

# Genoa Parley's Failure Disturbs World Peace, Says Sir Philip Gibbs

### Reveals Sharply Thin Crust Covering Redhot Fires of Europe.

### SHORT TRUCE ALARMS Russo-German Alliance and French Invasion Threat Open New Horrors.

### NO FAIR DEAL FOR SOVIET No Way Out Unless America Throws Her Economic Power Into Scales.

By SIR PHILIP GIBBS.

Special Cable to THE NEW YORK HERALD. LONDON, May 27.—So far from giving new hope to the European peoples and promising a new era of peace and reconstruction, the Genoa conference, which was summoned to attain those objects, left behind a general sense of apprehension and alarm. I think most people in Europe to-day who think at all seriously of problems bigger than their own little life in home and business are profoundly disturbed by what happened at Genoa.

We all hoped and believed the molten lava of racial passion was cooling down. It seemed likely that a reasonable arrangement for mutual benefit would be made between nations who were enemies in war. The cost, the ruin, the futility of war seemed to have taught such hard lessons to victor and vanquished alike that there was a reasonable chance of substituting arbitration and agreement for armed force.

But the political struggle at Genoa has revealed sharply the extremely thin crust which covers the redhot fires in the heart of Europe. The conflict between sets of ideas at Genoa resulted not in victory for peace but in a temporary truce, which in itself was a public avowal that we are again threatened with a renewal of war. Lloyd George's supporters have made out a good case for this truce of God, as he calls it, which he brought back from Genoa as the only fruit of his labors, and indeed every fair minded man and woman should acknowledge the splendid courage, patience and skill with which that little David overthrew the old Goliath of the war spirit in Europe. He risked, perhaps lost, his political supremacy in Great Britain by that adventure.

### Few Months Truce Not Enough.

But the plain man in the street in France as well as England is not satisfied with that plan for a temporary truce. On the contrary, the plain man is astonished and dismayed that any such truce is necessary. He thought peace was already made. He believed the spirit of peace was settling down for a long spell. Now he is told Europe has been saved from fresh war for a few months. That assurance does not fill him with any joy. It is a cause for uneasy, anxious, brooding anticipations of some second Armageddon now being prepared for him by secret and moving forces over which he has no control but of which surely he will be the victim.

This German-Russian alliance opens a new vista of horror. This French threat of invading Germany is repeated daily in the French press, if Germany defaults payment, perhaps beginning a new catastrophe, making future war more certain. Nagging quarrels and interferences in the British view is not ended by emotional assertions of love and friendship between private individuals or public characters in both countries. It is true to say the failure of the Genoa conference and its revelations of hostile policies have shocked all classes of men and women and raised new fears in their imagination.

I cannot help thinking personally that the Soviet Russia has not been given a fair deal. I say that not because I have any sympathy with Bolshevism, but because I hate Bolshevism and I would therefore like to see the adoption of a policy which will speed up its dissolution in Russia. It was not sufficiently recognized at the Genoa conference nor by public opinion outside that Tchitcherin and his followers as delegates had to play somewhat of the political gallery in Moscow, or rather to the party machine, just as Barthou and Lloyd George had to play to theirs. They still had to pretend faith in Communistic ideals, whereas Communism is already abandoned in Russia to the extent of 98 per cent.

### Russian Offer Made for Peace.

In return for that 2 per cent. of their ancient heresy they were willing to come to terms with the rest of Europe. If that had happened peace would be more certain. For example, they proposed the demobilization of the Red army in a general scheme for the pacification of Europe. In discussion that offer was immediately sharply opposed by France. Why? On what grounds? Soviet insistence on a European loan of £200,000,000 is doubtless impossible, for reasons which Mr. Hoover has plainly pointed out. No Government could go to its people with such a proposition. But some international scheme of credits is not only possible, but necessary, if the Russian people are to be given any chance of recovery.

I even venture to disagree with Mr. Hoover that Russian salvation lies within herself and not from without. It is impossible for Russia to recover, whatever internal reforms are carried out, unless she gets credits. She cannot reestablish industry unless she obtains foreign plant and machinery. She cannot get her railway system running without engines from Ger-

many, Britain and the United States. She cannot even get back to her normal output in agriculture, apart altogether from drought and famine, unless she receives quantities of spades, plows, reaping machines. It would be good business for Europe to supply these things on a system of credit. Revived Russia would fertilize industry and trade of other countries. Mr. Hoover refers to small shares of exports to Russia from the United States, but indirectly America could benefit enormously from Russian recovery, because that would raise the purchasing power of Europe generally.

