# RATES MUST GO UP PRESIDENT DENIES

RAIL PROBLEM A QUESTION OF CREDIT, SAYS U. P. PRESI-IDENT LOVETT.

#### AIRS TRANSPORTATION ISSUE

Both the Union Pacific President and Howard Elliott Urge Adoption of Reorganization Plan of Association of Railway Executives.

Washington, D. C .- Private operation of railroads cannot be restored at existing rates, Robert S. Lovett, president of the Union Pacific railroad, told the house interstate commerce committee during a discussion in which he contended the railroad problem is "solely a question of railroad credit."

Howard Elliott, president of the Northern Pacific, another witness, urged early adoption of a national transportation policy, declaring delay only tended to make "all classes uncertain and unsettled." In adoption of the transportation policy he thought congress should observe four principles, as follows:

Government regulation machinery to encourage the present transportation system so that rates will pay all costs, including new capital needed for expansion of facilities; abandonment of present methods of adjusting wage and working disputes, with substitution of "a sane method of deciding these quesincluding abolishment of strikes; modification of the Sherman law to permit consolidations and making of federal authority supreme in regulating rates, securities and accounts. Railroads should have the right to initiate rates, Mr. Elliott argued, adding that the interstate commerce commission should have the right of suspension and review.

#### Urge Executive's Plan.

Both Judge Lovett and Mr. Elliott urged the adoption of the reorganization plan of the Association of Railway Executives, including provision for a federal transportation board, representing the public, to aid the interstate commerce commission. Referring to the Plumb, or organized labor plan, for tripartite control of the railroads, Judge Lovett said:

"It is a rather bold move of the American bolshevists to take first for Russianization the one industry that affects all the people."

Railroad employes, he added, do not understand the Plumb proposal, but when they do "they will repudiate and refuse to support it."

"If the railroads were turned back to their owners today under existing conditions," declared Judge Lovett, "It is not too much to say that half of the roads would go into bankruptcy and the dividend paying roads would have to reduce their dividend payments."

#### Two Solutions Offered.

Wage increases without proportionate increase of rates would be disastrous, Judge Lovett asserted, adding "it is utterly impossible to consider the private owners taking over the railroads and operating them at the present rates." He offered two solutions: One to raise the rates: the other, pay the loss from the federal treasury.

Under private operation, Judge Lov ett said in reply to Representative Rayburn, democrat, Texas, the railroads could not be operated "any more economically than the government

Government ownership was opposed by Mr. Elliott ,but Judge Lovett assumed that the committee would not consider it as the solution of the rail problem

#### ARCHDUKE JOSEPH RESIGNS.

Reported to Have Quit Hungarian Job. Paris.—Archduke Joseph has re

signed as head of the Hungarian government and has left Budapest, a Vienna dispatch to the Agence Radio reported:

Archduke Joseph surprised the world when he regained power for a Hapsburg in Hungary at the time the Ru manian troops occupied Budapest. His ascent to control of the government followed the brief administration of Premier Julius Peidll, who formed a socialist cabinet after Bela Kun had been overthrown.

Joseph's government has been held unrepresentative of the country and has been charged with reactionary intentions, even the restoration of the monarchy. Foreign Minister Lovassy. however, in an interview, declared Joseph would resign in a month, as soon as the national assembly was estab-

lished. Joseph never received recognition from the allies, although it was reported that entente representatives in Budapest had established an understanding with him.

Object to Honoring March. Washington.-Objection to the recemmendation of President Wilson to make Chief of Staff March a full general for life was evident in the House when six members of the military affairs committee filed a minority report against the bill authorizing the rank for March. The six members indorsed giving the rank to General Pershing. The signers of the report are Represcentatives Anthony, Kansas; Sanford, New York; Kearns, Ohio; Coldwell and La Guardia, New York, and Fuller. Massachusetts

# TREATY WAR PACT

Wilson Tells Senate Committee Congress Only War Maker.

#### JAPAN WON'T RULE SHANTUNG

Tells Senators Tokyo Has Promised to Give Up Any Sovereignty There-Asks Them to Interpret but Not to Change Treaty.

Washington, Aug. 20 .- In a conference at the White House unprecedented in American history, President Wilson discussed the peace treaty with the senate foreign relations committee, answered questions put by senators and gave out a stenographic transcript of the proceedings to the public.

Some of the inside details of the peace conference, how the League of Nations covenant was drawn, and other historic happenings were handed out | think I may say for myself and others, verbatim for the world to read, in con- desire to hasten in every possible way. trast to the time-honored procedure of secrecy, presidential and senatorial "confidence."

