

Europe's Chronic Sickness Caused by Germany's Quibbles

Great Britain's Position Delicate--Wishing to Make a Market of Germany She Is Withheld by Promises to France

By FRANK H. SIMONDS.

PERHAPS as a warning against too extreme optimism at this interesting moment, the world is confronted by still another German crisis at the outset of the new year. In reality there is little new in the crisis itself. It is only one more phase of the eternal German question which the Treaty of Versailles did not and could not settle. The actual point at issue at the present moment is the failure of Germany to comply with the disarmament conditions imposed upon her, both by the Paris agreement and by the later agreement at Spa.

Of the merits of the dispute only one opinion can be held. Germany agreed to disarm; she has not complied with her agreement, and the real difficulty lies in Bavaria, which defies the central Government and persists in maintaining a military organization itself more numerous than the whole armed force allowed Germany under the Paris settlement. The reports of the Bavarian course do not disagree and there is no question raised as to the accuracy of the reports; the sole issue is one of allied acceptance or refusal to accept the Bavarian defiance and the impotence of the German central Government.

More German Territory May Be Occupied Because of New Crisis

But the situation is complicated by the fact that at Spa Britain as well as France agreed that there should be military action, the occupation of German territory, possibly of the Ruhr coal basin, if Germany failed to comply with the terms of the Spa agreement. This agreement, it will be recalled, followed the French occupation of Frankfurt and other German cities after Germany had failed to observe the terms of the Treaty of Versailles and in defiance of this treaty had sent troops into the neutralized region on the east bank of the Rhine.

The French action aroused British protests and led to bitter recriminations on both sides of the Channel. Nevertheless at Spa the British recognized the French contention that deliberate refusal to comply with the treaty should be punished by the joint occupation of more German territory. This British acquiescence was mainly responsible for the fact that the Germans have since that time lived up to their agree-

ments in the matter of coal deliveries to France.

On the other hand the Germans have not complied with the disarmament conditions and we have come to January 1, a date on which the French are entitled to call the Germans to account, and the allies of the French have received substantial proof of the fact that the Germans have not complied. Now the situation which results has an obvious external significance, but it is infinitely complicated by the domestic circumstances in the three countries most concerned, namely, France, Germany and Great Britain.

To look at the French side first: France has just passed through a political crisis growing out of the effort of a War Minister to defeat the effort of his fellow countrymen, supported by the Cabinet, to reduce the French army. Lefevre, the Minister, argued that such a reduction was impossible, because Germany had not complied with the disarmament clauses of the Treaty of Versailles, and that any reduction of the period of service of the conscripts with the colors from three to two years or to eighteen months would be perilous.

Foch Thinks it Possible To Reduce French Army Strength

Lefevre's thesis was confuted by the Leygues Cabinet, which brought Foch and Pétain to testify that the proposed reduction was possible. Both distinguished soldiers agreed that while Germany had by no means fully complied with the treaty terms she had so far disarmed that a reduction in the strength of the French army was possible. Lefevre contested this, was beaten and retired, but naturally his arguments found more than a passing hearing in France.

This hearing was the more ready because of the lesson which lies in all French minds as a consequence of the Napoleonic experience. After Jena and following the complete conquest of Prussia in 1806-7 Napoleon imposed upon his defeated foe the most rigorous military terms conceivable, terms which rigidly limited the strength of the Prussian army and aimed at preventing Prussia from regaining all military strength. Yet Prussia managed to evade those terms and eight years later to play a decisive part in the overthrow of Napoleon. France does not mean to be caught the same way again.

The Leygues Cabinet is very weak and may fall at any moment. It has weathered the storm over the reduction of the army.

but it cannot hope to stand if it submits to the Bavarian violation of the Treaty of Versailles, a violation which strikes at the very root of all the French conceptions of the Treaty of Versailles as a guarantee against future German aggression. France can, therefore, with perfect justice insist upon the right, established at Spa, of occupation of German territory, and it can ask Britain for support, provided it can prove, and this is simple, that the Germans have violated their pledges.

