

WEATHER
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The News and Observer

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CARRANZA GOVERNMENT CALLED OUTLAWS AND ITS HEAD A BETRAYER

Archeologist Gates Who Has Studied Conditions Appears Before Committee of Congress

ENEMY TO ITS OWN AND TO PEOPLE OF AMERICA DECLARED THE WITNESS

House Committee On Rules Hearing Proposition To Institute Congressional Inquiry Into Mexican Affairs, Hears Highly Interesting Testimony of One Armed With First-Hand Information; His Definition of "Bandits"

(By the Associated Press.)
Washington, July 28.—Carranza's rule of Mexico is "not a government, but a band of outlaws, both technically and practically, and today it is utterly impossible—an enemy of its own people first and America second," William Gates, of Baltimore, an archeologist, told the House Rules Committee today in its hearings on the Gould resolution proposing a congressional inquiry into Mexican affairs.

Although asserting that President Wilson was misled in making his decision to recognize Carranza, believing the Mexican to be a "people's champion," Gates declared in favor of leaving the solution of the Mexican problem with the President. The President, he said, had been not fully informed of conditions in the southern republic. Gates said his opinions were based on a first-hand study of Mexican conditions for about a year, beginning in July, 1917, during which time he visited parts of the country usually not seen by a traveler, including the states of Yucatan, Vera Cruz, Puebla, Morales and Oaxaca. For twenty years he had been building up a library of Mexican antiquities and literature, and his trip was to obtain more material and to "find out what was going on behind the veil of our censorship and the Carranza censorship."

"Where Nobody Else Has Guns." Carranza's control includes the main ports and the railroads, with adjoining territory for a mile on either side the transportation lines, Gates asserted. This control, he said, was that "of a body of soldiers who are ready to shoot at a moment's notice in a country where nobody else has any guns."

Maintaining that a genuine political revolution is on in Mexico, Gates declared the so-called bandits are the "country people, who when the Carranzistas come into make a raid, take up their guns and become bandits in the eyes of the government."

In answering to an inquiry whether the United States government now is fully and fairly advised of Mexican conditions, Gates answered:
"Wilson 'Betrayed By Carranza.' I am satisfied that President Wilson was betrayed by Carranza just as Carranza betrayed the Mexican people. I imagine that President Wilson like many another faithful man, will try to stick to his friends for a long time. We have been running along that diplomatic track that there was to Mexico but Carranza except mere bandits without any political purpose and that Carranza ought to have our help to suppress those bandits. There must have been some private interests being served in the background. There always are in a political matter. That the real facts under such circumstances could reach as far as President Wilson would take a good deal, and I doubt very much if they did."

Oregon Bitter Hater of America. General Oregon, who has been mentioned as a Presidential candidate to succeed Carranza was denounced by Gates to be most bitter in his anti-American feeling. Gates also asserted that he saw "a letter written from the secretary of the Socialist party in this country to Oregon, asking him what he thought—this was a 'out last April—what would be a propitious time to take unified action between the radical element of Mexico, Canada, Cuba and the United States."

Gates told the committee that during the war the Germans operated a wireless station near Mexico City connecting with a station in Spain which relayed messages to Naush. He also asserted a second station was maintained by the Germans in one of the States South of Mexico City. Secretary Baker was informed by Gates of these stations in "the middle of the war" in 1918, Gates said.

MAN DENOUNCED BY GATES BEFORE HOUSE COMMITTEE



SMITH ANSWERS CATHOLIC ATTACK

Georgia Senator Defends Bill To Create Department of Education

FREE EDUCATION TO ALL CHILDREN WHO APPLY

Only Those, Said The Senator, Who Oppose Public Education By The State or Local Authorities Would Charge That The Measure "Banishes God From Schoolroom"

Washington, July 28.—(By The Associated Press.)—Senator Smith, Democrat, Georgia, declared in the Senate today that the criticism by Roman Catholic clergy and organizations that the Smith-Towner bill proposing establishment of a department of education would result in government control of education, was unfounded.

