misdeeds, if they wish their hands in innocence a hundred times, with loud noises, they will not free themselves of their guilt, either before us, before history, or their own conscience."

Herr Erzberger concluded by pointing out the danger of revolution menacing the whole of Europe. Five monarchs had been dethroned in this war with the greatest ease, and there was every likelihood of this example becoming contagious. Statesmen who were not blind or dumb must perceive the dark despair of the people, must hear the angry rumble from the masses, and must take this factor into account.

Private Durham Slightly Injured. Washington, July 26.—Only one North Carolina name appears in the latest casualty list issued by the War Department. It is that of Private Hughes Durham, Dallas, who is reported as having been slightly wounded.

WRESTLING PARSON IS FROM RALEIGH



Rev. Edward S. Currie, who has achieved unique distinction through his prowess in throwing soldiers in wrestling matches on the Rhine, was formerly assistant pastor of the First Presbyterian church in Raleigh. Chaplain Currie makes every soldier he throws in a bout promise to bring five other men to a religious service, and as the chaplain throws 75 per cent of the men he tackles, he always has a large congregation.

SEAMEN'S STRIKE NOT YET SETTLED

Ocean Marine Engineers Were Not Considered in Agreement For Wage Increase

New York, July 26.—Despite settlement of the strike of the International Seaman's Union, ships will not sail from Atlantic or Gulf ports until demands of the Ocean-Marine Engineers' Union, not considered in the settlement, are granted, according to a statement tonight to B. L. Todd, business manager of the union.

Todd announced that instructions had been issued to all members of the union not to take out any vessel until the demands of the engineers recently submitted to the owners had been submitted.

One demand is that the pay of chief engineers shall be only \$25 less than that received by masters of ships. Another is that assistant engineers shall be given a \$35 a month increase.

Mr. Todd declared that shipping would be tied up until adjustment of the demands and said that a committee of the union would meet with representatives of the American Steamship Association Monday or Tuesday. If a settlement is reached then, he said, the engineers would resume work immediately.

COUNT KAROLYI REPORTED TO HAVE BEEN ARRESTED

Berlin, July 26.—Count Michael Karolyi, former Hungarian provisional president, his wife and his entire suite, have been arrested and are detained at Prague, according to the Vossische Zeitung.

A dispatch received from Berlin July 17 reported Count Karolyi's arrival in Italy after he had made several attempts to leave Hungary. It was said to be his intention to go to America.

Several weeks previously the count had escaped to Austria but was made prisoner by the Austrians and returned to Budapest. He then sought the assistance of the Italian military authorities who are said to have sent him in charge of a guard, to Italy, by way of Innsbruck. It was said at the time that he would be permitted to remain in Italy for only a short period.

MEXICAN AMBASSADOR SAYS COUNTRY WELL RULED

Washington, July 26.—Despite the operation of a few bandits in some districts, Mexico has a stable government and foreigners are accorded every protection, Ambassador Bonillas declared today in a public statement on the situation in the southern republic, addressed to the American people.

"Mexico today has a stable government. True, there are some districts in which a few bandits are at large. Mexico is in the aftermath of a civil war and the conditions in these few areas are such as have followed such struggles in all lands. In your own South it was many years after Appomattox before conditions were restored to normal and your central government was occupied a long time in the work of pacification, in a few of the remotest districts. Yet because the Jami Boys, the Apache Kid, Geronimo and other bandits in the Southwest continued their depredations after the Civil War, no one would have urged that the American government was 'unstable.'"

LIEUT. PRINCE IS DROWNED TRYING TO RESCUE CHILD

Gallant Soldier of 30th Division Gives His Life To Save Another

CAUGHT IN SEETHING FLOOD AT GOLDSBORO

Property Damage in Wayne Conservatively Estimated As Being a Million Dollars; Crops Badly Injured; Edgcombe Also Hard Hit; Senator Holderness Heavy Loser

Goldsboro and Tarboro were the centers of flood anxiety yesterday in Eastern North Carolina. Reports from both places showed that streams overflowing their banks and flooding farm lands had done great damage to crops and live stock.

At Goldsboro Lieut. David M. Prince lost his life while trying to effect the rescue of a little child. The child was saved but the former soldier sacrificed his own life.

A conservative business man of Goldsboro has estimated the total damage in Wayne county from all sources connected with the rains and swollen streams at a million dollars. Whole farms have been inundated. Much live stock has been lost but the principal damage is that sustained by the crops.