German Government Weakened by Various Contending Elements

The German situation is not less complicated. The German Government is also very weak; it has lost ground steadily in past months. It is pushed on one side by the old Junker elements, which sympathize wholly with the Bavarian attitude; indeed many Prussians are now in Munich aiding and abetting in the Bavarian action. It is pushed in the other direction by the Socialists, who have no desire to enter into a new conflict with France, who resent the growth of monarchist and reactionary strength, who seek to eliminate not suffer to return the agents of the old order.

If Bavaria refuses to obey the German Government—and it does—not only will the Government lack the troops to enforce obedience but it cannot depend on such troops as it has, since the army remains in the hands of the old order. But the Socialists, the labor elements, the republicans as contrasted with the monarchists, now propose to use the weapon of the strike against the Bavarians. Thus the Ruhr coal miners can compel the Government to refuse to ship coal to Bavaria under threat of refusing to produce coal at all. The result would be the prostration of Bavarian industry. But Bavaria, on her side, may meet, this challenge by some separatist step which would destroy German unity.

Anti-Prussian Spirit in Bavaria Tends to Separation

One must recognize the fact, however exaggerated the conclusions sometimes drawn from it, that there is a marked anti-Prussian spirit in Bavaria, as well as an even stronger conservative sentiment, which is mostly hostile to the more radical ideas prevailing in portions of Prussia, notably in the highly industrialized regions of the west. A Bavarian secession, followed by the recall of the Bavarian dynasty, even the effort to establish this Wittelsbach dynasty in place of the Hohenzollern, is not out of the possibilities. Moreover, all Germans know well that France would welcome any break between north and south Germany for obvious reasons.

For the German government, then, the situation is extraordinarily difficult. It lacks the power to coerce Bavaria, and if it should obtain power, to use it would merely mean to provoke Bavarian secession. But if the Government fails to act then the labor elements, notably the miners of the Ruhr, may take the matter into their own hands and by strike seek to coerce Bavaria. The danger here is that such a strike might easily get out of hand and lead to a new revolution, to a real civil war between the reactionary and republican elements in the Reich.

Ruhr Coal Region Is Crucial for Both Bavaria and France

Finally, there is always France. If Bavaria stands armed, France has the right to call upon her allies to act, and that means in reality the occupation of more German territory by French troops. But exactly in the same way, if the Ruhr miners undertake by strike to coerce Bavaria, the French will not receive their allowance of coal assured them by the treaty of peace and they will again have a just cause for action, and action always means the occupation of German territory and presumably the occupation of the Ruhr coal basin, which would involve the whole of German industrial life and might mean its permanent paralysis.

As for the British their position is not easy. The majority of the British public seems to desire the resumption of trade relations with Germany. Owing to the lack of markets for British manufacturers England is suffering from a very dangerous epidemic of unemployment. More than a million men are out of work and the single chance of putting them back to work must lie in reopening the old Continental markets, where British products were sold before the war. In reality the question of British recovery from the war seems to come down to the problem of reopening the Russian and German markets and particularly the German. But a new French occupation of Germany

territory, a new German domestic disturbance, a civil war in Germany, any of these things would postpone to an unknown date the restoration of the German market and would thus prolong the evil situation in the British Isles.

Thus the Lloyd George Cabinet has been under pressure all the time to exert its influence to compel the French to permit the economic restoration of Germany and to oppose French policies in Russia and Germany both. The fact that Germany's course menaces French security does not much affect the average British laboring man, as contrasted with the statesman, he does not care about that. Nor does he recognize that Britain obtained security by the destruction of the German navy, but France has yet to obtain equal security. These are too involved considerations, matters which weigh with statesmen but not with the general public and matters which it is exceedingly hard for statesmen to make clear to their constituents.

Necessity of Industrial Recovery Shows Britain Half Hearted

As a consequence the George Ministry has all along been in the difficult position of striving to moderate French activities and at the same time to preserve Anglo-French solidarity in the presence of a domestic protest prompted by an unsympathetic and selfish view of French conditions. The difficulty, so far from being abolished, remains patent at the present moment. In point of fact the British Government has not the smallest excuse for refusing to support the French if they choose to act because of German violations of the Spa agreement. But, on the other hand, such French action would certainly arouse British protest and would probably postpone British industrial recovery at home.