"The claim that the bill takes away the right of parents to educate their children is false," said Senator Smith. "The charge that this bill would banish God from every school is without the slightest foundation. The bill can only be considered an assault upon religion by those who oppose public schools and by those who believe ignorance on the part of the masses increases religious faith. The charge is really an attack upon public education and shall not be permitted to hide behind an expressed attack on this bill."

Doesn't believe Real Leaders Oppose. "I cannot believe that the real leaders of the Catholic church or the rank and file of its members in the United States are opposed to public schools, or to an opportunity being given to every child of obtaining an education at the public expense."

The bill, Senator Smith explained, would not prevent parents from placing their children in private or denominational schools and is designed to aid the States in giving free education to all children who apply.

Only By Opponents of Education. "The charge that it banishes God from the schoolroom and that it is an assault upon religion," said Senator Smith, "will be tolerated only by one who opposes public education conducted by State or local authorities and who opposes all schools, except denominational and parochial schools."

FATAL RACE RIOTS IN THE WINDY CITY

Seven Killed and Many Injured in Chicago Black Belt Last Night

GOVERNOR RESPONDS TO MAYOR'S CALL FOR TROOPS

For More Than Five Hours Race Riots Were Renewed Last Night Over 5-Mile Area On Southside; Fighting Was Largely Between Policemen and Negroes

Chicago, Ill., July 28.—(By The Associated Press.)—Seven persons were killed and more than two score wounded, many of them seriously, in a renewal of race riots in the Chicago "black belt" tonight.

For more than five hours the five mile area on the Southside was a battleground of scattered fights between whites and blacks and between policemen and negroes who fired from house tops, from dark alleys and other points of vantage.

Four Regiments Arrive. The call for troops to quell the outbreaks resulted in four regiments of national guardsmen being mobilized, but at a late hour tonight they had not been dispatched to the disturbed district and Chief of Police Garrity expressed the belief that the worst of the disorder has passed. Five of the dead are negroes and two are whites.

The wounded in most cases were hurried to hospital after which they were removed to their homes when conditions permitted.

There was no concerted battle by the blacks, the outbreaks dotting a large area.

Chief of Police Garrity, at a late hour, said that it was impossible to make an exact estimate of the casualties because of the contradictory reports.

Riots Started Sunday. The riots which started yesterday on the South Side beaches were renewed when negro laborers began leaving the big industrial plants and by dusk more than a score of separate outbreaks had occurred. Whites began dragging negroes from street cars, the negroes retaliated with stones and knives. Street cars in the heart of the "black belt" were tied up and the windows smashed.

A "flying squadron" of blacks mounted on a touring car and riding at full speed through the section sent a volley of shots at a group of whites. One white woman was injured but not fatally. The negroes were overtaken after a long chase and placed under arrest.

Negroes Attack Police. Shortly afterwards a mob of several hundred blacks formed at Thirty-Fifth street and began stoning a policeman. Gun fire was opened and four of the negroes fell all mortally wounded.

A white man in the same neighborhood was dragged from a truck and stabbed to death.

A negro chauffeur was killed by whites a few minutes later in the same block.

GAVE HIS LIFE TO SAVE LITTLE CHILD



Lieut. Prince, who was a son of Mr. David M. Prince, of Goldsboro, lost his life Saturday at Goldsboro in an effort to rescue from drowning a little boy who had gotten over his depth in the overflow of Little River. While losing his own life Lieut. Prince succeeded in saving the boy, willing hands grasping the struggling lad but being unable to effect the rescue of Lieut. Prince whose body was not recovered for two hours afterward. He was a member of the Goldsboro company of the 119th Infantry and members of that regiment and of the Masons and Junior Order participated in the funeral exercises yesterday. The young man won his rank by heroic daring on the field of battle and was brevetted by General Pershing himself.

