

# Americans Find Little Hope in Germany

### U. S. Business Men Who Have Looked Over Ground Find Little Hope for Any Immediate Improvement

### Low Mark Value Cause Socialization Plans and Heavy Taxation Add to Unrest Among All Classes

By William C. Dreher

BERLIN, Dec. 27.—It has been interesting to me to observe the reaction upon the minds of American business men of a visit to Germany. These men have come here in considerable numbers during the last four or five months. Not a few of them had previous knowledge of German business conditions; hence, there was a rather pronounced optimism among them as to Germany's economic future. They knew, some of them, the German that existed before the war. They knew or had heard of the German capacity for hard and intelligent work, for applying science to business and production and for organizing manufacturing and trading interests effectively. Americans of this kind fancied that they would find the same Germany of ante-bellum times. So they came with cheerful spirits as to their own business prospects; they felt sure they would be able to sell goods in large quantities here.

All Disappointed  
One of these Americans called to see me yesterday. He had come here some three months ago, soon after his arrival. Since then he has been mostly at Hamburg. There is where the most trade of German goods is done, the war was chiefly centered, and thought, after his disappointment here, that his best chances would be among the big importing houses there. But he came back here again, disappointed.

The general trend of his report was that it is practically impossible to do business here with American goods owing to the vast depreciation of the German currency. The dollar is now worth about forty-five marks, which gives the latter less than one-tenth of its normal value. Add to this the fact that all American goods are now very high in America itself, besides high freight and insurance rates, and it may be safely asserted that the German market is closed to American goods.

But high prices and the difficulties of doing business here were not the only things that disappointed the American travelers. Some of them came not to do business at all, but to look into the general financial and business conditions on which all business must depend. They came in other words, to talk with bankers and manufacturers and get their point of view, to look with their own eyes into the business situation and prospects.

And it was precisely this class of investigators that took the most cheerless view of Germany's plight. They saw the depreciation of the currency, already mentioned, together with the fact that nobody could give any authentic grounds for expecting an improvement in it. Not only the depreciation of the mark, but also its violent fluctuations in value, seemed to them to exclude all hope for Germany to get substantial financial assistance from abroad for the general atmosphere of pessimism as to the labor situation, pessimism as to the ultimate outcome of peace negotiations. Altogether, therefore, the conclusion was

reached that Germany is in a far worse position than is believed by Americans at home. The German outlook, as the few Americans who have looked over the ground find, is gloomy. The good factor, however, appears on the surface; namely, what seems to be a more reasonable attitude of the laboring people. The last great strike here, that of the rubber workers, which ended about three weeks ago, is thought to have exhausted the capacity of the Berlin workers to wage any more big strikes. The growing willingness of these elements and are denouncing them openly. The growing willingness to work is also shown by a voluntary return to payment by the piece on the part of workmen in some establishments. Not long ago a vote was taken by the workmen of all the shipyards of the country on this question; but a considerable majority was cast against piecework. This week, however, the rubber plant in Saxony, Saxony at Hamburg and Lübeck have voted for piecework.

Applied Socialism War  
The same thing has occurred in other parts of the country. In all such cases it is the workers themselves who are present, and from the outside would only make matters worse. The hopeful thing in all this is that it is the older, more reliable workmen who are taking matters into their own hands, with the determination to suppress the younger, unruly elements which had taken control of shop organization in many towns.

But, looking further into the future, German manufacturers just now are filled with grave misgivings about the development of the relations between capital and labor. The National Assembly is soon to pass a law for the establishment of shop councils which embodies the highest reach of applied socialism that the world has yet witnessed.

It will provide for the election of shop councils in all manufacturing and commercial establishments, except the smallest ones; and these councils will be empowered to elect one or two representatives from the ranks of directors, with all the rights of "pay" members. They will make known the wishes of the working force and will be entitled to vote on all questions.

A great fight has been made among the three parties, Socialists, Democrats and Catholics, over the rights of the council representatives on the boards. As now proposed, the representatives of the Democrats, the annual profit and loss account must be submitted to the labor representatives in all establishments having at least 100 workmen and 100 office employees; but the Socialists are still fighting to reduce this limit to 100 workmen.