Such are the more obvious circumstances in the present situation. But one has now to reckon with the reactions of the opinions in the three nations upon each other. Thus the French are at the moment roused alike by the recent expedition of German Ministers into the occupied districts, which was marked by outrageous speeches on their part calculated to rouse the people of these regions against the French troops and promote dangerous resistances and by the belief that German failures to comply with the treaty of Versailles are due to the belief that Great Britain will compel France to agree to modifications of these terms. Both of these circumstances tend to make the French more insistent upon action than they might otherwise be.

The Germans on their side do frankly expect to obtain from the British assistance which will enable them to escape from the worst of the Versailles provisions. Quite stupidly, however, they fail to distinguish between economic and military terms or to recognize that in the last analysis the British must and will support the French on military issues, whatever stand they may take upon industrial questions. This is demonstrated by the present crisis, in which the British course has so far been so correct as to silence French criticism.

When all is said and done, however, the present crisis is most important when viewed in its relation to two great events which are to be expected in the present year, namely the fixing of the total amount of German reparations and the holding of the plebiscite to decide the permanent allocation of the Upper Silesian district, which is disputed by the Poles and the Germans. In both cases the Germans are obviously maneuvering with the hope that they can by using the military question obtain concessions in the economic field, for the Silesian question is economic quite as much as political and the loss of the district will totally change Germany's rank as an industrial nation.

But the question of reparations is even more vital. France stands squarely on the ground that the Treaty of Versailles was a contract, signed as such by all nations represented at Versailles and binding upon all nations which have ratified it. To France it represents the minimum of justice and the lowest possible estimate of conditions essential to the solvency and safety of France. In the last two years France has spent 25,000,000,000 francs in restoring the devastated regions and this vast expenditure has by no means completed or even half completed the work. So far she has received not a single franc from Germany, nor is there any immediate prospect of any such payment as is essential.

When it comes to fixing the sum of German reparations France means to insist upon the naming of a sum which will cover her reintegration, but this sum will mean a total larger than British and even American

France Fomenting Separation Plans of Bavaria Due to Latter's Refusal to Disarm Her Army, Now Larger Than Prussia's

experts now believe Germany can pay—and France is entitled to no more than half of the total German payment. Thus while the British and American experts would be inclined to fix the German capacity to pay at \$15,000,000,000, France cannot take less than this same sum without transferring to the backs of her own citizens' burdens which properly belong on German shoulders. And no French Government could last an hour which acquiesced in such a transfer.

French Government Must Stand Squarely on Treaty and Spa Agreement

French insistence now upon the letter of the Treaty of Versailles and the text of the Spa agreement is as much to be traced to French policy in the matter of reparations as to French apprehension over Bavarian actions at the present hour. To consent to amendments to the treaty in the pending case and over the military terms, would establish precedent for modification of the economic terms. To avoid this France stands squarely upon the letter of the law in both instances. And this is what the French people demand that the Government shall do.

The strength of the French position, as even Mr. Keynes recognized, lies in the fact that the law is with France. Germany agreed in the treaty to do certain things and the allies of France agreed with her that Germany should, if necessary, be compelled to do these things. The weakness of the French position lies in the fact that certain writers, like Keynes, have obtained wide credence in English speaking countries for the idea that Germany cannot comply with the terms of the treaty, and that this argument appeals to the selfish interests, particularly in Great Britain, which are concerned, not with French problems but British.

The British, or a considerable fraction of the British public, believe that German recovery is prevented by French unreasonableness, by French political aspirations, by a combination of militarism and financial blunders. They also believe that British recovery is retarded by the protraction of chaos in Germany and they feel bitterly toward the French in consequence, and strive to compel their own Government to remove the French obstacle.

But French public opinion quite as frankly views British effort to restore Germany for economic reasons with disapproval and suspicion, and absolutely refuses to permit the Government to yield, either in military or economic conditions. What arrives is a sort of deadlock which is fatal to the desires and interests of both the British and the French, encourages the Germans to resist, but, in the end exposes them to the consequences of their resistance, as in the case of the occupation of Frankfurt last summer.