Many Letters to the Congressmen. Kenyon Bill to Regulate and Restrain The Packers Causes Discussion

MANY LETTERS TO THE CONGRESSMEN

Kenyon Bill to Regulate and Restrain The Packers Causes Discussion

RETAIL GROCERS JOIN THE PACKERS IN FIGHT

Wholesalers Join Together To Promote Its Passage; Mr. Consumer Not Worrying About Fate of Measure, But Contending Interests Flood Mails and Telegraphs

The News and Observer Bureau, 603 District National Bank Bldg. By FRANK W. LEWIS (By Special Leased Wire)

Washington, July 28.—The North Carolina congressional delegation have been hearing from their constituents on the matter of the Kenyon bill, which is designed to "stimulate the production, sale and distribution of livestock and livestock products, and for other purposes." The object of the bill is to regulate and restrain the packers.

Both Senators and ten representatives from North Carolina are all overwhelmed with letters either protesting against the passage of this bill or endorsing it, and an almost remarkable thing in connection with the matter is that both protests and approvals come from dealers and consumers.

It seems that the packers and the retail grocers have combined to defeat the bill, while the wholesale grocers have joined together to promote its passage. The packers, it is said, have made a vigorous campaign of the country to convince the retail grocers that the Kenyon bill would be to their detriment, and a great flood of protests similar in construction has flowed into the capitol.

Those of each faction in this fight seem to have lost sight of the fact that the ultimate consumer is not being considered, the opposing elements being the packers and the retail grocers on the one side and the wholesale grocers on the other. Hundreds of thousands of letters and telegrams have come pleading for one side or the other, but nearly all of these have been from the dealers or the packers—the consumer has not yet been heard from.

Improvements in Insurance. Mr. Daniel W. Terry, of Raleigh, N. C., recently made some important suggestions bearing on plans for securing addresses of soldiers, sailors and marines to the end that they might be communicated with by the government in making whatever settlement that may be due.

PACKERS CAN AND DO FIX MEAT PRICES

So Declares Federal Trade Commissioner's Report On The Industry

EVIDENCE WHEREON THE ASSERTION IS BASED

The "Big Five" Have Interest In 28 of 50 Stock Yards and Majority of Voting Stock in 22 of The Others; "Remarkable Device," That Bearer Warrant; What It Can Do

(By the Associated Press.)
Washington, July 28.—Ability of the "big five" packers—Swift, Armour, Morris, Cudahy and Wilson—to determine from day to day the general level of livestock prices was declared "incontrovertible" of the third section of the Federal Trade Commission's report on the industry made public tonight.

Information contained in the commission's investigation was cited to show that the "big five" have an interest in 28 of the 50 principal market yards of the country and a majority of voting stock in 22 others. It was said they buy most of the livestock sold at these markets.

Discrimination. "They discriminate against and put at great disadvantage independent buyers who are their competitors," the report said. "They manipulate on occasions the livestock market in such a way as to cause extreme and unwarranted fluctuations in the daily prices paid for livestock. They have eliminated many competitors and prevented new ones from coming in. They have restricted the meat supply of the nation by manipulating the daily livestock price and thus discouraging the producers of livestock."

"Of the meat trade in the hands of interstate slaughterers in the United States, the five big packing companies have more than 75 per cent of the total. They have the prices of dressed meat and packing house products so well in hand that, within certain limitations, meat prices are made to respond to their wishes."

Notwithstanding special advantages said to be enjoyed by the big packers, the commission declared it was not demonstrable that they are more efficient than the "independents."

Concealed Ownership. In tracing the ownership of the various stockyards, the commission in its report devoted much attention to the "remarkable financial device" known as the bearer warrant, which it was said might be used not only to hide completely true ownership, but also was equally effective in making possible the evasion of income, corporation and surtaxes if it came into more general use.