Nothing approaching the conference in that respect is recalled since George Washington went to the senate to discuss troubles with the Indians.

Urges Speedy Ratification. Making a plea for ratification of the trenty that the world might be turned wholly back to a peace basis, the president said he saw no reasonable objection to the senate expressing its interpretation of the League of Nations covenant so long as those interpretations did not actually become part of the act of ratification.

If interpretations were part of the formal ratification, the president contended, long delays would follow, as other governments would have to "accept in effect the language of the senate as the language of the treaty before ratification would be complete." Most of the interpretations, the president said, seemed to him to suggest the "plain meaning of the instrument itself."

#### Must Get U. S. Consent.

The much-discussed article ten, the president told the senators, was not of doubtful interpretation when read in connection with the whole covenant. The council, he said, could only "advise," and as its action must be unanimous, the affirmative vote of the United States would be necessary for any question affecting it.

Article sixteen, the president said, provided that where there is a dispute found to be solely within the jurisdiction of one of the parties, under international law, the league council shall so report and make no recommendation for its settlement. Immigration, tariffs and the like, the president said, clearly came under that provision.

The plan for the league, finally submitted in Paris, the president said, had been built up first from a plan drawn by a British committee headed by a Mr. Phillimore and later included ideas from a plan drawn by General Smuts. From these and other discussions, coupled with the president's own ideas, the league plan was made.

Own Redraft Not Submitted. His own private redraft of the Phillimore plan, the president said, was not submitted to the American peace mission. He had seen Secretary Lansing's proposals only informally.

The president said the United States would have "complete freedom of choice as to the application of force" in carrying out article ten of the league covenant.

The president told the committee the league council would have "nothing whatever" to do with deciding whether the United States had fulfilled its obligations in case of withdrawal from the league.

The conference was not held in the blue room, as had been planned, the president taking his visitors into the east room, where they were seated around a big table. Senator Lodge sat next to the president.

Japan Won't Rule Shantung.

To a query as to what sovereignty Japan retained in Shantung President

Wilson said: "She has not retained sovereignty over anything. I mean she has promised not to. Senator Borah has asked whether this understanding was oral or otherwise. I do not like to describe the operation exactly if it is not perfeetly discreet. As a matter of fact, this was technically oral, but literally written and formulated and the form-

ulation agreed upon." President Wilson said he disagreed with the opinion given the committee by Secretary Lansing that Japan would have signed the treaty regardless of whether it contained the Shantung provision.

"When is the return (of Shantung to China) to be made?" asked Senator Johnson.

"That was left undecided, but we were assured at the time that it would be as soon as possible."

"Did not the Japanese decline to fix any date?"

"They did at that time, yes; but I think it is fair to them to say they could not at that time say when it would be."

Senator New-Mr. President, Joes not this indefinite promise of Japan's suggest the somewhat analogous case of England's occupation of Malta? She has occupied Malta for something like a century. I believe, under a very simiter promise.

The President-I hope you will pardon me if I do not answer that ques

Senator Fall asked who would defend the mandate territories against external aggression under the league, and the president replied that primarlly the duty would rest with the mandatory power.

Only through action by congress shall the United States lend any millitary assistance to other members of the League of Nations. This was stated emphatically by the president.

The United States is only under moral obligations to the other nations. the president said, declaring that the league covenant does not in any way detract from the power of the congress.

Asks About Other Treaties. After the president had delivered his

statement, Senator Lodge said: "Mr. President, so far as I am personally concerned-and I think I represent perhaps the majority of the committee in that respect-we have no thought of entering upon arguments as to interpretations or points of that character; but the committee was very desirous of getting information on certain points which seem not clear and on which they thought information would be of value to have in consideration of the treaty which they, I

"Your reference to the necessity of action leads me to ask one question. If we have to restore peace to the world, it is necessary, I assume, that there should be treaties with Austria, Hungary, Turkey and Bulgaria, Those treaties are all more or less connected with the treaty with Germany. The question I should like to ask is, what the prospect is of receiving those treaties for action?"

#### Senate Cause of Delay.

The President-I think it is very good, sir, and so far as I can judge from the contents of the dispatches from my colleagues on the other side of the water, the chief delay is due to the uncertainty as to what is going to happen to this treaty. This treaty is a model of the others. I saw enough of the others before I left Paris to know that they are being framed on the same set of principles and the treaty with Germany is the model. I think that is the chief element of de-

Senator Lodge-They are not regarded as essential to the consideration of this treaty?