### Charity Only Temporary.

The American relief committees are doing a marvelous work of charity in Russia, without which millions would perish, but charity is only a temporary expedient. To prevent future famine, further need of charity, it is necessary to help the Russian people produce and develop their natural resources. I have no patience with the commission of experts appointed to investigate conditions in Russia. Those conditions are perfectly known. Reports of the British Trade Mission cover the whole field of economic inquiry. The United States has been kept well informed by Mr. Goodrich, late Governor of Indiana, whose judgment is unassailable.

All these reports go to prove that the Soviet Government has abandoned many of its old methods of tyranny and is gradually reforming itself from within by casting out extremists and adopting moderate counsels. It is acknowledged by all shades of opinion that any violent overthrow of the present Government would lead only to new agonies and terrors. And it is plainly shown that foreign credits are necessary to reanimate Russian life. My contention and belief is that if

# Italy Fast Falling Back In Production of Films; U. S. Has Foothold There

Special Correspondence to THE NEW YORK HERALD. New York Herald Bureau, Berlin, May 13.

Ten years ago Broadway for the first time dug down in its pockets for a \$2 bill for a moving picture performance. "Cabrira," a feature film produced by an Italian company, was the first production to command theater prices in America.

To-day the situation is exactly reversed. Rome will stand in line patiently for a ticket to see Mary Pickford or any good American film, while the Italian picture is relegated to the little interior picture house.

In 1914 one-sixth of the films imported into America were of Italian make; in 1921 only one 25th of the foreign films bought in America were produced by Italian companies.

Out of the hundred or so native companies which were making easy profits here before the war only one or two are now at work, and these on irregular schedules. In fact the only vigorous filming now going on in the country is in the Rome studios of an American company, which has finished one super feature and is at work on another.

### Italy Now a Consumer.

Italy as far as the motion picture situation goes has been transformed from producing to a consuming public and the consumption is almost entirely of American products. This transformation is the result of certain Italian characteristics, which have left the industry at a standstill here while it flourished in other countries.

In the first place, days of the motion picture Italy started out with tremendous natural advantages. Probably no other country has such ideal scenic endowment for pictures in a small space as Italy. There are snow-capped mountains, the desolate wastes of the Campagna, castles of every era, lovely old garden villas, the romantic sea coast, the remains of the great empire a stone's throw from modern hotels and street cars. There are masses of people available for mob scenes and people with a natural gift for acting and gestulating. Above all, there is the bright, clear atmosphere invaluable for photography.

With all these resources to draw upon the motion picture industry in its undeveloped state was an ideal one for Italy. Companies grew up, made easy profits and turned out yards of film without much effort. Any little company with a few hundred thousand lire could enter the game, any pretty girl who could win the support of a producer was assured of immediate fame as "diva," whether she had the slightest talent for acting or not. There was no discipline of the hundreds of "supers" who flowed in and out of the business, there was no desire on anybody's part to overwork. The average heavy day was one or two hours, and if one of the actors complained of a toothache the day's work was off for everybody.

The Italian industry "cashed in" easily on historical films for which the background was at hand. The famous "Cabrira," for which Gabriele d'Annunzio wrote the scenario, was probably the first great film produced in the world. "Madame Sans-Gene" and "Christora," "Madame Sans-Gene" and "Christora" also gained a reputation in the outside world. In the years before the war Italy produced many films equal in quality and acting to the best that France or America could do.

Aside from these historical films the general run was of a lurid, inferior type, which appealed to an untrained public taste. No film had a success without at least half a dozen suicides, a violent love affair, murders,

the European Powers had acted together instead of with separate secret rivalries they could have obtained decent security from Russian delegates in return for aid. I cannot blame Germany altogether for making a separate agreement, though it was a political blunder in the way it happened. I know personally that so long as a year ago Germany was eager to avoid acting alone regarding Russia, and made a definite offer of cooperation with Great Britain and France. I discussed that proposal at great length with Herr Stresemann, leader of the German People's Party, in close touch with Stinnes, and industrial power.