Such a warrant is a receipt for a stock certificate, the latter being made out to the treasurer of the corporation who delivers the warrant to the person who actually owns the stock.

Unidentified Stockholders. In this way it would be possible for a stockholder to receive dividends and vote without his identity being known. J. Ogden Armour was said by the commission to own 19.4 per cent of the Chicago stockyards company, but the use of bearer warrants was asserted to have prevented the commission from discovering who owned the other stock.

Much of the commission's report dealt with matters already made public in the hearings conducted by Francis J. Heney as special investigator for the commission.

MARINE WORKERS' STRIKE SETTLED

Agreement On Wages Reached With Marine Engineers; Final Details

New York, July 28.—(By The Associated Press.)—The strike which for about three weeks has tied up shipping along the Atlantic and Gulf seaboard was finally settled tonight when an agreement on wages was reached with the Marine Engineers. William S. Brown, national president of the Engineers' Union, immediately sent out orders to move ships without delay.

The agreement was reached after a six-hour meeting here today of officials of the United States Shipping Board, American Steamship Association and Engineers' Union. The engineers presented their demands Saturday night following settlement of the strike of seamen, stewards, oilers and water-tenders, issuing orders that no vessel be taken out pending settlement of their issues.

FRENCH-AID TREATY MAY BE LAID BEFORE SENATE TODAY, WILSON INDICATES

4 RESERVATIONS BY CHAS. E. HUGHES

Former Candidate For President Offers Them For Adoption By Senate

COVENANT OF LEAGUE SHOULD BE IN TREATY

But He Insists Upon Certain Reservations; Particularly Stresses Liability of U. S. To Provide Armed Forces To Protect Other Members of The League; Summary

(By The Associated Press.)
Washington, July 28.—Charles E. Hughes, Republican candidate in the last presidential election, has drawn up a resolution which he offers for adoption by the United States Senate, consenting to inclusion of the League of Nations covenant in the peace treaty, but suggesting four reservations to prevent "sacrificing the essential interests of the United States."

Revealed in Correspondence. This became known today when correspondence between Mr. Hughes and Senator Frederick Hale, Republican, of Maine, dealing with ratification of the treaty, was made public.

While finding ambiguities in articles I and XV, dealing respectively with withdrawal from the league and questions of purely a domestic nature, Mr. Hughes takes chief exception to articles XXXI and X, which concern the Monroe doctrine and the liability of the United States to provide armed forces to protect other members of the league.

Calls Article Ten "Trouble Breeder." The "descriptive phrase" employed in connection with the Monroe doctrine is said by Mr. Hughes to be "inaccurate," while article X is branded by him as a "trouble breeder," which if not eliminated, should be thoroughly interpreted. Any "reservations," Mr. Hughes added, should be incorporated in "the instrument of ratification" to make it valid, but the fact that such reservations are made should not lead to the assumption that the treaty would fail or the peace conference would have to resume operations.

Summary of the Reservations. Summarized, Mr. Hughes' four reservations are:

First, That on giving notice of its intention to withdraw from the league, a power shall cease to be a member or subject to obligations of the covenant at the time specified in the notice, but that such withdrawal shall not release that power from debt or liability theretofore incurred.

Second, That questions such as immigration or import duties, which are solely within domestic jurisdiction, shall not be submitted for consideration or action by the league.

Third, That the United States shall not relinquish its traditional attitude toward purely American questions, which shall not be subject to jurisdiction of the league, leaving this country free to oppose acquisition by any non-American country or territory in the Western Hemisphere.

Fourth, That under Article X the United States shall assume no obligation to undertake any military expedition or employ its armed forces on land or sea unless such action is authorized by Congress.

The resolution suggested by Mr. Hughes is embodied in a letter replying to one from Senator Hale requesting Mr. Hughes' opinion on the validity of reservations to the proposed covenant and also asking Mr. Hughes "what reservations in your judgment should be made to safeguard the interests of our country."