The fight over the details of this measure has been a long one. It has looked for a time as if it might cause a break-up of the present government coalition. The Democrats, who represent largely the interests of employers and of great numbers of middle class people who are neither employers nor employees, finally put forth the proposal to limit the rights of the labor representatives as indicated above. It was a case where a compromise seemed necessary, in order to stave off greater dangers. Nevertheless, employers of labor for the most part regard this innovation with grave misgivings. It may prove the first step, they fear, leading to much more radical measures for the control of the capitalist.

The Taxation Problem  
But I find also a tendency among the smaller manufacturers to make the best of the matter, remembering the German proverb that "a soup is never eaten so hot as it is cooked." One of these tells me that the new law does not trouble him at all, so far as his business goes, for he has long practiced a system of frank understanding with his men. He would show them the terms of his contracts so that they might know just what he received for each article turned out. Thus they could see for themselves that the labor cost could not exceed a certain limit. And he has always got on well with his men. Probably there will be many others like him, and it may turn out that this German law shall make for peace and not war.

Asks Smith to Save Life  
Convicted Slayer Tells Governor He Did Not Commit Crime  
Walter Bojanowski, a murderer in Sing Sing's deathhouse, who is scheduled to be executed next Monday, has appealed to Governor Smith to save his life on the ground that he is innocent. Bojanowski and William Marweg were sentenced by Supreme Court Justice Charles E. Hughes, to die for the same murder. A jeweler was held up and robbed there. He chased the two robbers and overtook one. As he was grappling with him the other held-up man shot and killed him. The robbers got away, but Marweg was arrested as the man who wrestled with the jeweler and Bojanowski as the one who did the shooting.

Serbs Decorate Enright  
In recognition of the courtesies extended to the Serbian commission by the police when that delegation visited the city early in the war, Police Commissioner Enright has been decorated with the Medal of the Order of Commander of St. Sava. It was announced yesterday by Special Deputy Police Commissioner Uman. The decoration, which is a gold medallion with silk ribbon, was brought to New York by a special messenger attached to the Serbian Embassy in Paris.



Cardinal Mercier, during a visit to Rosiere, Belgium, marched in a children's parade and inspected the youngsters, who turned out to honor the patron saint of childhood. The cardinal was the object of interest and admiration as he walked through the streets of the town.

## Court to Investigate Newberry Petitions

Original Papers Are Ordered Produced by Michigan Secretary of State  
LANSING, Mich., Dec. 27.—Nominating petitions filed for Truman H. Newberry and James W. Helme in the Senatorial primary of 1918 have been ordered produced at the trial of Senator Newberry and 134 others indicted on charges of violating the State and Federal election laws.

## Airplane Service in French Guiana Started

Fliers Will Carry Passengers and Transport Gold and Merchandise  
PARIS, Dec. 27.—A regular airplane service has been inaugurated in French Guiana, not only for passengers, but for taking out merchandise and bringing back gold to the headquarters of the service in Cayenne.

## Going to "Prison De Luxe"

Nassau and Orange County Officers Will Be "Boarded"  
Officials of the Westchester County penitentiary, in Elmsford, yesterday announced that they have just closed contracts with Nassau and Orange counties to board their prisoners and will receive all these two counties now have boarded out next Wednesday. This institution is the one which, because of its writing desks, table linen, marble shower baths, etc., has been called the "prison de luxe."

## "Reds" Threaten Women

Bedford Officials Say Letters Are Received Daily  
According to officials of the State Reformatory for Women at Bedford yesterday, the "Reds" are getting after them. Miss Helen Cobb, the superintendent, and Miss Julia Minogue, disciplinary officer, have received several threatening letters since charges of severity in punishing unruly girls have been made in the newspapers.

## Spanish Prisoners Start Christmas Eve Riots

BARCELONA, Dec. 27.—Prisoners in the central prison in this city organized a demonstration Wednesday night as a protest against the prison regulations and the food supplied them. They threatened the guards, smashed doors and furniture and made such an uproar that troops were finally called. The soldiers fired several shots and some of the prisoners were wounded.