No one can quite describe the situation in Germany to-day with convincing accuracy. The French believe that the Germans are striving to prepare a *renouveau*, they see in German actions many indications, they are able to collect much evidence to prove that the old order, the old ideas, the old aspirations survive and will prevail. The Frenchman, in fact, sees in the present Germany precisely the things which were so dangerous for him in the Germany of 1914, or for that in matter in the Germany of 1870. And it is not possible to prove that the Frenchman may not be right. Moreover, it is for him a question of life and death, so his apprehensions are not surprising.

To Divide Her Enemies Manifest as Germany's Policy

As for the Englishman, he sees Germany crushed, her fleet gone, her power for resistance in contemporary times abolished. He believes that if she can get to work the dangers for the future will be small. But he also recognizes for Britain the advantage if Germany does get to work, and his judgment, like the Frenchman's, is manifestly influenced by his own personal stake in the situation. He thinks that the Frenchman's failure to see the German situation as he sees it is due to French hatred of Germany and to what he regards as French Chauvinism. The Frenchman regards the Englishman's failure to see eye for eye with him as proof of the Englishman's betrayal of him for the profits to be realized in German trade.

As for the German, he reasons that this

difference between the Frenchman and the Englishman will in the end lead to British intervention on behalf of Germany and thus enable Germany to escape payment and disarmament. To this cause must be attributed not a few German failures to comply with the peace terms. Yet this German conclusion is fundamentally inaccurate, because the Englishman is bound to support the Frenchman in the end whenever the question of disarmament is raised, and the French can prove German bad faith, while in the economic field France always holds the power to crush Germany.

This latter circumstance is too little appreciated by the people on this side of the water, although recognized in Europe. Foch and Pétain in the recent dispute over the shortening of the period of service in the French army pretty satisfactorily, proved that France to-day can dispose of Germany with relative ease. Germany is not as completely disarmed as she should be under the Treaty of Versailles, but she could not now resist French military strength, particularly since the French hold the Rhine bridgeheads from Mayence to Switzerland.

Thus, if Germany refuses to comply with the terms of the Treaty of Versailles, if the failure is complete and unquestioned, even if the allies of France do not join her, France has the necessary power to coerce Germany. Not only that, but the whole public sentiment of France would support the Government in such a case, for all France feels with equal intensity that Germany must pay and disarm. And there is no power in the world which in the last analysis could interfere effectively. For France alone remains a great military power. Most Germans perceive this, and that is why Germany has, in most instances, capitulated, once she has been sure France would act and that neither the British nor the Americans would interpose.

The Bavarian dispute, however, raised a new issue, for German unity is involved and the attempt of the German Government to exert force and to coerce Bavaria might lead to Bavarian secession. If that came France might be expected to support, rather than to attack Bavaria, since French policy would welcome the restoration of the old separation between north and south Germany. Thus to carry out the Treaty of Versailles and to compel Bavaria to conform to French demands might end by serving French purposes and shattering German unity.

England and France in Accord On the Principal Issues

In reality the present crisis does not seem as acute as that of last summer, because there is much more community of action on the part of the British and the French. The French are so far proceeding methodically, establishing their case, while the British are recognizing the fact that they are bound by their own promises if France proves her case. Still there is an unmistakable feeling in Great Britain that the French are exaggerating the extent of the peril and there will doubtless be protest and angry criticism if France compels military action.

But there are at least hints that France is not much interested now in forcing action as in establishing in principle the inviolability of the Treaty of Versailles with a clear eye upon the reparations negotiations which are coming shortly. The French (see) that the Germans are trying to wring economic concessions by advancing and then withdrawing the disarmament issue, and they are seeking to block this manoeuvre. They are also concerned with the fact that the Spa agreement as to coal deliveries has expired and the Germans have failed to accept a new agreement, much more advantageous to France.