### Germany Left Alone.

That offer of cooperation was refused, so now Germany is left alone in her dealings with Russia and constitutes a very grave danger to the rest of Europe. The effect of refusing all dealings with Soviet Russia except on a basis of charity seems illogical and absurd if at the same time every nation screams with jealousy when some other nation or group of financial adventurers obtain concessions for oil or other natural resources still existing in ruined Russia. One cannot have it both ways. If there is nothing to be got out of Russia, then why all this rage about oil? If it is not good business to deal with Russia, then why prevent Germany from making a trade agreement?

The truth of the matter is that the Russian problem could have been solved easily and Bolshevism killed as a menace to the western world if the French, British and German delegates had acted together on business principles instead of dancing around the Russian bear with alternate taunts and cajoleries, afraid of the bear. France wanted to use it as a booby to her people. Germany, though more afraid of Bolshevism than any country in Europe, foresaw the day when, if French pressure continues, she will want the Russian bear with all its sharpest claws. Who can see the way out of this awful tangle? I confess I cannot, unless the United States throw their weight of economic power into the scales of fate on the side of peace. There is still time at The Hague. Copyright, 1922, by the McClure Newspaper Syndicate.

leaps from precipices, blood, the more blood the better. In spite of the triumph of American films the Italian appetite for running feet of kisses and gory tragedy is still keen.

### Prestige Goes to America.

The prestige which Italy built up for her pictures soon passed to America, France and Germany, who devoted years of hard work improving their photography and the technique of production. There was none of this work, much less hard work, in Italy. The producers rested back on their easy profits and the novelty of the motion picture and were unable to duplicate the speed with which America seized on new inventions, new methods of lighting and new developments of staging. They began to feel the competition, however, and ever larger sums became necessary to produce films.

This led to the formation of the Italian motion picture combine, the Italian Cinema Union, which still exists as a sort of whitewash over the remains of the once active companies in its membership. The chief companies to combine were the Italia, which produced "Quo Vadis"; the Ambrosia, Fern, Berlin and Pasquale. The bank which furnished the capital to the union was none other than the fated Banca di Sconto. But the crash in the motion picture business came before the crash in the Banca di Sconto.

When the companies were all safely together in the union they lost the last shred of initiative and sense of competition which had kept them alive. Bad management and extravagance flourished. The "divas," who were often little else than the personal friends of producers, lived in a luxury which scandalized Italy and reminded thoughtful people of the days before the fall of Rome.

During the war there were few American films to cross the ocean. When they finally arrived on the Italian screen, with their marvelously developed technique and their fresh and varied themes, the public gasped. At first the American films seemed too tame. The successful ones were those full of airplanes, automobile rescues and pursuits, acrobatic feats, splashing whitewash, pictures with plenty of action; in short, the kind American audiences had liked several years before.

In a short time the victory of the American film was secure and the fate of the Italian one sealed. Company after company closed its studios. The Italian Cinema Union, instead of making an attempt to duplicate the American film, set up the cry of "foreign competition," which can always find a sympathetic ear in Italy.

### Press Campaign Fails.

Adopting the slogan "protection of home industry" the union carried on expensive press campaigns to keep the superior foreign films from the native screen. An elaborate campaign was conducted against the German film "Fassion" on the grounds that it was the work of Bolshevists who wanted to stir up a revolution in every country. Doubtless some of the anger against the film was roused by the fact that the star, Paola Negril, who played the part of Madame du Barry, was formerly one of the assets of the Italian companies.

The famous Italian actor, Maciste, who starred in "Cabrira," had also gone over to a German company, and there was a large exodus of talent from Italy. The pride of the Romans was particularly offended because the Fox produced used as a part of their background the famous Fountain of Trevi, which happened to be built 1,500 years after Nero's death. It is their belief that American companies will more and more avail themselves of the environment of European countries for films based on events of history.

