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## HOW PEACE TREATY LEAKED EXPLAINED

**Davison Brought Copy From France; Got It From Lamont; Gave It to Root.**

### PROBE BELIEVED AT END

**Davison Says He Secured Copy to Clear Up Red Cross Status Under the League Covenant.**

Washington, June 12.—How the peace treaty reached private hands in New York and thus stirred up a sensation in the senate was established at a two-hour hearing before the foreign relations committee.

Senator Lodge revealed that the copy he saw was shown him by Elihu Root, a former secretary of state. Mr. Root told the committee he got it from Henry P. Davison, member of the Morgan banking house and head of the Red Cross, and Mr. Davison in turn testified it was given him in Paris by Thomas W. Lamont, another Morgan partner attached to the American peace mission.

J. P. Morgan and Frank A. Vanderbilt, retiring president of the National City bank, also before the committee, said they never had seen a copy.

With that the committee adjourned without setting a date to continue the hearing and with members on both sides of the treaty controversy saying privately that the investigation apparently was over.

### Why Davison Got Copy.

Mr. Davison said he secured the copy to clear up the status of the Red Cross under the league of nations, and never had used it in a financial way. He had shown it to no one except Mr. Root, he continued, and had sent it to him because he knew the former secretary was being consulted by the American mission.

Mr. Root gave it as his opinion that there was nothing improper in the way the treaty reached him and that he was free to use it as he chose. There could be nothing secret about it, he told the committee, because the German government had made it public.

Under questioning, Mr. Root, who appeared in the inquiry voluntarily, went on to say that while the senate was in its right in asking for a copy after the treaty became public in Germany, President Wilson also was within his in withholding it if he chose.

All the witnesses said they had heard rumors of other copies in New York but did not know whether they existed. Like statements were made in telegrams to the committee by Jacob Schiff, of Kohn, Loeb & Co., and Paul Warburg, formerly a partner in the same firm.

### Seems at Standstill.

The inquiry, ordered by the senate last week, seems to have reached a standstill because no one has any further witnesses to suggest. Senator Lodge and Senator Borah, Republican, of Idaho, who made the revelation which started the investigation, said they considered all their statements in the senate had been proved, and Senator Hitchcock, Democrat, of Nebraska, author of the investigation resolution, declared the inquiry apparently had lapsed without showing any dangerous leak in diplomatic channels.

Senator Borah questioned Mr. Davison at length to support his declaration in the senate that the treaty was in the hands of "certain interests" which were "peculiarly interested" in it. Asked directly whether he had a "peculiar interest" in the document, the witness replied that he certainly had, though he never used his knowledge of the text in any financial way.

Mr. Morgan and Mr. Vanderbilt were not examined at length regarding the treaty, but from the latter, who recently returned from abroad, the committee got considerable information about conditions in European countries. Both were questioned also regarding the present status of international banking.

In this telegram Mr. Warburg expressed a willingness to testify should the committee desire it, and he probably will be called if the inquiry is resumed. Mr. Schiff asked

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## COUNCIL IS WILLING TO ADMIT THE GERMANS

**Possibility of Union of Germany With Russia and Old Teutonic Powers Talk of Rival Group.**

Paris, June 12.—The movement to admit Germany to the league of nations is due mainly to the desire to avoid the possibility of the formation of another group composed of rival powers, which embrace Germany, Russia and the old Teutonic group.

Evidences have reached the conference leaders of late that influences are at work in Germany and Russia to establish relations as a basis for a combination of powers not in the league. While not regarded as imminent, it was felt that the danger of such combination would be always present while Germany was outside the league, and the admission to Germany, therefore, was recommended as a means of subjecting her to the same obligations as the allies under the league of nations.

This sentiment was chiefly instrumental in the unanimous decision of the British, French, American and Italian members of the league committee concerning the conditions on which Germany may be admitted. One of the chief authorities said:

"We can deal with Germany better when inside than outside the league. Outside she would be able to go her own way; inside she must conform to the same obligations as the allies."

The covenant originally foresaw Germany's admission on giving "effective guarantees of her sincere intention to observe international obligations." The recommendations now submitted to the council of four define these effective guarantees, namely, the establishment of a stable government, the signing of the peace treaty and loyally executing the terms of the treaty.

The league covenant also made it conditional of Germany's entrance that she accept the league restrictions of military and naval restrictions. It was proposed to define this specific abolition of compulsory military service.