## Typhus Epidemic in Madrid

MADRID, Dec. 27.—Madrid is experiencing a small epidemic of typhus fever. The civil hospital is full of cases and a camp has been established on the grounds of the San Juan Hospital.

## Debt of Belligerents Jumps \$329 Per Capita Since 1914

War Obligations Totalling \$212,268,000,000 Incurred by 16 Principal Warring Nations, Statisticians Assert; Allies' Share, \$149,357,000,000

The share of every man, woman and child in the national debts of the sixteen leading belligerents in the war has increased \$329.21 on the average since 1914. The per capita debt incurred in the Allied countries is smaller than that carried by the Central Powers.

British Debt Is Largest  
The "distinction," according to the pamphlet, "of having the lowest per capita debt of all the belligerents during the pre-war period falls to the United States. At the most recent date Great Britain leads all its Allies and associates as well as its former opponents in per capita indebtedness; France comes next, with New Zealand and Italy closely following.

How Taxes Are Meeting War Debts  
A study of the emphasis placed on direct taxes as contrasted with indirect taxes discloses interesting facts, irrespective of whether the distinction is the longer of the total receipts from the point of view of fiscal theory. In Great Britain the ratio of direct taxes to total receipts from taxation expressed as a percentage rose from 44.8 in the first eight months of the war to 72.9 in the fiscal year 1919; in the United States, from 12.8 in the fiscal year 1915 to 67.1 in the fiscal year 1919; in Japan, from 6.5 in the fiscal year 1914 to 43.6 in the fiscal year 1919, and in France from 41.2 in the fiscal year 1914 to 35.4 in the fiscal year 1919.

National Wealth Mortgaged  
Regarding the relation of the new debt to national wealth, the writer says: "Before the war the national wealth of the United States, Great Britain, France, Italy, Japan, Russia, Belgium, Germany, Austria, Hungary, Turkey and Bulgaria was mortgaged to the extent of 4.84 per cent, and the debt charged amounted to 1.29 per cent of the national income. At the most recent date for which statistics are available the debt expressed as a percentage of pre-war national wealth increased to 41.45 per cent, whereas the debt charges as related to pre-war income rose to 11."

Burden of the Allies  
According to the author, the total foreign debt of Great Britain on March 31, 1919, was \$5,570,000,000; that of France on March 31, 1919, approximately \$5,211,000,000, and the foreign debt of Italy on May 30, 1919, about \$3,689,000,000.

perenced by the Federal Reserve System of the United States and the Bank of Japan.  
Turning to a detailed discussion of banking conditions in the leading belligerent countries since 1914, Mr. Gottlieb says:  
"From August 1, 1914, to September 10, 1919, the excess of gold imports over exports was \$19,000,000, whereas the excess of silver exports over imports during the same period was \$319,000,000. Very heavy purchases made by European belligerents in this country necessitated the shipment of large amounts of gold to liquidate adverse balances, especially during the period of neutrality in 1915 and 1916. From \$1,890,678,304 on July 1, 1914, the stock of gold in the United States rose to \$3,688,904,808 in April 1917, when we entered the war. The total stock of gold in the United States exclusive of that held by the United States Treasury increased from \$3,419,168,308 on July 1, 1914, to \$4,702,430,911 on April 1, 1917, representing a rise of \$1,282,262,603, of which \$393,481,923 was in gold. After our entrance into the war, while foreign credits were arranged for Allied countries which obligated the necessity of shipping gold for the most part, silver was being exported from this country in fairly large amounts in settlement of adverse trade balances, especially in the Orient."

How Silver Was Lost  
"Interesting facts may be observed in a study of the figures of notes in circulation. Whereas the circulation of gold coin increased considerably during the war period, the circulation of standard silver dollars remained practically stationary at the same time the amount of gold and silver certificates in circulation decreased considerably. The explanation of the two phenomena can be traced to different causes. For the purpose of conserving the gold supply of this country and aiding the settlement of adverse trade balances Congress enacted the Pittman act, by the provisions of which the Secretary of the Mint is compelled to melt 250,000,000 silver dollars and sell them as bullion at not less than \$1 an ounce. Inasmuch as silver certificates, issued on the basis of a deposit of silver dollars held in the Treasury, would have to be recalled from circulation, Congress provided that the Federal Reserve Board issue in their place Federal Reserve notes of small denominations not exceeding the amount of the silver dollars melted or broken up and sold as bullion. These Federal Reserve notes are based on United States certificates of indebtedness, or one-year gold notes, with renewal privileges at the discretion of the Secretary of the Treasury. The Director of the Mint is compelled, as soon as practicable, to purchase silver at \$1 an ounce to restore the amount melted or broken up, and as soon as this silver is coined Federal Reserve notes of equal amount must be retired."