In sum, the present German crisis represents a chronic rather than an acute trouble, but it contains all the elements which might, combined, lead to a new and very disturbing situation, in which another German revolution is only the worst of many evil possibilities. It emphasizes, too, the fact that at the beginning of the third year of theoretical peace very little is really settled in the German question, while, of course, the same is to be said of both the Russian and Eastern questions.

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Salaries of \$50,000 Common, but Earned

Continued from Third Page.

with practically nothing in this life are rated as the annual recipients of hundreds of thousands of dollars.

EVERY one who knows about railroads has heard of A. H. Smith, the president of the New York Central, who preferred to try his strength on steel rails rather than to sort envelopes. He began his career as an office boy in the supply department of a railroad office in Detroit, where he had a soft and easy berth. His hair was nicely parted and he was dropping into a well ordered groove which would have brought him \$15 a week in time if he kept at it.

A. H. Smith, as a youth, was deeply interested in the way that a big transportation company should be run, but he did not see how he could possibly find out much about it by looking at maps and sorting out index cards and letterheads. This explains why he got a job as section hand and started to work his way up through the various grades which brought him to a commanding position in the traffic world.

The secret of the success of Mr. Smith



ROBERT S. LOVETT.

Among the other railroad presidents who receive large monetary rewards are C. H. Markham, president of the Illinois Central, \$60,000 a year; Thomas M. Schumacher, president of the El Paso and Southwestern, \$60,000; W. H. Truesdale of the Delaware, Lackawanna and Western, \$75,000; F. D. Underwood of the Erie, \$77,000; L. E. Johnson of the Missouri Pacific, \$60,000, and Julius Kruttschnitt of the Southern Pacific, \$88,000. Most of the presidents of the large lines in the United States receive yearly honoraria in excess of \$50,000.

ENRICO CARUSO, whose notes are golden, is credited with annual salaries of \$300,000, as his honoraria of \$2,500 a performance count to a considerable sum in the course of a year. This does not include his royalties from phonograph records and other sources. His income tax is approximately \$100,000.

The noted tenor began his career at the age of 11 as a choir boy in his native city of Naples, where his voice attracted the attention of the distinguished teacher of singing, Guglielmo Vergine, with whom he studied for three years. On his debut in the New Theatre in Naples in 1894 Signor Caruso became one of the foremost figures of the operatic world. In his tours of France, Russia and Italy he was hailed as one of the greatest tenors which his native land had ever produced. On his arrival in this country, in 1903, Signor Caruso made a triumphant debut at the Metropolitan Opera House, and is one of the idols of a music loving public.

The operatic stage has many stars who receive salaries of from \$25,000 to \$50,000 a year each, but Caruso is at the front of his profession, judged by the standard of emolument as well as by that of art.



ENRICO CARUSO.



ALFRED H. SMITH.

is that he knows every detail of the railroad business by experience. When he travels in his special car along the line he senses that a rusty wheel on a freight car on a siding means that there has been undue delay in that locality and that it is time for him to shake up several departments and find out why. His work and life demonstrate that the man who goes right out into the midst of things and is not afraid of hard work reaches the distinction of having a five figure salary.

DETERMINING the amount to pay railroad presidents is one of the fine arts, for the value of their services depends much upon their influence and their ability to inspire the confidence of the men who invest money. The fine executive qualities which are needed are also cultivated by lawyers with a penchant for railroad finance.

Robert J. Lovett, who draws a salary of \$140,000 a year as the chairman of the board of directors of the Union Pacific Railroad, was born in San Jacinto, Texas, which he has helped put on the map. After attending the high school at Houston he spent years in self-study and self-mastery while reading the law and was admitted to the bar with a fine equipment of varied knowledge and a clear grasp of detail. As counsel for the Southern Pacific and other roads he came in touch with the Harriman interests. His salary has been steadily mounting for many years.

Banking for Women a Specialty of One Concern

IGNORANCE of simple banking procedure deters many women from owning bank accounts. To meet this condition a department for the business woman has been organized at the Bank of United States, with a trained woman adviser to meet all women customers. The variety of personal assistance rendered to puzzled or inexperienced girls and women since the opening of the department last May shows a sound case for the value of such service in a bank.

