

The News and Observer

WATCH LABEL

WEATHER: Partly cloudy Thursday, Friday local showers and thunderstorms.

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EXTENSION OF CREDIT AT A FAIR INTEREST RATE URGED AS REMEDY FOR BOLSHEVISM

President James A. Gray Delivers Annual Address To Bankers' Convention

Cordial Welcome Given Visitors To Twin-City

Secretary of the Treasury Carter Glass and General S. L. Faison Will Be Speakers at Annual Meeting of North Carolina Association in Winston-Salem Today; Large Attendance at Opening Session; Colonel Fries Reviews Remarkable Growth of Tobacco City During The Last Fourteen Years

LEADER OF 30TH TO TALK TO BANKERS



Major General S. L. Faison, native North Carolinian, who led the famous Third Division when it smashed the Hindenburg line, has accepted an invitation to speak to the State Bankers at Winston-Salem tonight.

Helping The Banks To Help The People; Patriotic Co-Operation of Both Asked By Secretary of Treasury Carter Glass

By HON. CARTER GLASS, Secretary of the Treasury.

No group of men in the United States measured up to the test of the great war more admirably than did the bankers. The success of the United States Treasury Department in floating over \$21,000,000,000 in Liberty Bonds and Victory Notes during the past two years was due in no small measure to the patriotic co-operation of the banks. They took a most active part in each of the loan campaigns. They subscribed generously for themselves, made loans to their customers in order that they might buy bonds and sold bonds on installments to accommodate those having small savings. In other words, the banks did everything possible to promote the sale and distribution of government securities. The banker can render an equally great service in reconstruction co-operating with the government in its movement to teach the people of the United States the lessons of sound finance and of wise investment. In promoting this cause the banker will aid his institution and the financial situation in general at the same time.

country will be benefited in a two-fold way. In saving to pay their loans and installments and also in order to buy additional Liberty Bonds and notes, they will refrain from waste and unnecessary expenditures and thus free material and labor, for the production of commodities which are now so desperately needed the world over. At the same time they will be strengthening themselves financially. No one can do better than to make a substantial proportion of government securities the foundation of his investment fund. Nothing else will give such sound and unflinching support to his entire financial structure and at the same time yield such excellent returns. The less one can afford to risk his funds, the less time he has to devote to his investments, and the less experience he has had in the things which are daily affecting the values of ordinary bonds and stocks, the larger should be the proportion of his funds invested in securities which need practically no attention, which are acknowledged by all to be absolutely safe, and which yield a satisfactory return.



HON. CARTER GLASS.

moted by permitting the commercial banks to devote all their resources to this function. The people of the United States should therefore be encouraged to save and pay off their installments and borrowings on bond collateral as rapidly as possible and also to purchase additional government securities as issued from time to time or in the market. If this is done the people of this

KOREA GRANTED LOCAL SELF-GOVERNMENT BY JAPAN AND OTHER REFORMS PROMISED

Military Rule Has Been Displaced and Succeeded By Civil Government

KOREANS GIVEN SAME RIGHTS AS THE JAPANESE

Gendarmerie, Which Has Been Severely Criticized, Will Be Replaced by Civilian Police Force Entirely Under Civilian Control; System of Village and Town Municipal Government Based on Popular Suffrage Will Be Undertaken; Present Government in Korea Will Be Entirely Changed

Washington, Aug. 20.—Local self-government for Korea and reforms looking toward home rule, are announced in an imperial receipt issued yesterday in Tokio and received here today at the Japanese embassy.

The military government has been displaced and succeeded by a civil one. The military gendarmerie, so much under criticism of late, is to be replaced by a civilian police force entirely under civilian control. A system of village and town municipal government based on popular suffrage also is to be undertaken.

Possibly most important of all, from the Korean point of view the receipt by the Emperor of Japan provides that Koreans shall have the same privileges and legal rights as Japanese. Heretofore Japanese have been a privileged class.

Japanese Emperor's Receipt.