M. Clemenceau objected, however, on the ground that such specification might bring up the whole question of compulsory service. It was omitted from the recommendations presented to the council of four.

The council spent the day in examining this and other committee reports. Indications were that the reply to the Germans would be ready before the end of the week, probably Friday, when five days will be given for Germany's final answer with respect to signing.

## MEN OF THE WILD CAT DIVISION REACH PORT

**Battleships South Carolina and Missouri Arrived Sunday With Over 2,500 Soldiers.**

Newport News, Va., June 12.—Bringing about 2,500 troops, mostly units of the 81st (North and South Carolina and Florida national army) division, the battleships South Carolina and Missouri arrived here Sunday from Brest.

The units aboard included the 317th field artillery complete, battalion headquarters, and companies E, F and G, of the 306th ammunition train, the third corps artillery park and four casual companies included two for New York.

## LIABILITY OF A NATIONAL BANK DIRECTOR IS FIXED

Washington, June 12.—Liability of a national bank director for damages growing out of violations by a bank of the federal banking statutes, was fixed by the supreme court in sustaining federal court judgments against Guy E. Bowerman in proceedings brought to recover damages from officers and directors by the receiver of the First National bank of Salmon, Idaho.

Bowerman claimed he took no active part in the bank's management and had no information relative to the making of alleged excessive loans. The lower court held that Bowerman should be held liable for having violated his common law duties as a director in not attending the board's meetings. The supreme court affirmed the verdict.

## EFFORTS IN SENATE TO FIGHT TREATY

**Knox Introduces Resolution to Advise Peace Conference Giving Notice.**

### MORE CRITICISM OF TEXT

**Senators Declare Treaty Reveals Close Curtailment of Right of Self-Determination in Saare Valley.**

Washington, June 12.—The senate fight over the league of nations was brought to a more direct issue with introduction of a resolution by Senator Knox, Republican, of Pennsylvania, proposing that the senate give formal notice to the peace conference of opposition to be expected should the peace treaty be submitted for ratification in its present form.

Senator Knox, a member of the foreign relations committee and a former secretary of state, drafted the resolution after conference with other league opponents and presented it with the apparent support of those who have led in criticism of the league covenant. He expected to crystallize opposition sentiment as did Senator Lodge, chairman of the foreign relations committee, with the circulation of the round robin in the closing hours of the last senate.

While declaring for immediate conclusion of a treaty dealing with direct issue of the war only, the resolution contains a far-reaching proposal which would lay it down as a policy of the American government that whenever the freedom and peace of Europe is threatened, the United States will consider it obligatory to assist in the removal of that menace.

Decision as to acceptance of membership in the league of nations should be left without prejudice to each nation, the resolution declares, for future separate consideration. It also asserts the lack of authority by the treaty-making power of the government to make a treaty which in effect amends the American constitution.

At Mr. Knox's request the resolution was referred without debate to the foreign relations committee. He will attempt to get the committee action this week and hopes to bring it up in the senate for consideration by the end of the week, the resolution is due to open a new chapter in the league of nations fight and to develop a debate which may be even more bitter than that over the publication of the treaty text.

Except for the reading of the Knox resolution, the treaty controversy came to the surface only once during the day in the senate. That was when Senator Pittman, Democrat, of Nevada, asked unanimous consent to print in the record without reading a speech by former President Taft advocating the league. Senator Smoot, Republican, of Utah, interposed an objection and Senator Pittman then put in the speech by reading it.

Meantime, however, there were many conferences among senators over provisions of the treaty, published in full in the congressional record, and the foreign relations committee made plans to resume its investigation of how treaty copies reached private hands in New York. Of the six financiers the committee had summoned three, J. P. Morgan, Henry P. Davison and Frank A. Vanderbilt, sent word they would be ready to appear.

The committee arranged for a larger room for the hearing which is to be open to the public. The committee is expected to agree on other witnesses to be called later in the week.

Thomas W. Lamont, one of the financiers summoned, is said to be in France and it is considered unlikely that the committee will make a further effort at this time to have him come to Washington. Another, Jacob Schiff, asked to be excused on account of ill health, and Paul Warburg had left New York for Detroit when the summons arrived and had not replied.