BANKING is a mystery to many women, even to those in business.

The "woman in business" is not as yet always synonymous with the "business woman." Ignorance of the simplest procedure necessary to having a banking account is considered by many banking authorities as a prime reason for the large number of women who look upon entering a bank as a kind of scary adventure, to be avoided if possible. Hence, say these observers, the popularity of the stocking, bureau drawer or pigeon hole as feminine banks. To remedy this situation the Bank of United States has evolved a special department to serve business women.

More than fifty thousand women and girls daily pass the doors of this bank, at Fifth avenue and Thirty-second street. While no one has evolved a polite way of checking up figures as to how many of them have bank accounts, some surprising examples of the novelty of bank accounts in a woman's life are reported by Miss Martha C. Sears, head of the business woman's department.

"A woman between forty and forty-five years old confessed to me that she had never saved a cent in her life," said Miss Sears, "though she had been in business for many years. Another woman told me she never had trusted her money to any bank, that she

had a safe place for it, and always knew where it was. Whereupon she pulled out from her stocking a roll of \$3,000. She was astonished to learn how much simpler it would be to put the responsibility upon a reliable bank that, furthermore, would give interest on her savings.

"A pretty little messenger from a big commercial house came in one day, using the teller's window in the woman's department for her deposits. But the wall mirror soon absorbed her entire attention, as she admired from all angles her new winter cloak.

"Don't you think it's awfully becoming?" she asked eagerly. "But I did pay quite a lot for it—all of \$190! It sort of worries me, but it's too late to do anything about it now!"

"I felt this child needed a friendly hand rather promptly. Despite her protests that my efforts would be useless I placed the situation by phone before the shop where she had bought the coat, explaining that their youthful customer had been carried too far in her admiration of their goods and that she would be willing to pay for her owning it if they would take it back. They allowed her to return the coat. Out of the money she purchased a less costly garment and put the balance into the bank as her first savings account.

"From so small a beginning as a dime one little Italian girl began an account, first in a hand bank we gave her, that eventually inspired her whole family to do likewise, and later her entire department at the factory. She came in to us originally as a messenger from her firm, and in the course of asking me for information on that business revealed bits of personal history as to the hard working family, all of whom put their earnings into the family spending pot without an apparent chance to get a penny ahead against a less fortunate day.

"Women often are silently grateful for the privacy of this department and for the op-



MARTHA C. SEARS.

portunity to put up their business problems to another woman with more information than they possess. They are reluctant to reveal their insecure knowledge of business to a man. This is the cause, I believe, for some of the wild business chances that women take rather than consult with an experienced man who might, they feel, rid-

clude their ignorance or naivete. "All this was to be read in the very confidential manner in which an elderly woman half whispered to me one morning that she was anxious to obtain the loan of \$250,000 from the bank. Security? Oh, yes, a fine yacht valued for that amount. The yacht, to be sure, belonged to a friend of hers, but she did not want to appear in the transaction. Yes, she was a business woman, in business for herself, and known to the public as very successful. But her business could not be valued at quite that amount; no, not more than \$30,000, she would say. We did not put the loan through for her, but I venture to say that certain business ideas she gained before the interview was over would mean real business assets to her in the future.

"Savings in cold blood, as it were, are not inspiring. The proverbial rainy day is held up most frequently as an incentive. But the woman in business can find many more exciting reasons. Let her project her imagination into the future of her business life. A bank reserve may mean taking studies to fit herself for a higher position. It may mean setting up in business for herself. It assuredly will give her a new feeling of confidence toward her work, so that she can break away from an uncongenial job and dare to try more congenial fields. The grinding dependence upon every penny of a weekly salary check holds back many a girl from the impetus of a congenial position which she doesn't dare try for without a bank reserve."

The quiet reception room, in blue furnishings and mahogany, with telephones, writing tables, and above all with the reassuring personality of Miss Sears, has become a friendly spot to hundreds of women since its opening last May.

Problems of foreign exchange, collecting, securing good investment, practical suggestions for systematic saving, disposing of bonds, are a few of the many problems upon which they receive expert advice.