The worst of the flooded condition of the Little river, the stream overflowing of which has caused the damage and disaster at Goldsboro, is believed to have been passed.

Reports from Tarboro, however, said that the Tar was still rising, the water yesterday being at least two feet above the record. Farms of State Senator George A. Holderness and Henry Johnston were said to be one vast sheet of water. In Edgcombe as in Wayne there was considerable loss of live stock.

Sacrifices Life for Child. Goldsboro, July 26.—Lieut. David M. Prince, Jr., was drowned here today while attempting to save the life of a little boy.

While hundreds of spectators were gathered and were continuously coming and going in the vicinity of the union station to view the whirling overflow of the river and surroundings into a veritable sea of fresh water, the alarm came that a little boy venturing too far into the swamping water had been carried beyond his depth and was drowning. Instantly there were active movements on the part of bystanders to rescue the child. Among the volunteers was Lieut. David M. Prince, Jr., recently back from overseas service where he not only won his rank for heroic daring in the face of death but was brevetted on the field by General Pershing himself for personal deeds of bravery.

He was the first to reach the drowning boy who as is usual in such cases so clutched Lieut. Prince that while the latter struggled to get the child to safety he himself was drowned. The boy was caught by other rescuers as Lieut. Prince went down beneath the swirling waters. The body was not recovered for more than two hours afterwards, although continuous search by boats and swimmers proceeded without ceasing.

The funeral will be held from the home on Pine street, east, Monday morning at ten o'clock. Members of the 11th Regiment, Thirtieth Division, his comrades, together with the Masons and Junior Order of this city, of which he was a member, will participate.

Thousands Visit Swollen Streams. Goldsboro, July 26.—Thousands of Goldsboro citizens have been visiting Neuse and Little rivers, or as near to them as it is possible for one to get on foot, today, viewing what many assert as the highest water stage they have ever seen the two rivers reach.

Traffic to and from the city by rail, vehicle and on foot has been greatly handicapped. The Southern train, scheduled to arrive here at 6:35 this morning, was compelled to use the A. C. L. tracks from Selma and come to Goldsboro via Contentment, arriving here at 9 o'clock this morning.

Traveling direct to Wilmington from here last night and today has been impossible. Many people journeying to the seaport city have had to change their course and go via New Bern or Fayetteville.

Canoes in the Streets. In the Little Washington section of the city the water in many places is three and four feet deep. It was a common scene yesterday and today to see men and boys rowing canoes on the streets and even up to the homes of some of the colored residents of this section.

A newspaperman visited the scene this morning and his attention was called to the fact that the water was still rising. In one spot south of the Union Station where a building is in the course of construction, it is said that very little water had formed, but this morning upon the arrival of the workmen it was discovered that the water was several feet deep and still rising. This, of course, necessitated the suspension of work on the structure.

FLETCHER TELLS OF MEXICAN OUTRAGES



Hon. Henry P. Fletcher, U. S. Ambassador to Mexico, is telling Rules Committee of House of Mexican affairs.

WILLIAMS MAKES COMPLETE DENIAL

Comptroller of Currency Defends His Attitude Towards Riggs' Bank

Washington, July 26.—General denial of charges made against him was entered before the Senate Banking Committee today by John Skelton Williams, Comptroller of the Currency. Mr. Williams defended the administration of his office, denied that he had presented the Riggs National Bank of this city, and characterized Frank J. Hogan, attorney for bank officials in the Riggs Bank case, as a "rapid-fire falsifier."

Samuel Untermyer, New York attorney, will appear in Mr. Williams' behalf Monday and the Comptroller plans to make a closing statement.

In defending the Treasury's attitude toward the Riggs National Bank, Mr. Williams charged officials of that institution up to 1914 with "multitudinous infractions of the law."

He charged that millions of dollars had been loaned by that institution to persons who had no security except the stock they bought on a marginal account and which was highly speculative. Asked if the bank suffered any losses, the Comptroller said he knew of only one of \$18,000.

In closing his statement before the committee Mr. Williams renewed his request that Representative McFadden, of Pennsylvania, appear before the committee to substantiate charges made recently before a House committee that Mr. Williams had received a share of a commission growing out of the disposal of the Arlington Hotel site here to the Treasury Department.