# Austria, Menaced by Meat Famine, Blames Hungary; Latter Stops All Exports and Two Countries Are Hostile

Special Correspondence to THE NEW YORK HERALD. VIENNA, May 13.—Vienna is passing through a scarcity of meat which almost amounts to a famine, with prices at record heights and altogether prohibitive for the middle class housewife. The reason for it is a general export prohibition on the side of Hungary, the chief purveyor of meat to Vienna. Some time ago the allied reparation commission demanded from Hungary the surrender of 25,000 head of live cattle as reparation payment. The Hungarian Government endeavored to get a cancellation or reduction of this order at Paris, and when these attempts remained unsuccessful stopped all exports of meat on the ground that the delivery of such a big number of cattle would leave Hungary with hardly sufficient stocks for home consumption and that it would therefore be dangerous to continue the exports.

The measure had an immediate effect on Vienna. The meat prices went up with alarming rapidity and reached double the usual level within a fortnight. According to the opinion of the official circles in Austria this was just what Hungary wanted. Vienna is comparatively popular with the western Powers and at the same time a danger spot if her supplies are threatened.

The Viennese papers published semi-official hints from Budapest that it was not the fault of Hungary when the Viennese population is once more threatened with semi-starvation and that the Austrian Government ought to appeal to Paris in favor of a more lenient attitude of the allies toward Hungary. The Budapest Government wanted to use Austria as an instrument for achieving its aims in Paris. At the same time it suggested to the Austrian Government confidentially that it was willing to suspend the prohibition if Austria would let in a certain quantity of Hungarian wine or lower the import tariffs for Hungarian wines in general.

### Other Countries Help.

This showed that the real reason for the closing of the Hungarian frontier was not a threatening scarcity of meat in Hungary but the desire to force Austria into a position in which it has the choice between becoming a second to the Hungarian cause in Paris or taking wines which it does not want in order to obtain the necessary foodstuffs which it cannot miss. Apart from that, Government circles here have the impression that Hungary uses the dependence of Austria on agricultural imports from the neighboring States for taking revenge for the forced surrender of the Burgenland to Austria and that the meat quarrel is only the first step

to a lasting policy of economic chicanes. Of course, the Austrian Government does, what it can, to obtain supplies from other sources. According to the latest news Rumania is willing to furnish some cattle, and there is a chance that Jugo-Slavia will cede its Hungarian reparation contingent to Austria. Besides there are still some stocks of American frozen meat in Austria, which will be distributed among the consumers for moderate prices. But all these measures will bring only relief of a passing nature. Austria with her dense population and poor soil cannot permanently miss the Hungarian agricultural products, all the less as the Hungarian currency is comparatively cheap and within easier reach than the Rumanian or Jugo-Slavian. With the Austrian crown near zero, the question whether the imported foodstuffs come from Hungary or from other neighboring states, assumes first rate importance. In the peace treaties of St. Germain and Trianon, Hungary took upon herself the obligation to sell her agricultural surplus stock to Austria. But the development of events after the signature of peace proves that treaty stipulations can be evaded or the carrying out delayed, if a state seriously sets its mind to it. By a policy of passive resistance, the value of treaty obligations can be made all but illusory. This is exactly, what is being feared here. The contingent of 25,000 head of cattle, large as it may sound, is not such as to make itself overmuch felt in a country, where landed properties with stocks of one thousand head and more form rather the rule than the exception.

### Antagonism Is Deep.

It is only three and a half years, since the union, which formerly signified the hyphen of the two states into one inseparable Austria-Hungary was dropped and the two old friends parted. This short period was sufficient to get them into an antagonism, which is sometimes very near hatred. The surrender of part of the German Burgenland to Austria and the German speaking section of Western Hungary, which was imposed upon Hungary by

# Tourist Is Now Best Living Person in All of Germany

Special Correspondence to THE NEW YORK HERALD. New York Herald Bureau, Berlin, May 13.

The attitude of the Germans to the "valuta rich" foreigners is assuming a controversial character, and discussions as to the pros and cons of the matter are appearing with increasing frequency in the German press. Like every problem, this also has two sides, a fact that is fully realized by the Germans themselves, who, with absolutely nothing inimical or racially hostile in their attitude, are asking themselves where things are going to end if the invasion of foreigners increases in the same ratio as the mark decreases.

They know their poverty stricken country would suffer inexpressibly if foreigners were discriminated against to an extent which would keep them out of the country, but on the other hand, the invasion is sending the prices up so high that the Germans are beginning to find themselves barred from many of their former pleasures and diversions.

