

RATHENAU SEES GERMANY SPLIT, REDS SUPREME

General Electric Head Predicts a Breakup of National Unity.

THREE STATES LIKELY

Bavaria to Separate and Join What is Left of Austria.

RHINELAND TO QUIT ALSO

Prussia Prey of Bolshevism, Which Will Submerge France and Britain.

Special Cable Despatch to THE SUN AND NEW YORK HERALD, Copyright, 1920, by THE SUN AND NEW YORK HERALD.

PARIS, Sept. 29.—A special despatch to the *Liberte* from its Berlin correspondent contains a remarkable interview with Dr. Walter Rathenau, head of the German General Electric Company and interested in many of Germany's big industrial concerns, on what he regards as the breaking up of Germany.

It is significant that the interview was given simultaneously with the opening of the Brussels financial conference, where Germany is represented in the deliberations that have to do with plans to restore economic and industrial stability in Europe. A most gloomy report on Germany's financial conditions was issued in Berlin on Sunday, the day before the Rathenau interview appeared.

"I believe there are sixty out of a hundred chances for this breaking up eventually," Dr. Rathenau said. At the same time he expressed the opinion that Prussia would become the prey of Bolshevism.

Sees Germany in Three Parts.

"Perhaps the near future will see the German Empire split into three parts—the first, Bavaria, which will attach itself to what is left of Austria; the second, the Rhineland, which will become a second Belgium, and, finally, the remainder of the Empire, namely, Prussia, Saxony, Hesse and Hanover, which are incapable of supporting themselves, will be constrained to jump into the lap of Bolshevism," he said.

Dr. Rathenau declared that not only are the symptoms of this trend apparent, but such a split would be the logical outcome of existing conditions and would seem to appeal to the various territorial units as individually beneficial.

"Bavaria is essentially agricultural and has no need of Prussia, but, on the contrary, can support herself. Then the Rhineland would find France's offers advantageous," he said.

Predicts Red Triumph.

"On the other hand," he continued, "France may profit momentarily by this division of Germany, but she will pay heavily in the end, as no nation will escape the Bolshevik contagion which will result. Even England will fall a victim to it eventually."

When asked for his reasons for be-

lieving Prussia would yield to the Bolsheviks, Dr. Rathenau declared that was the only solution of the problem, once north Germany—purely an industrial region—separated from the rest of Germany, as Germany's financial power depended on her remaining intact.

"Don't make the mistake of believing that Bolshevism has failed," he added. "It hasn't. The idea is perfectly viable. It is a doctrine not only seductive, but one that is capable of becoming practical. It succeeded badly in Russia only because of the fact that the ground there was badly prepared and conditions for spreading the seeds of it were unfavorable. Under other conditions it would have gained its way rapidly."

MILLERAND RECEIVES GERMAN AMBASSADOR

Diplomatic Relations Are Restored to Pre-War Basis.

PARIS, Sept. 29.—Wilhelm Mayer von Kaufbeuren, German Ambassador to France, presented his credentials today to President Millerand at the Elysee Palace, thus restoring the diplomatic relations of France and Germany to the pre-war basis.

In handing his credentials to the president the Ambassador declared he would continue to devote his efforts to the favorable development of the relations between the two countries, working along the lines of the Treaty of Versailles, and he expressed his confidence that the French Government would help him in surmounting the difficulties encountered.

President Millerand in responding said he was pleased with the sentiments expressed by the Ambassador. The policy of France toward Germany, he added, would be inspired by the same idea, "because the loyal execution of the solemn pact which put an end to the war is the only means for the practical solution of the grave difficulties between the two nations which now prevent them collaborating fully in the great works of peace."

The German Ambassador said in addressing the President:

"I have confidence that, thanks to the great assistance and enlightened cooperation of the Government of the French Republic, the efforts of my Government will be crowned with success."

President Millerand replied: "I congratulate myself upon hearing you declare that you will devote all your endeavors to realize the intentions of your Government in assuring upon the basis of the Versailles treaty the favorable development of the relations which now are renewed between our countries."

"The entire policy of the French Government toward Germany is inspired by only one thought. Loyal execution of the solemn pact which put an end to the war is the sole means of solving practically the grave difficulties that still exist between the two countries and which do not yet permit their full collaboration in the great work of peace."

FEAR SPANISH POSTAL STRIKE

Men Expect to Appeal to International Congress.

MADRID, Sept. 29.—Possibility of a nationwide strike of postal employees for an increase in wages is given prominence in the newspapers *El Dia* and *El Mundo*. Those employed on the mail trains declare allowances while traveling are insufficient to provide necessary subsistence.

The newspapers assert the men intend to take advantage of the assembly of the International Postal Congress here next month to press their demands and force the hand of the Government.

PANAMA OFFICIALS NAMED.

National Assembly Elects Three Vice-Presidents.

PANAMA, Sept. 29.—At yesterday's session of the National Assembly the three Vice-Presidents of the republic were elected. Federico Boyd, Sr., was named First Vice-President; Guillermo Andrews, Second, and Julio Fabrega, Third.

President-elect Porras will assume the duties of office on October 1.

WARNS AMERICA IF EUROPE COLLAPSES

Dr. Vissering of Netherlands Bank Says United States Will Suffer Too.

BOYDEN AROUSES TALK

Criticism of His Brussels Speech as Too Severe Upon the Allies.

By the Associated Press.

BRUSSELS, Sept. 29.—The necessity for countries in financial distress to get to work, to live on their own activities and to pay their own way, and to produce more and spend less, were the principal remedies proposed as a means of putting health into the currency situation and stabilizing exchange, at today's session of the International Financial Conference.