Chairman McLean said he had notified the Pennsylvania congressman that the hearings would be closed early next week, but added that he was not sure whether the Senate committee had authority to summon Mr. McFadden.

HOUSE COMMITTEE WOULD REPEAL TAX ON DRINKS

Washington, July 26.—Measures for the protection of several of the industries which grew out of war necessity and for the repeal of the 10 per cent tax on soft drinks and the Canadian reciprocity agreement were recommended today by the House Ways and Means Committee. A tax of two cents a gallon on apple, grape and Logansberry juices in lieu of the present gross tax of 10 per cent on sales also was recommended.

Action on the bill for the protection of the dye industry was deferred pending a re-drafting of the measure by its patron, Representative Longworth, Republican, of Ohio. This measure levies a tariff on imports and authorizes creation of a board to control imports through a licensing system. Mr. Longworth has rewritten the bill and expects action next week.

Million Dollar Endowment Fund. Lynchburg, Va., July 26.—The board of trustees of Washington and Lee University in session in Lynchburg today perfected plans for a nation-wide campaign for a million dollar endowment fund. The money is intended to be used for the immediate needs of the university, including an increase in the salaries of the professors, and for future benefits. The headquarters of the campaign will be at Richmond.

FIVE-DAY OFFENSIVE IN TWO COUNTIES NETS BIG HAUL FROM MOONSHINERS. Kinston, July 26.—Following were results in a five-day offensive ending today against Lenoir and Jones county moonshiners by E. R. Brown, of Hemp, and J. H. Johnson, of Greensboro, Federal officers, and Arden W. Taylor, sheriff of Lenoir, the raiders: Destruction of 15 stills, confiscation of 400 gallons of whiskey, 500 pounds of sugar and an automobile, nine arrests, pouring of 5,000 gallons of beer. The total value of contraband property seized and wrecked was nearly \$25,000.

NEXT IMPORTANT MOVE IN SENATE DISAGREEMENT IS EXPECTED FROM PRESIDENT

URGES MILITARY FORCE FOR MEXICO

Congressman Hudspeth, of Texas, Would Withdraw Recognition of Carranza

CONGRESSMEN APPLAUD HIS SPEECH IN HOUSE

President Sends Out Warning That Violation of Anti-Smuggling Law by Sending Arms Into Mexico Will Be Vigorously Prosecuted; American Youth Kidnapped

Washington, July 26.—Outstanding developments today in the Mexican situation can be summarized as follows:

Redoubling of efforts by the government to prevent smuggling of arms across the border and a warning by the President to citizens that violation of the anti-smuggling law would be rigorously prosecuted.

An address in the House of Representatives by Representative Hudspeth, Democrat, Texas, urging withdrawal of the recognition of the Carranza government and military occupation of Mexico by American forces until a stable government had been established. The dispatch of messages to members of the Mexican Senate and House of Representatives by Henry P. Fletcher, the American Ambassador to Mexico, asking their co-operation towards securing more efficient and adequate protection for American lives in the Southern Republic.

Boy is Kidnapped. Receipt of advice by the State Department that Philip Thompson, 14-year-old son of an American citizen, had been kidnapped by bandits from his father's ranch, 30 miles from Mexico City and was being held for 1,500 pesos ransom.

Reports of a new outbreak of anti-American propaganda by Mexican newspapers, especially those recognized as Carranza organs in Mexico City. Officials believe the kidnapping of young Thompson is a direct result of the inflammation of public opinion by this propaganda.

The issuing of a statement by the Mexican Embassy declaring that Mexico had a stable government, although bandits are at large in some districts, and reminding the American people that it was several years after the Civil War before order was fully restored throughout the South.

URGES MILITARY OCCUPATION

Military occupation of Mexico by the United States was advocated by Representative Hudspeth, Democrat, of Texas, in an address in the House. He urged withdrawal of American recognition of the Carranza government, and said American troops should be kept in Mexico until a stable government had been established.

"The time has arrived," declared Mr. Hudspeth, "when this government should say to Carranza: 'You have not fulfilled your obligations in the protection of American lives; so we withdraw recognition of you and will put troops in Mexico to protect American lives until order is restored here.'"

After reading the resolution recently adopted the Texas Senator which asked the Federal government either to use troops or permit the State to act, Mr. Hudspeth added: "But that is not necessary. 'That flag,' he said, pointing to the Stars and Stripes hanging over the speaker's desk, 'is sufficient.'"