In his letter, Senator Hale asserts he "wants to see some plan devised whereby the United States may safely enter the league of nations."

President Visits Capitol and Talks With Group of Democratic Senators On Subject

HE DOES NOT VOLUNTEER EXPLANATION OF COURSE

Republican Leaders Said To Have Reached No Definite Decision But It Became Known That If French Document Is Not Laid Before Senate Prior To President's Departure On Speaking Tour, Senate Would Consider Adjournment, Also

(By The Associated Press.)
Washington, July 28.—The special defensive treaty with France, which Republican Senators have declared President Wilson is withholding from the Senate in violation of its own terms, probably will be submitted for ratification within a few days.

To a group of Democratic Senators with whom he talked at the Capitol today the President indicated that the treaty, which promises American aid to France in case of an unprovoked attack from Germany, would be laid before the Senate possibly tomorrow and certainly before Mr. Wilson begins his country-wide speaking tour. It was said he probably would not present it in person but would send with it a written message urging its ratification.

Renewal of Criticism. The development followed a renewal of Senate criticism of the President's delay and headed off a plan discussed among Republican leaders to drop consideration of the treaty of Versailles until the French treaty had been submitted. A provision of the latter as made public stipulated that it must be laid before the Senate "at the same time" as the Versailles treaty which was submitted more than two weeks ago.

Planning Senate Recess? Although it was said the Republican leaders had reached no final decision it became known that sensitive plans were under way to suspend committee consideration of the Versailles treaty and force a Senate recess if the President left Washington on his speaking tour, as White House officials said last week he would, without sending in the treaty with France.

Senators who talked with the President today said he volunteered no explanation of his course in the matter. When he presented the Versailles treaty on July 10 he made only a brief reference to the special treaty, saying that "its terms link it with this treaty" and that he would be reserved "for special explanation of our occasion."

Brandegee Resumes. In renewing in the Senate today his charge that the President had violated the treaty's express provisions by withholding it, Senator Brandegee, of Connecticut, a Republican member of the Foreign Relations committee, said Mr. Wilson also had treated the Senate unfairly if the treaties really were "linked" together.

"I do not care to take one link," said Senator Brandegee, "and let some other gentleman keep the other link in his pocket, if I am expected to judge how the two are to fit together."

May Delay Swing Around Country. Mr. Wilson also discussed other features of the treaty situation during his visit to the capitol and intimated that his speaking trip might not begin as soon as had been expected, although it had been indicated he would start from Washington about August 5. He is said to have told Senators today that his plans were in abeyance, particularly in view of the intense heat and various important matters calling for his attention here.

It was said, however, that Mr. Wilson apparently had no intention of abandoning his trip entirely. His friends have declared he would make a series of public speeches on the treaty regardless of Senate developments because he desires to account directly to the people for his work at Versailles.

As To Reservations. The question of reservations in the peace treaty is said to have been touched on briefly at the President's conference, and he was quoted as expressing aversion to any qualifications in Senate acceptance of the treaty, because he believed it would be awkward to ask Germany now to accept modifications of any sort. It is understood he gave no evidence of having received further information to clear up the treaty's Shantung provision.

Causes of Anxiety. Reasserting his desire for early ratification Mr. Wilson is said to have expressed the greatest concern over the situation in Europe, especially with regard to the immediate future of the new States like Poland and Czechoslovakia if some agency were not set up soon to guarantee their integrity. He is said to have mentioned as another cause for anxiety the coal shortage in the new free city of Danzig.

The President reached the capitol unannounced just as the Senate was adjourning and, going to his private room adjoining the chamber, sent a messenger in search of Senator Hitchcock, Democrat, of Nebraska, who has acted as administration leader in the treaty fight.

Talked With Committees. Mr. Hitchcock was out of town, but the President remained at the capitol for more than an hour and saw a dozen Democratic Senators including Senators