Baron Saito, former Minister of State, and one of the best known of Japanese statesmen becomes Governor General succeeding Marshal Fuso. Mr. Midzuno, former Minister of Interior in the Kato Cabinet succeeds Director General Yamagata in administration. The executive orders carrying into effect the Emperor's receipt were issued today in Tokio, but have not yet been received here. They are, however, in a statement by Premier Hara, cabled to this country. The Emperor's receipt follows:

"We have ever made it our aim to promote the security and welfare of our territory of Korea and to extend to the native population of that territory as our beloved subjects a fair and impartial treatment in all respects, to the end that they may without distinction of persons lead their lives in peace and in contentment. We are persuaded that the stage of development at which the general situation has now arrived, calls for certain reforms in the administrative organization of the government-general of Korea and we issue our imperial command that such reforms be put into operation.

"The measures thus taken are solely designed to facilitate the working of administration and to secure good and enlightened government in pursuance of our settled policy and in fulfillment of the altered requirements of the country. Especially in view of the termination of the war in Europe and of rapid changes in the affairs of the world we consider it highly desirable that every effort should be made for the advancement of the national resources and the well being of the people."

Premier Hara's Statement. "We call upon all the public functionaries concerned to exercise their best endeavors in obedience to our wishes in order that a benign rule may be assured to Korea and that the people, diligent and happy in attending to their respective vocations, may enjoy the blessings of peace and contribute to the growing prosperity of the country."

Premier Hara's statement follows: "Nearly ten years have elapsed since Korea was incorporated into the Empire of Japan and in view of significant changes which have meanwhile presented themselves in the conditions of the country, a plan of various reforms in the Korean administration system has for some time been engaging my attention.

"Unfortunately in March last disturbances broke out in several parts of the peninsula which for obvious reasons have retarded the introduction of the contemplated reforms. It will not be necessary at this moment to give a full account of those disturbances. It is much to be regretted that as is generally the case under like circumstances they gave birth to wild and baseless representations some of which even went so far as to make new stories out of old incidents antedating the annexation.

Present Government Reorganized. "Being determined to be perfectly just and fair in the conduct of affairs connected with the recent uprisings the government will admit no excuse for any culprit whether he be a government official or a private citizen. Take the Suigen occurrence, for instance. There the government had caused the responsible officers who had already been subjected to administrative censure to be brought for trial before a court martial.

"In proceeding to the reorganization of the system of the government general of Korea, I regret to announce the resignation of Marshal Hasegawa, governor general, and of Yamagata, director general of administration, both of whom have rendered eminent service to the State at the important posts which they have occupied for several years. To fill the vacancies caused by their retire-

BANKERS TO HEAR OVERMAN FRIDAY



United States Senator Lee S. Overman, of Salisbury, will deliver an address on "The League of Nations" before the State Bankers' Association in Winston-Salem tomorrow. Senator Overman left Washington last night to fill this engagement.

ROCKY MOUNT MAN TALKS ON RAILWAYS

Too Many Employees For Work Required, He Contends, In Letter To Senator

AN INVESTIGATION IS SUGGESTED BY WRITER

Secretary of War Baker Tells of Great Achievement in Bringing Soldiers Home From Overseas and Getting Them Mustered Out of Service; Gives Comparisons

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

Washington, D. C., Aug. 20.—Upon examination today of the files of Senator Simmons under the heading of the discussions relating to the railroad problem, a letter was uncovered which approaches the subject from a fresh and interesting angle. The communication was written by a level-headed business man of Rocky Mount and addressed to Frank Hampton, private secretary to Senator Simmons.

"I believe that it can be shown that there are now in the employ of the roads forty per cent more men than are needed to do the work," observes the Nash county citizen, who has made first-hand investigation as to railway operations in Rocky Mount.

"I have come to this conclusion after talking with the employees," comments the business man who proceeds to give concrete evidence rather than depend on glittering generalities. "Here is a sample," he indicates, "there are fourteen car inspectors, six colored; and eight white, at South Rocky Mount. It is stated on good authority that if the train ran systematically one man could do all the work, but as they come in at different times four men are needed.

"So here we have a case where fourteen men are doing the work of four. I believe that this condition prevails throughout the entire system of all roads. It ought to be known and considered in any plan that has for its object the proper solution of the railroad question. We hope Congress will see the public's side of the railroad situation and not permit threats of striking or anything else to sway them in this important matter.

"The whole country is just now beginning to get a view of the ugly-looking railroad problem. It may be of interest to you and Senator Simmons to know how the people in this section feel about it. I can say without exaggerating that except for the railroad employees and their families the sentiment is against any concessions of any kind being made to them.