The President-They are not regarded as such, no sir; they follow this treaty.

Senator Lodge-I do not know about the other treaties, but the treaty with Poland, for example, has been com-

#### Treaty With Poland Signed.

The President-Yes and signed; but t is dependent upon this treaty. My thought was to submit it upon the action on this treaty.

Senator Lodge then asked whether pesident could show the committne tee the tentative League of Nations drafts submitted by Great Britain, France and Italy.

The President-I would have sent them to the committee with pleasure, senator, if I had found that I had them. I took it for granted that I had them; but the papers that remain in my hands remain there in a haphazard way. I can tell you the character of the other drafts. The British draft was the only one as I remember that was in the form of a definite constitution of a league. The French and Italian drafts were in the form of a series of propositions laying down general rules and assuming that t he commission, or whatever body made the final formulations would build upon those principles if they were adopted. They were principles quite consistent with the final action.

At Liberty to Interpret. In reply to Senator McCumber the president repeated that he felt it would be a mistake to embody interpretations in the resolution of ratification, saying: "We can interpret only a moral obligation. The legal obligation can be enforced by such machinery as there is to enforce it. We are therefore at liberty to interpret the sense in which we undertake a moral obliga-

tion. Senator McCumber asked whether the other nations could not accept interpretations by the senate "by acquiescence."

The President-My experience as a lawyer was not very long, but that experience would teach me that the language of a contract is always part of the debatable matter, and I can testify that in our discussions in the commission on the League of Nations we did not discuss ideas half as much as we discussed phraseology.

The president said if reservations were embodied in the ratification "there would have to be either explicit acquiescence or the clapsing of a long enough time for us to know whether they (the other governments) were implicitly acquiescing or not."

#### Guests at Luncheon. The satisfaction of the president's

household turned into positive joy when the senators accepted Mr. Wilson's invitation to stay to luncheon. The pleasant character of the luncheon," sald Senator Borah, "indi-

cates merely that the opponents of the treaty are not in the least actuated by any personal hostility to the president. They merely disagree with him upon principle and policy."

Senator Borah, and other senators who have opposed the treaty, said this would be made manifest in the senate within the next few days, when it will be demonstrated that no convictions had been changed by the discussion at the White House or by the friendly familiarity at the president's

# ONLY SENATE CAN END WAR--WILSON

President Has No Power to Annul Act of Congress.

Upper Chamber's Failure to Act Is the Only Bar to Ending Present State - German Colonies . Taken in Trust.

Washington, Aug. 22,-President Wilson has not the power to declare peace by proclamation, nor could he consent in any circumstances to take such a course prior to the ratification White House conference Tuesday.

Replying to another question, the president said the provision of the clated governments. treaty that it should come into force after ratification by Germany and can only express the confident opinion three of the principal associated pow- that the immediate adoption of the ers operated merely to establish peace treaty, along with the articles of the between those ratifying powers, and covenant of the league as written, that it was "questionable whether it would certainly within the near future can be said that the League of Nations | reduce the cost of living in this counis in any true sense created by the as- try as elsewhere, by restoring producsociation of only three of the allied and associated governments."

Peace Would Cut H. C. L. As to the question of when normal ident said he could only express the confident opinion that immediate ratiten, would "certainly within the near land will join the league. future reduce the cost of living," both in this country and abroad, through tion in reply to a question asked me at the restoration of production and commerce to normal.

To Senator Fall's questions relating ports to Germany.) to the disposition of Germany's possessions, the president said the artitle to the allied or associated powers. territory in question to their decision."

"Germany's renunciation in favor of the principal allied and associated for the organization of the league, for powers," the president continued, "of the establishment of the seat of the her rights and titles to her overseas possessions is meant similarly to operate as vesting in those powers a trus- appointed, but has not reported. teeship with respect to their final disposition and government."

## Question of Procedure.

Unless Mr. Wilson absolutely represident holds most of the cards- clated powers the authority by which the Constitution gives him a big adveto by two-thirds vote. No such conflict between the executive and legislative branches of the government involving so many signatories to a treaty has occurred before, and the legal consequences are enough to make many international lawyers rich in fees for years to come, Commercial as well as financial relations will be subject to

varied interpretations Here Are the Twenty Queries. The 20 questions answered by President Wilson, which were submitted

to him by Senator Fall at the conference held at the White House Tuesday, are in brief as follows: Questions I to IV-Could not the

trade? Question V asks the president to

tions will have to ratify the peace German overseas possessions in Africa treaty before such establishment will as well as elsewhere. be perfected."

in the United States?