Dr. G. Vissering of the Netherlands Bank replied to yesterday's statement of Roland W. Boyden, the unofficial representative of the United States, with a veiled but unmistakable warning to the United States that if financial disaster came to Europe through the failure of general cooperation by all the leading countries of the world the United States would suffer as well as Europe.

Dr. Vissering held that governments and individuals are responsible for the depreciation of money and consequently for the high cost of living. He prescribed as remedies less spending, more work and greater production. He charged individuals with diminishing production by shortening the hours of labor and decreasing the yield of labor and recommended the gradual reduction of paper circulation.

Dealing with the position of the United States, which, he said, "came out of the war more powerful than any other country," he said that in addition to the American Government's claims upon other countries, totalling \$10,000,000,000, individuals in America hold additional claims amounting to \$4,000,000,000 for supplies furnished to Europe. He declared that the United States possesses four-ninths of the world's gold stock.

The ways and means of meeting these claims against Europe, he said, were absolutely insufficient, Europe still being unable to force up production and exports to a point where equilibrium could be destroyed.

"Would not a situation arise fatal to the debtor countries and eventually unfavorable to the United States, if the United States insisted upon the payment of what is due from Europe?" he asked.

A new equilibrium of the world might in the long run be established, he said, but only after enormous trouble and misery, encouraging a revolutionary and Bolshevik spirit. The United States, he declared, would not be able to escape the recoil of this.

"If the course of affairs, therefore, is left to its fate," continued Dr. Vissering, "a fresh economic equilibrium will be obtained in the end. But in the meantime the home of the old civilization will have become a hell and the new order of things in the world will be created only at the cost of more victims than the war has already sacrificed."

Has Rendered Service.

The Intransigent expressed the belief that Mr. Boyden "has rendered a great service to the French, though he has taught us nothing in telling us that the United States will lend us no more money."

"But we know now why we do not understand the American attitude," this newspaper continues. "The misunderstanding arises from the fact that for them the war is over, while for us it

far in asking the victorious Allies "to go more than half way" in order to harmonize the interests of their former enemies.

Particular interest was displayed in Mr. Boyden's reference to the jealousy and lack of harmony among the European States and the impossibility of their doing business together and his declaration, "If the Allies can no more forget what Germany owes them than the United States can forget what is owing to them by Europe."

Another passage of Boyden's speech commented on was: "I prefer those who have in mind the possibility of aid in credits or otherwise from the United States to the policy of the Government expressed in the letter of Former Secretary of the Treasury Glass, which is the first printed document presented to the conference. That letter expressed the official opinion of the Treasury."

"Further, there is a possibility of retaliation in an ordinary business way. America is a business nation, always ready for business, and will be even more ready than it is now for business with Europe when conditions are such that business can be done. I am sure that it is my personal view that Americans will find it difficult to convince themselves in large numbers and to great amounts that Europe under present conditions is a good business risk."

Unwilling to Investing Abroad.

Mr. Boyden explained that Americans had never been accustomed to investments abroad, having always found opportunity at home. "When you add to that fact," he continued, "the fact that Europe has gone through a terrible war and recognizes conditions in Europe, you have in your mind's eye a picture of conditions which will enable financiers to see that something is in the way of investments abroad."

"Yet the investment now going on will continue, but only to the extent that our business men find it is justified by conditions. They will see it is justified as they see how much Europe is actually doing to readjust these conditions and as they gain a better picture of harmony and unity among these separate states of Europe."

All the delegates said they recognized Mr. Boyden's address as courageous, but some criticized it as severe upon the victorious Allies, who are the creditors of Germany. Other delegates said they regarded it as a useful if not necessary reminder to Europe to help themselves before asking further help from the United States.

BOYDEN FOR 'UNITED STATES OF EUROPE'

Supports Economic Barriers by Nations, Remedy.

PARIS, Sept. 29.—The address of Roland W. Boyden at the Brussels conference is attracting much attention. The newspaper comment generally tends toward resignation, although there is a touch of bitterness in it. The Times without mentioning the speech of Mr. Boyden specifically, in a leading editorial on the conference remarks:

"Evidently the attitude of the United States and the recriminations of neutrals tend to prove that the principle of international solidarity in financial and economic matters is not understood by all in the same manner." Discussing the possible accomplishments of the conference the *Temps* adds: "It is a long step from ideal formulas to realized results."

Will Last Until Germany Has Fulfilled Obligations Under Which She Has Put Her Signature.

The *Liberte*, referring to Mr. Boyden's remarks on Europe's political instability, inquires: "Whose fault is it? We might reply—are there not the fourteen points which came from the other side of the Atlantic and which have aggravated the international anarchy and chaos?"

In an interview with the Brussels correspondent of the *Journal* Mr. Boyden is reported as saying: "It also could have stood up and, like Spain and Holland, proved that the economic situation of the United States is not so brilliant as is generally supposed. Nobody would have believed us. Our troubles, besides yours, are small, nevertheless they are real and require the most careful handling."

"Our woolen industry is at a standstill and cotton, you know, is passing through a terrible crisis. Shoe factories have been obliged to lower prices and obtain funds. The metal and mechanical industries are stagnating. We also are not without apprehension with regard to social transformations. Under the circumstances, you understand, it is impossible for us to fly to the help of whoever calls us."

Referring to possible future loans he said: "One indispensable condition is the suppression of economic barriers between peoples. Supporting that in America, instead of being able to send goods from New York to Boston in five hours, eight days were necessary because the passage through each State involved innumerable formalities to be gone through and bans to be lifted. Do you think business could go ahead? No. Let me summarize my views in a word: Create a United States of Europe and everything will be settled."

will last until Germany has fulfilled the obligations under which she has put her signature."



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