Financing Printing Press  
In the financing of the war the printing press method played an important role. Regarding this the writer of the pamphlet says: "The total note circulation of thirteen belligerent powers at the most recent date totals \$7,955,000,000, as compared with \$4,998,000,000 before the outbreak of the war. In the same interval the amount of note circulation per capita rose from \$7.92 to \$121.16. The highest figures per capita in the pre-war period are shown by the Allied group, while at the most recent date the tables are reversed, the Central Powers having a circulation larger by 20.8 per cent."

Departing From Gold Standard  
The extent to which the gold standard was abandoned during the war may be seen from the ratio of metallic reserves of the banks of issue to their combined note and deposit liabilities. In the case of Austria-Hungary, Russia, and Turkey the gold holdings of the banks of issue have dwindled to so low a figure, and the outstanding liabilities against which the metal was supposed to serve as a reserve have grown to such heights, that practically no remnant of a gold basis is left. In the Allied group, with the notable exception of Russia, the Italian banks of issue show the sharp decline in the ratio of their metallic reserves to their note and deposit liabilities. The lightest effects of disorganized banking have been ex-

# Jenkins Charges Courts Destroyed Evidence of Plot

### Consular Agent Says Tools of Mexicans Admitted 'Confessions' Were Made Under Press of Torture

DALLAS, Tex., Dec. 27.—William O. Jenkins, American consular agent at Pueblo, Mex., in a letter just received by Thomas E. Kennedy, of Dallas, denounces the action of the Mexican authorities in obtaining his release from prison recently by means of a bond given by an alleged American, who, he says, is unknown to him. The letter reads:  
"I have regretted most extraordinarily this unseemly notoriety that has been given my hard luck, as I dislike all that kind of business very much; but it can't be helped now. If the authorities of this city had acted in a decent manner it would not have caused so much scandal, but they, in a vain endeavor to evade the responsibility for my abduction from this large city, tried to shift the blame on to me, and you know how a fellow feels when an attempt is made to rub it in on him."

Denounces Mexican Courts  
"It has been the most farcical of all attempts of justice that I have ever seen, and only yesterday the most recent development in the case turned up, which is almost comical if it were not serious. The only evidence they have ever been able to produce was also witness, threatened with death if they did not declare against me and about a week ago they brought a great number, who were prepared to testify against me. One of them, however, turned out to be a friend of mine and not only refused to testify against me, but declared he had been threatened and tortured to make them sign their former declarations against me. One of them had been hung by the neck and another had been beaten with a whip until he was unable to sign."  
"All this, of course, went down in court records, and I at once asked for a certified copy of it, as was my right. But at the trial, when they were to get the copy, they refused to get it, and I was told that the whole incident was destroyed and that the records do not contain a single reference to the testimony that was so essential to such a bitter comment on the methods adopted by the authorities to secure their point."

"I was released from prison a week ago, and when my attorney came to see me, he was only another of their dirty tricks. The authorities themselves were with some said-to-be American never heard of to come and deposit \$500 for my bond, as I had pointed out to him that I had never refused to accept liberty on bond. I was taken from the prison at midnight to avoid any investigation being made as to why I was released. The day when advised of what had been done I immediately canceled the bond, but the authorities refused to let me that right, and up until now I still sit in prison. Don't know if they will do next, as it is rather difficult to prognosticate regarding uncertain quantities as are these authorities."  
"We are expecting to go to Los Angeles to live shortly, and are preparing to build a home there. Just how we will be able to go depends on circumstances, but I hope to be able to get away within a few months."

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