Denies Being a Jingo. This remark, as also his declaration for military intervention, was applauded by the members. In urging military intervention, Mr. Hudspeth declared he was "not a jingo" and that he only asked for the protection of American lives.

Turning to the Republican side of the House, Mr. Hudspeth urged adoption of a resolution introduced by Representative Emerson, Republican, Ohio, authorizing the Secretary of War to send troops into Mexico to protect Americans, and to keep troops there until order was restored.

"You cannot produce a single incident of the last ten years to show that a Mexican was ever punished for his treatment of Americans," the Texas member said, adding this assertion was prompted by the statement of Ambassador Bonillas that Mexico had already acted in these cases. The ambassador's statement was "amusing," Mr. Hudspeth said.

ENFORCEMENT OF WAR TIME PROHIBITION IS LEFT UNPROVIDED FOR.

Washington, July 26.—Legislation for the enforcement of war-time and constitutional prohibition probably will not be enacted for two months at least as the result of a decision of the Republican leaders to have the House recess from August 2 to September 8. Senate leaders have indicated that many changes would be made in the House bill and even should the Senate pass its measure before the House reconvened in September, considerable time would elapse before final enactment, as the differences between the Senate and House would have to be thrashed out in conference.

Final decision to have the House recess for more than a month was reached today after conferences between Republican leaders of the two houses. Little opposition to the plan was expressed by Senators, it was said, but there was no suggestion that the Senate take a recess. Besides the treaty with Germany many important matters are before the Senate and its committee. These include military and railroad legislation as well as contested nominations.

Washington, July 26.—The next important move in the Senate disagreement over reservations to the peace treaty is expected to come from President Wilson.

Having canvassed the Senate situation in his conferences with fifteen Republican Senators, all of whom are said to have told him they would support certain reservations, it is expected the President soon will make known definitely his attitude toward such a course. It was indicated at the White House today that expression of his views on the subject might not await his speaking tour to begin two weeks hence, but might be embodied in a public statement within the next few days.

RECESS BY HOUSE PLEASING TO WETS

Liquor Interests Realize They Have Lost Fight To Prevent Fixing Percentage

The News and Observer Bureau, 603 District National Bank Bldg. By FRANK W. LEWIS. (By Special Licensed Wire.) Washington, D. C., July 25.—The Republican leaders in the House have agreed to adjourn on August 2nd for a recess of about one month. In order to do this, however, the Senate must assent, but it is not expected that there will be any objection to that quarter.

The liquor people will of course be glad to hear this, as adjournment of the House will give 2.75 per cent beer a little while longer. It is not probable that the Senate will pass the prohibition enforcement bill before the House takes the contemplated recess, and as final approval of the bill must await until the House reconvenes it will necessarily be some time in September before the enforcement measure can become effective.

The Wet Loss Fight. It is now conceded that the end is in sight for all beverages containing more than one half of one per cent of alcohol. The wets fought desperately to prevent the fixing of the percentage, as they wanted that part of the law to be left to the courts to decide. They wanted unlawful intoxicants to be determined by proof, but the drys contended that such an enforcement law would result in endless litigation over the matter as to what percentage constitutes an intoxicant and they strengthened their position by citing the fact that most of the States that have prohibition laws have this very feature written into their statutes—that is, that liquors containing more than one half of one per cent of alcohol are unlawful. The existence of liquor with the forbidden quantity of alcohol in it, is proof that the law has been violated and there is no trouble in fixing the guilt.

When the wets lost their fight against fixing the percentage they lost everything. The Senate, it is believed, will be as strongly for this percentage in the bill as the House was. The wets have no chance to save themselves on that point. All they can do now is to enjoy the prolongation of the life of 2.75 per cent beer. This will be but a few short weeks—and then there will be an unprecedented drought not only at the national capital but throughout the entire country.

Would Help Soldiers. Congressman Weaver today introduced in the House a bill for the purpose of showing the government's recognition of the splendid service of the American soldiers in the war with Germany. It provides for all officers and enlisted men an additional payment of \$50 per month for each month of service rendered not exceeding a total of one year's pay at the rate of \$20 per month. It applies to all men and officers in the United States army and in the naval and marine services. Under this bill if it should pass, every soldier who served a total of one year would receive an additional payment of \$360 and soldiers serving less than one year would be paid at the rate of \$30 additional per month.