"The public feels that they are already being paid more than they are earning, and regards their demands in the nature of a hold-up. I have taken some little trouble to sound out different callings. I find a grim determination not a wistful purpose to resist to the limit anything that may seem like a surrender to the aggressive and unreasonable demands of the railroad employees.

"Seems to me that while Congress is investigating other things it might be profitable to find out to what extent the railroads are being efficiently managed and operated."

Captain Daniels Mustered Out. Capt. Joseph Daniels, Jr., of the United States Marine Corps, the son of the Secretary of Navy, who last week returned to this country from France, is now out of the service. His resignation from the Marine Corps was accepted today. Captain Daniels will go to his home at Raleigh in a few days.

FIRST OPEN MOVE FOR COMPROMISE

Administration Democrats Ask For Series of Interpretative Reservations

REPUBLICANS REFUSE TO ACCEPT SUGGESTION

League Opponents Adhere To Their Positions That Reservations Must Be Made Part of Peace Treaty; Senator Pittman, Who Presents Resolutions, Speaks in Support

Washington, Aug. 20.—The first open move for a compromise in the League of Nations fight came from administration quarters today embraced in a proposal that the Senate adopt interpretative reservations but that they be kept apart from the actual ratification of it treaty.

The overture met with no immediate success on the Republican side of the chamber, Senators of the Republican reservation group declaring they could not recede from their positions that to be effective the reservations must go into the ratification itself.

Compromise Proposal Made. Senator Pittman of Nevada, a Democratic member of the Foreign Relations committee, presented the compromise proposal in the form of a resolution embodying in effect the four reservations agreed on by seven Republican Senators and declaring them to constitute the Senate's understanding of disputed points in the covenant.

In the Republican draft, however, it is expressly provided that the reservations "be made a part of the treaty by the instrument of ratification," a provision which Senator McNary, of Oregon, and others of the group of seven Republicans said they considered absolutely necessary if enough Republican votes are to be gained to secure ratification of the treaty.

To overcome this objection Senator Pittman proposed in a speech in the Senate that the resolution be adopted at once and submitted to the other powers who will be represented on the league council. A general debate developed during which Senator Borah, Republican, Idaho, and others took exception with President Wilson's distinction between moral and legal obligations under the covenant as expressed in yesterday's White House conference between the President and the Foreign Relations committee.

Represents Wilson's Views. Although Senator Pittman said he had not submitted his resolution for the President's approval, he asserted that it carried into effect Mr. Wilson's views on the subject of reservations as expressed to the committee yesterday. He indicated his firm belief that the administration would go no further toward a compromise because it feared that inclusion of the reservations in the ratification would reopen the negotiations with Germany.

Leaders of the McNary group, nevertheless, insisted they had information that in the end their plan would have Democratic support. An attack on the Shantung provision of the treaty was made in the Senate by Senator McCormick, Republican, Illinois, who asserted that by accepting the provision the United States would become a party to one of the most outrageous exhibitions of "hypocrisy and violence" in the world's history.

The Shantung provision also was under consideration before the Foreign Relations Committee, which was told by Dr. J. C. Fergusson, adviser to the Chinese president, that China regarded American acceptance of the settlement as a deviation from the traditional policy of American friendship to the Chinese government and people.

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AMERICAN TROOPS STILL IN MEXICO

After a Trying 36 Hours of Campaigning Soldiers Go Into Camp

AVIATOR TELLS ABOUT KILLING ONE BANDIT

Reports From Chase On Border Are Meager, Only Short Cryptic Message Having Been Received By Airplane; Major General Dickman Is On Tour of Inspection

Marfa, Texas, Aug. 20.—The American punitive expedition that raged into Mexico in search of Jesus Beater's band of bandits who held Lieutenants Peterson and Davis for ransom went to the camp in the mountains tonight after a trying thirty-six hours of campaigning through rugged country.

Since the troops crossed the Rio Grande early Monday morning they have been riding constantly during daylight hours in pursuit of the bandits. The only reported contact with the bandits resulted in the killing of one of three Mexicans who fired on an American airplane yesterday. According to the aviator's report upon returning from the field the fight lasted twenty minutes. The aviators were unharmed.

Reports from the field were meager. The broken country south of the border compelled the cavalry troops to scatter and follow such trails as they can pick up. The country below the Big Bend border is too rough for airplanes to effect a landing without great danger.

A cryptic message, "still following trail," brought to the border by airplane today, was the only definite word from the expedition. No officers commanding troops in the field have yet returned to the field bases on the river.