#### Asks About Neutrals.

Question VII-What do Norway, Sweden, Denmark, Holland and Switzerland think of the League of Na- one member of the commission for settions? Will they join, and when? Questions VIII and IX deal with and Germany, because of the universal resumption of commerce with Ger-

Question X asks if certain committees as stipulated in the league have been appointed and inquires to whom they make report.

Questions XI and XII-To whom does Germany renounce certain territorial rights which it is required to renounce under the treaty?

Question XIII inquires as to the disposition of overseas possessions by the United States. Question XIV-What disposition is

made of Germany's foreign posses-

sions? Questions XV, XVI and XVII ask tain countries because there are five for interpretations of certain phases principal allied and associated powers, of the league and the reason for the and the nomination of five representaappointment of certain commissions, Questions XVIII, XIX and XX--Why was the United States made a of those powers. party in the appointment and fulfill-

#### tlement of foreign pleblscite questions? The President's Reply.

President Wilson's letter to Senator Fall, replying to the senator's 20 tative on the commission set up to of Nations, is as follows:

"My Dear Senator Fall: "You left yesterday in my hands certain written questions which I line of Belgium and Germany. promised you I would answer. I am bastening to fulfill that promise,

"I feel constrained to say in reply to your first question not only that in my judgment I have not the power by proclamation to declare that peace exists, but that I could in no circumstances consent to take such a course prior to the ratification of a formal treaty of peace. I feel it due to perfect frankness to say that it would in my opinion put a stain upon our national honor which we never could efface if, after sending our men to the battle field to fight the common cause, we should abandon our associates in FALL'S QUESTIONS ANSWERED the war in the settlement of the terms of peace and dissociate ourselves ACTION ON MEASURE FINAL from all responsibility with regard to those terms.

"I respectfully suggest that, having said this, I have in effect answered also your second, third and fourth questions so far as I myself am concerned.

#### Peace When Treaty Is Ratified.

"Permit me to answer your fifth question by saying that the provisions of the treaty to which you refer operof a formal treaty of peace by the sen- ate merely to establish peace between ate. The president so wrote Senator the powers ratifying, and that it is Fall in answer to one of the 20 written questionable whether it can be said questions the senator presented at the that the League of Nations is in any true sense created by the association of only three of the allied and asso-

> "In reply to your sixth question, I tion and commerce to their normal strength and freedom.

"For your convenience, I will number the remaining paragraphs of this conditions might be restored, the pres- letter as the questions to which they are intended to reply are numbered.

"VII. I have had no official inforfication of the treaty and acceptance mation as to whether Norway, Sweof the covenant of the league, as writ- den, Denmark, Holland, or Switzer-

"VIII. I answered your eighth quesour conference the other day. (This question referred to licensing of ex-

"IX. In February, 1917, Spain was requested to take charge of American rangement in the treaty conveyed no interests in Germany through her diplomatic and consular representatives, but merely "intrusts disposition of the and no other arrangement has since been made. "X. The committee to prepare plans

league and for the proceedings of the first meeting of the assembly, has been "XI. Article 118 of the peace treaty. part IV, under which Germany renounces all her rights to territory formerly belonging to herself or to her verses himself, the struggle between allies was understood, so far as spe-

him and the sepate must center for cial provision was not made in the the next week or month entirely on a treaty itself, for its disposition, as simple question of procedure. The constituting principal allied and assovantage in being able to negotiate and determined. It conveys no title to sign peace treaties. It isn't like a do- those powers, but merely intrusts the mestic law that can be passed over his disposition of the territory in question to their decision.

"XII. Germany's 'renunciation in favor of the principal allied and associated powers of her rights and titles to her overseas possessions is meant similarly to operate as vesting in those powers a trusteeship with respect to their final disposition and government.

#### League to Pass on Disposition.

"XIII. There has been a provisional agreement as to the disposition of these overseas possessions, whose confirmation and execution is dependent upon the approval of the League of Nations, and the United States is a party to that provisional agreement.

"XIV. The only agreement between president, with the assent of congress, France and Great Britain with regard proclaim a status of peace with Ger- to African territory, of which I am many and permit the resumption of cognizant, concerns the redisposition of rights already possessed by those countries on that continent. The prodefine the establishment of the League visional agreement referred to in the of Nations and state "how many na- preceding paragraphs covers all the

"XV. No mention was made in con-Question VI-Will the League of nection with the settlement of the Nations reduce the high cost of living Snar basin of the service of an American member of the commission of five to be set up there.