For instance, the thrifty German who always arranged his household budget so that every member of the family could take the "air cure" so dear to the heart of the German, is now reading with dismay that hundreds of thousands of Americans alone are expected to be emptied into Germany through the northern ports, to say nothing of the hordes that will sweep down from the Scandinavian countries and Holland. The American army will march across Germany to beautiful Bavaria and there proceed to spread itself in the picturesque villages and hamlets, to the exclusion of the native population. The German has a vision of himself and his family crowded into their now shrunken Berlin apartment, while the stranger appropriates his favorite haunts and lives on the fat of the land.

### New York Woman Hostess.

Mrs. Copley Amory of New York was the hostess at a large afternoon affair, at which she introduced Miss Clara Rabinowitch, a young Polish-American pianist, to a circle of her American and British friends. The artist, whose recitals have been one of the features of the Paris season, was heard in Chopin and Debussy groups, sharing the program with Frl. Orthmann, the possessor of a rich mezzo voice that has been trained for the operatic stage. Among those who followed the program with interest were Lady D'Arborea, wife of the British Ambassador; Gen. Bingham, chief of the British Mission in Berlin, and Lady Bingham; Mr. and Mrs. Stewart Johnson, Mr. Chandler P. Anderson and Mr. Edward E. Norris of the American Embassy; the Chinese Ambassador, Countess Morke, the wife of the Danish Minister, who before her marriage was Miss Cornelia Tjayer of Boston; Baroness von Gevers, wife of the Min-

ister of the Netherlands; Baroness de Nagel, formerly Miss Calhoun of New York; Assistant American Military Attache and Mrs. Truman Smith, the latter presiding at the table; Mrs. William Coffin, Mrs. T. Reade Ryan, Mrs. Theodore B. Hogg, Mrs. Walter Semon and Miss Hollister. Mile. Schuster, the young daughter of Baroness von Essen, wife of the Swedish Minister, is receiving congratulations on her approaching marriage to Baron Albert Rothschild Goldschmidt of the widely known banking firm. The wedding will take place in June at the ancestral home of the Rothschild family at Castle Greunberg, near Frankfurt-am-Main, the chateau of which is the 90-year-old dowager Baroness. The ceremony will be conducted in the Hebrew ritual, as the bride to be has accepted the Jewish faith in accordance with the orthodox traditions of the family.

### Midnight Fashion Revue.

"Summer time" was the dominant theme of a midnight "Fashion Revue" in the Metropole Theater, produced by the Association of German Fashion Industries. The witching hour was chosen so exhibitors might have the cooperation of the stage and film stars and thus use the charms of the costumes. The successive pictures formed a perfect apotheosis of the summer fashions as they will be sported in the drawing room, in the lounge of hotels, de luxe, at garden parties, at the seashore, on the tennis court and other places where the world of fashion will want to congregate. One of the most original of these displays was that of the firm of Gerson-Frager, who visualized the organdie Vogue predicted for the summer at a picturesque set garden party where a stage beauty in a flame red georgette stage dress had Paul Verlaque's verses to her crepe read Paul Verlaque's verses to her companions. An early morning scene in the Tiersetage formed the salon d'etre for a collection of smart riding and sport clothes, while the house of Harmann Gerson chose a musical number of evening gowns, chiefly of metallic laces—those of the opera sang an aria from Tosca.

### Oil for British Navy.

LONDON, May 27 (Associated Press).—Oil fuel depots for the British navy came in for much discussion in the House of Commons when Commander Eyles Mansell moved an appropriation of 14,250,000 for naval works buildings. He said safeguarding the empire and policing the ocean depended upon the efficiency and mobility of the fleet, and that one of the first essentials to mobility was oil tanks all over the world.

the Allies on national grounds, was one of the main motives for it. Hungary wanted Austria to withdraw voluntarily from this claim, but Austria refused to do it on the ground the acquisition of the Western Hungarian territory or Burgenland was not a matter within competence of the Austrian government, but exclusively concerning the Allies, who dictated the conditions of peace. If Austria would voluntarily renounce her rights on these territories, it would infringe the conditions of the dictated peace, in which it had lost so much that the refusal to accept the one small compensation would be madness. Apart from this open wound, whose healing will take a long time, the contrasts between the democratic form of government in Austria and the aristocratic reaction in Hungary are constant sources of trouble between Vienna and Budapest. Hungary cannot forget that Vienna offered an asylum to the Hungarian political refugees after the breakdown of the Bolshevist intermezzo in Budapest.