Major General Joseph T. Dickman, commander of the Southern Department, is expected to reach here tomorrow morning on an inspection of posts and camps along the border between San Antonio and Marfa.

While his visit here at this time is not believed to be inspired by the local Mexican situation, the commander undoubtedly will go over the entire district with Colonel Langhorne, district commander. It is not known whether he will go to the border while here.

MEXICAN GENERAL NOTIFIES WASHINGTON THAT FORCE IS SENT AFTER BANDITS

Washington, Aug. 20.—Mexican Consul Bangochea at Prentidio, Tex., in a telegram to Ambassador Bonillas, made public tonight at the Embassy, reported that General Pruneda, commander of the Federal troops in the portion of Mexico across the border from Candelaria, Texas, had gone in pursuit of the bandits. The consul said he had notified Col. Langhorne that General Pruneda was making pursuit so that the American commander might "order the return of his forces." Ambassador Bonillas was asked to obtain an order from the War Department here for the withdrawal of the American forces, but when the department closed today no such request so far as could be learned had been received.

STEEL WORKERS IN FAVOR OF STRIKE

98 Per Cent Voted in Favor of Walkout, Says Committee Spokesman

Youngstown, O., Aug. 20.—Ninety-eight per cent of the steel workers voting on the question of a national strike, voted in favor of a walkout, it was announced here this afternoon by W. Z. Foster, secretary-treasurer of the American Federation of Labor's committee on organization in the steel industry which canvassed the vote today. Mr. Foster said that the committee now is taking up the matter of setting a date for the strike. The committee did not give out the number of votes cast.

The matter of setting a date has been referred to a conference committee, Mr. Foster said, which includes Samuel Gompers, president of the American Federation of Labor; John Fitzpatrick, president of the Chicago Federation of Labor; D. J. Davis, of the Amalgamated Association of Iron, Steel and Tin Workers; E. J. Evans, of the electrical workers; William Hanna, of the International Machinists' Union, and Mr. Foster himself, who is head of the railway carmen's union and spokesman for the committee.

Whether the conference committee will proceed without Mr. Gompers, who is on his way home from Europe, remains to be determined, Mr. Foster said. The strike question will not be referred again to the internationals, it was stated, as their vote gives the executive committee full power to act.

Whether a nation-wide strike of Iron and Steel Workers will be called depends upon a conference which the union leaders hope to obtain within the next ten days with representatives of the United States Steel Corporation. If the corporation officials refuse to meet the union representatives a conference committee of six representing

CAMPAIGN ALREADY GETTING RESULTS

Attorney General Palmer Says Prices in Many Lines Beginning To Ease Off

LAW OF SUPPLY AND DEMAND STILL HOLDS

Government Can Only Make Machinery of Distribution Naturally Instead of Artificially; Difference Between Stored Food and Hoarded Food Explained

Washington, Aug. 20.—Attorney-General Palmer said today there was evidence that the government campaign to reduce the cost of living already was bearing fruit. A prominent vegetable packer by Maryland wrote Mr. Palmer that prices in many lines were beginning to ease off as it became evident that the Department of Justice meant business in announcing that criminal prosecutions against hoarders and profiteers would be instituted wherever the law was violated.

"We want to make clear, however," the Attorney-General said, "that nothing we can do can change the immutable economic laws on which prices depend. If we can increase the supply by greater production and lessen demand by greater saving on the part of the people, then the cost of living should come down. We can help that along by forcing hoarders to put on the market food held out for an advance in prices and further by holding up to public scorn or by prosecuting if Congress gives us the criminal amendment to the food control law, those who are guilty of trying to exact a greater profit than is reasonable and just. We are going to make the market—that is the law of supply and demand—operate normally instead of artificially."

The Attorney General and Judge Ames, his assistant, drew distinctions which they said the public should recognize between hoarding food and stored food. The former is held out of the market in greater quantities than required for the owner's business for the purpose of forcing up the market. The latter is surplus being hoarded from the harvest to the lean season.

"Not all stored food is hoarded by any means," Mr. Palmer said, "and we are going to be very careful not to do any body an injustice or to jeopardize the winter supply by forcing on the market the surplus of the summer season. We have libeled great quantities of food which we believe to be hoarded and its disposition after the cases are settled by the courts will depend on the nature of the commodities and the place of storage."

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