In comment on the treaty text, put into the record after a long fight by Senator Borah, Republican, of Idaho, there were three topics about which interest centered. They were the

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## UNION LEADERS ARE PREDICTING TIE-UP

**Officials Say Strike of Telegraphers Has Failed Completely.**

### CONFLICTING STATEMENTS

**Carlton Says Only 166 Answered Call to Strike; Koenenkamp Says That Number Quit in Chicago.**

Chicago, June 12.—Union leaders declare that the first day response to the call for a nation-wide strike of commercial telegraph operators gave promise that the tie-up will be complete in three days, despite claims of company officials that the strike has failed.

Reports received from many towns in various sections of the country indicate that commercial telegraph business was not seriously interrupted in most districts.

A statement by President Carlton, of the Western Union Telegraph company, that only about 166 persons, 121 of them operators, answered the strike call, brought from S. J. Koenenkamp, international president of the Commercial Telegraphers' Union of America, a remark that more than that number of Western Union employees in Chicago alone had joined the strike.

### Koenenkamp's Claims.

"Reports up to late yesterday point to a 90 per cent response in the Postal Telegraph company service and a 70 per cent response from Western Union employees," said Koenenkamp in a statement to the Associated Press. "The east has shown up surprisingly well and in the southeast alone the number of strikers now exceed 3,000. Telephone workers have added to the strikers' numbers in Philadelphia, New Orleans, Columbia, S. C., and Brunswick, Ga. When the electrical workers went on a nation-wide strike Monday, additional telephone workers also went out. Railroad telegraphers in all parts of the country are refusing commercial business and trouble anew is impending in Canada because of refusal of Canadian telegraphers to handle American business."

In a statement declaring only a few Western Union operators had quit, Edward F. Walsh, deputy vice-president of the Association of Western Union Employees, said the 30,000 members of that organization were not connected with the C. T. U. A. demands. Sixty-five per cent of all Western Union employees are represented in the association, he said.

"The association has an agreement with the Western Union whereby it is recognized and is permitted to bargain collectively for wages and hours," he said. "We obtained a five and 10 per cent increase under promised adjustment of certain parts of a schedule entered into with the company which was not fulfilled by the postmaster general."

### W. U. Men "On Job."

"Reports from locals in all sections of the country show Western Union employees on the job with a few exceptions, which are negligible." To substantiate his claim, Mr. Walsh displayed telegrams from association officials in various districts saying conditions were normal.

He said not a single operator in the Western Union Chicago office struck and explained that empty chairs were merely for use when emergency relay sets were in operation. To this Koenenkamp asserted that "the vacant chairs were occupied before the strike."

E. W. Collins, general superintendent of the Postal Telegraph company in Chicago, admitted that a large number of their 300 operators had quit, but insisted that if the "agitators about the building were driven away, many employees would come to work."

### Many Street Clashes.

Police protection was asked by the Western Union here after numerous street clashes of a minor character. Delivery service was hampered late in the day when all Western Union messenger boys at the main office, with the exception of

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## CONGRESS ACTS TO END FEDERAL WIRE CONTROL

**Senate Unanimously Passes Bill to Repeal Law—House Committee to Hurry.**

Washington, June 12.—On the eve of the nation-wide telegraphers' strike, both bodies of congress Tuesday acted to end quickly government control of the country's wire systems.

The senate passed unanimously the bill for repeal "forthwith" of the law authorizing federal jurisdiction over telegraph, telephone, cable and radio lines, while the house interstate commerce committee agreed to report legislation ending government wire control June 30, next.

No move was made by the post-office department touching the situation and officials said that none would be made, the return of wire operations having left the situation to the handling of private management. At the same time, officials lately responsible for the conduct of the telegraph systems were inclined to discount the possibility that communications would be seriously hampered by the strike of telegraph operators. The threatened walkout of electrical workers was said to have more serious possibilities.

The senate in adopting the repeal bill approved an amendment to continue present telephone rates 90 days, or until the tariffs can be adjusted by state commissions.

Democratic and Republican senators joined in support of the repeal bill, of which Senator Kellogg, Republican, of Minnesota, is the author and also in criticism in taking over the wires and the results of government operation. Debate in the senate was brief and the bill was passed without a record vote. It now goes to the house, the interstate commerce committee of which will meet again Thursday with a view to prompt action.

In addition to the amendment continuing existing toll and local exchange telephone rates for 90 days the senate also adopted an amendment by Senator Sheppard, Democrat, of Texas, providing that government control should not be a defense by the wire companies in private damage suits.