"XVI. It was deemed wise that the United States should be represented by tling the new frontier lines of Belgium opinion that America's representative would add to the commission a useful element of entirely disinterested judg-

#### ment. League to Pick Saar Commission.

"XVII. The choice of the commission for the Saar basin was left to the CARNEGIE LEFT \$50,000,000 council of the League of Nations, because the Saar basin is for 15 years to be directly under the care and direction of the League of Nations.

"XVIII. Article 83 does in effect provide that five of the members of the commission of seven to fix the boundaries between Poland and Czecho-Slovakia should be nominated by certives by those powers means the nomination of one representative by each

"XIX. No such commission has yet ment of certain missions in the set- been appointed. (The commission referred to is that for the fixing of the

Polish boundaries.) "XX. It was deemed wise that the United States should have a represenquestions on the treaty and the League exercise authority over the plebiscite of Upper Silesin for the same reason that I have given with regard to the commission for settling the frontier

> "Sincerely yours, "WOODROW WILSON."

## CONGRESS KILLS DAYLIGHT SAVING

Senate Follows the House, Passing Repeal Over, President Wilson's Veto.

Hour "Gained' 'In 1918 Will Be Permanently "Lost" in October-One of Very Few Measures Vetoed Twice.

Washington, Aug. 22.—Repeal of the daylight saving act has been accomplished. The senate voted to sustain the house in passing the repeal measure over President Wilson's veto. The

vote was 57 to 19. The repeal of the law, which now takes its place among the very few which have been passed over a presidential veto, becomes effective after the clocks are turned back to normal in October. It will go down in legislative history as one of the very few measures which twice have been vetoed by a president and become law by the vote of more than two-thirds in

both houses of congress. Agitation for repeal of the daylight saving law first came from farmers, but recently was buttressed by labor union, mothers' clubs, rurai school au-

thorities and many other interests. Urban opinion also became divided and officials of many cities and smaller towns demanded repeal. Congress was flooded with petitions for repeal and with petitions urging retention of the statute.

Loss of time in farm labor was the principal objection raised to the law. This complaint came principally from farmers employing "hired hands."

The complaint of loss of labor was based principally on the shortening of the working day on the farm by the advancing of the clock one hour from

March to October. The farmers declared they could not adjust farm work to the advanced time because, with the clock advanced an hour, farm work could not be begun as early in the morning as under the normal time schedule and must close an hour earlier. This is because the dew on the ground in the early morning prevented plowing and other farms labor under the advanced time sched-

## BILL IN TO CURB IMMIGRANTS

Deportation of Alien Slackers Also Asked in House Measure-Other Provisions.

Washington, Aug. 22.-A bill to stop all immigration for two years and a bill to deport all aliens who drew their first papers in order to escape military service during the war were introduced by Chairman Johnson of the house

immigration committee. After the end of the two-year suspension period aliens would be entitled to admission to the United States only under a passport or on their written declaration to become an American citizen.

## U. S. GOODS BURN IN FRANCE

Fire Damages American Steamer and Destroys Merchandise on Dock at Havre.

Havre, France, Aug. 20.-Fire which badly damaged the American tank steamer George G. Henry and destroyed merchandise on the docks valued at 500,000 francs (\$100,000) was caused by oil from the tanker catching fire when an unloading pipe broke. The burning oil flooded the pier to which the steamer was moored.

## ASKS COURT TO BAR PACKERS

Mississippi State Revenue Agent Applies for Perpetual Injunction Against Big Five.

Jackson, Miss., Aug. 22.-Perpetual injunction against the five leading packers, which would bar them from doing business in this state, is sought in a petition filed in chancery court by the state revenue agent. The court is asked to put a statutory penalty of \$5,000 a day on the packers.

Vast Gifts During Life Shown as Filing of Will at New York Nears.

New York, Aug. 22.-Andrew Carnegle dled worth \$50,000,000, according to one of his executors. His will is to be offered for probate next week. Mr. Carnegle stipulated that the Home Trust company of Hoboken, N. J., should act as executor without bond. The will is about 4,500 words long.

#### Plan Insurance for Jobless.

London, Aug. 21.-Sir Robert Stevenson Horne, minister of labor, announed that the government hopes at the next session of parliament to introduce a bill providing for unemployment insurance on a contributory basis,

K. of P. Official Missing. Chicago, Aug. 21.—The police were

sked to find Paul J. B. Haverly, grand seeper of the records and seals of the Illinois Knights of Pythias, who suddealy disappeared. It is said \$40,000 s also missing.