The bill further provides that, if it shall be necessary in order to procure the required funds, that the Secretary of the Treasury is authorized to issue bonds of the government to mature in not more than 20 years, the proceeds of these bonds to go entirely to the payment of American soldiers. It is contemplated that if funds can not be otherwise had that a sale of bonds by popular subscription shall be made similar to the Liberty loans and such subscription shall be designated by such name that it shall be known that all bonds subscribed for by the people shall be paid to soldiers.

It has been urged by some that the soldiers would probably spend this money unwisely, but Mr. Weaver states recently before a committee of the American House of Representatives.

Washington, July 26.—The next important move in the Senate disagreement over reservations to the peace treaty is expected to come from President Wilson.

WILSON MAY MAKE STATEMENT SOON

Indication of Early Expression of Views Arouses Interest Among Republicans

WILSON WRITES REPLY TO LODGE'S INQUIRIES

Tells Chairman of Senate Foreign Relations Committee That So Far As He Knows No Decision Has Been Made As To Division of Indemnity; Will Send Committee Papers

Washington, July 26.—The next important move in the Senate disagreement over reservations to the peace treaty is expected to come from President Wilson.

Having canvassed the Senate situation in his conferences with fifteen Republican Senators, all of whom are said to have told him they would support certain reservations, it is expected the President soon will make known definitely his attitude toward such a course. It was indicated at the White House today that expression of his views on the subject might not await his speaking tour to begin two weeks hence, but might be embodied in a public statement within the next few days.

This answer aroused great interest among Republican Senators, though they said it was not wholly unexpected. Several Republicans have told Mr. Wilson the treaty never could be ratified without interpretative qualifications, and yesterday, at the suggestion, it is understood, of Republican Leader Lodge, a tentative draft of reservations indicating in a general way the trend of opinion among many Republican Senators, was laid before the President by Senator Spencer, Republican, Missouri. The leaders for reservations say it is now the president's move.

Speculations As To Course. The group of Republicans who, under the lead of Senator McCumber, North Dakota, and McNary, Oregon, are working a reservation program designed to clarify the League of Nations covenant without virtually weakening it, believe the President will announce his acceptance of such a course and that quick ratification of the treaty will ensue. In their talks with Mr. Wilson, they say, he has indicated no radical antagonism to Senate qualifications, his only fear being that the whole subject might be thrown back into re-negotiation.

The President's Democratic supporters in the Senate, however, are not in accord with this view and predict that he will assert himself for unreserved ratification and then go to the country in an effort to fortify public sentiment behind that stand.

Writes To Mr. Lodge. The President saw no Republican Senators today, but in a letter to Mr. Lodge replied to inquiries about the treaty sent to the White House by the Foreign Relations Committee. He wrote that so far as he knew no decision had been reached for division of Germany's indemnity payments under the treaty's provision that it shall be allotted among her enemies "in the proportion which has been determined by them in advance." The letter also said Mr. Wilson was preparing to send the committee papers they had asked for in connection with the Versailles negotiations.

The last sentence of the letter was interpreted in some quarters as meaning that the President would withhold some of the documents in his possession, though the committee's request was very sweeping in character, asking for "all data" that concerned the negotiations.

Today Chairman Lodge discussed some features of the treaty with Secretary Lansing. Mr. Lodge is understood to have suggested that the committee have the benefit of expert advice on some sections, particularly those dealing with alien enemy property. It is expected that Bradley Palmer and others who advised the American delegation at Versailles on these matters will appear before the committee next week.

No Conference Held. President Wilson had intended, it was said at the White House, to go to the capitol this afternoon and talk over the treaty situation with administration Senators. He abandoned the plan, however, when he learned that the Senate was not in session and Senator Hitchcock, Nebraska, the administration leader in the treaty fight, was out of town. The Foreign Relations committee had also recessed over today and will meet again Monday when it expects to complete preliminary reading of the treaty text.

In the opinion of many Republican Senators the lines to be drawn in the reservation controversy rest entirely with the President. They say if he gives his assent to a reservation program designed to further safeguard national interests, they quickly can come to such an agreement as to insure ratification of the treaty. But if he takes an uncompromising stand for unreserved ratification and then by public speeches attempts to discredit the Senators who are holding out against it, the opposition leaders look for a long and bitter fight.

(Continued on Page Three.)