Many senators declared that no necessity required taking over of the wires and that government operation had been unsatisfactory.

"I think a very great mistake was made when the wires were taken over," said Senator Pomerene, Democrat, of Ohio, "no good came from it and much harm came, the more quickly they can be turned back the better. There was no necessity for taking them over. Government operation, to some extent at least has served to destroy morale of the companies."

Chairman Cummins, of the interstate commerce committee, and Senator King, Democrat, of Utah, also declared that no valid reason had been assigned for federal assumption of the wire systems, while Senator Watson, Republican, of Indiana, declared federal operation had been a "failure."

"I trust out of it will come a lesson to the American people," said Mr. Watson, "that we shall never again attempt government operation of public utilities, much less government ownership."

## BUMPER CROPS GROWING THROUGHOUT THE LAND

**Largest Wheat Crop Ever Grown, Aggregating 1,236,000,000 Bushels, Forecasted in Report.**

Washington, June 12.—Bumper crops are growing throughout the country, but plant diseases already have done some damage and threaten to curtail production somewhat. The largest wheat crop ever grown, aggregating 1,236,000,000 bushels of winter and spring wheat combined, was forecast in the monthly report of the department of agriculture. That represents practically one-third of the world's wheat crop this year. In previous years the United States has grown about one-fifth. Big crops of oats, barley, rye, hay, apples and peaches also are in prospect.

Red rust made its appearance in May in the principal winter wheat producing sections, and the infection is spreading.

## ALLIES MAY HAVE REPLY READY TODAY

**Distinct Progress Reported on Answer to Germany's Latest Proposals.**

### REPARATION TERMS FIXED

**Germans Will Be Given Five Days Limit for Final Action When the Reply Is Delivered.**

Paris, June 12.—Distinct progress was reported on the reply of the allied and associated governments to the German counter proposals and indications are that the reply will be ready for delivery on Friday.

The Germans will be given five days' limit for final action, which would therefore come on or before June 18.

The main feature of this progress was an agreement regarding the reparation terms, which have been the subject of a sharp controversy during the past 10 days.

As finally adopted, the terms do not fix the definite amount of reparations but the commission is required to fix the amount within four months of the signing of the treaty.

The main changes are explanations, rather than modifications, in order to meet the contention that the financial commission was vexatious, inquisitorial and infringed Germany's rights to conduct her own financial affairs. The revised terms clear away much that was open to the construction of being vexatious.

Final action on Germany's request for admission to the league of nations, has not yet been reached, but the discussion is declared to be tending toward an accord. The Silesian question, which has given difficulty also has virtually been settled.

Though all the chances are that the reply will be delivered by the end of the week, President Wilson has made no plans to leave for Brussels as he has an engagement in Paris for Saturday night. Colonel House will leave for London Friday night and will remain there during the five days allowed the Germans. He will return for the signing of the treaty next week.

It is practically certain that the revised treaty will not be submitted to a plenary conference with the smaller powers before the reply is sent to the Germans. The revised treaty and memorandum accompanying the treaty will be sent to Courvon Broeckdorff-Rantzau, head of the German delegation, by messenger without ceremony.

### LEAGUE CHARTER MODIFIED

**IN FAVOR OF GERMAN**  
Paris, June 12.—The league of nations commission completed and presented to the council of four second report containing certain modifications of the league covenant in favor of the Germans, but the fate of the report is uncertain.

The first report was submitted after it had been adopted unanimously by the council. It was rejected by the council, it is said, on the insistence of Mr. Clemenceau and sent back to the commission to be toned down. Any information whether the second report provides for the admission of Germany into the league at the first meeting next October was refused yesterday.

### IRISH AMERICANS HAVE

### CONFERENCE WITH WILSON

Paris, June 12.—President Wilson told representatives of Irish society in America that he would do what he could unofficially to bring the Irish question to the attention of the other peace commissioners.

Announcement to this effect was made by Frank P. Walsh and Edward F. Dunne, representatives of the Irish Americans, after they had a 30-minute conference with the President. The promise made by the President was in reply to a question from Messrs. Walsh and Dunne as to what the President intended doing in view of the resolution adopted by the senate urging the American delegation take steps to have representatives of Ireland heard by the peace conference.

Messrs. Walsh and Dunne said that they went over the situation Ireland generally in their talk with the President.