The Hungarian feudal lord looks down with disdain on the republican neighbor and on Vienna as the seat of democratic institutions whose influence make themselves constantly felt on the other side of the frontier and render the reestablishment of feudal forms of life in his own country more difficult. The dream of the recreation of a Hapsburg monarchy lasted much longer in Hungary than in any other of the Austrian successor States, and although the governmental parties there are now going in for a national kinship and entire national independence and officially renounce all schemes of anything resembling even an economic Danubian federation, the legitimist portion of the population is still of another opinion.

Private diary notes of Count Andrássy, written during the last patch of the dead ex-emperor, which somehow got into the Austrian press, revealed a secret plan of the Karlists to attack Vienna and reconquer the old common residence for the Hapsburgs. Of course, this scheme was fantastic in face of the political realities of the present south-eastern central Europe, but it gives an idea to what lengths the Hungarian legitimists with their large host

of retainers were intending to go. Insignificant as the quarrel between the two small States in the heart of Europe may seem to the American public, they are by no means a negligible quantity. Every disturbance or delay of the economic recovery of this part of Europe will have a bad reaction on the whole. Only by removing the many political and trade barriers between the Austrian successor States, and by honest good will more normal conditions can be restored. Czechoslovakia, under her wise President Masaryk and her able Prime Minister Benes, have recognized this necessity long ago and acted accordingly. Jugo-Slavia is also doing everything in her power to restore friendly relations with her neighbors. Austria cannot have any other wishes than friendship and peace on the whole line, as her structure and position imperatively demand it. The great question is whether it will be possible to arrive at lasting friendly terms with Hungary, or whether the latter country will continue to play the mischief maker, because it cannot forget the past and refuses to turn over a new leaf.

of transplanting a part of their business abroad with increasing enthusiasm. A leading German manufacturer said: "We do not see our way ahead here on the continent. Even though we keep national unity and the Reparations Commission relaxes its hold we are virtually bankrupt as a country, we are set to the limit and have neither the place nor the markets to expend upon. Our two hopes for the future are in Russia and China, countries industrially still in their nursery period, but with ample labor and latent riches. Hence German pioneers may have a chance to organize production.

### American Pays \$10 to Enter Germany; Halted at Frontier

Foreign Office Now Charges Same as U. S. Would Tax National. Dutch.

Special Correspondence to THE NEW YORK HERALD. New York Herald Bureau, Berlin, May 13.

The German Foreign Office is now charging foreign visitors to Germany the same amount for passport visas that the respective governments of their countries ask of Germans. Because exchange fluctuates so rapidly the Foreign Office fixes the number of marks the foreigner must pay anew each month. This means that, while Austrians can now enter Germany on paying the equivalent of fifteen cents, Americans must pay the equivalent of \$10 to cross every frontier, and if he should have failed to have fulfilled formalities he is burdened with absurdly heavy fines.

A recent traveler coming from Italy to Munich by way of the Austrian strip of territory through Salzburg was asked by the Austrian authorities to pay the equivalent of \$20 for their little rubber stamp. Objecting to paying this amount, the traveler finally induced the authorities to reduce the amount to the customary \$10.

Difficulties by both Polish and German Governments in crossing Prussia and the Danish neck of Polish territory will continue to take the pleasure out of travel and to hamper business in this corner of the world. Both States demand full sets of special visas and the universal \$10 payment of Americans. The Poles rarely hesitate in the corridor to turn out all who fail to observe this letter of the law, whatever their nationality is.

Now that reparations, railroad and other international commissions are meeting it is time that another one meets and determines ways to eliminate petty vexations to travel. German summer resorts, and especially bathing beaches, will be particularly overcrowded this summer, according to the statements which German hotel proprietors make to THE NEW YORK HERALD. They are trying to keep as wide a range of prices as possible for all sizes of pocketbooks, but the steady increase now in cost of living is forcing all prices skyward. The range for rooms in the smaller bathing places today extends from 100 to 200 marks, and for Americans from a half again to double this amount, or in other words from 75 cents to \$5.

Ordinarily the German hotels and pensions made pension rates. Now, owing to the wide fluctuations in food prices, they give a price for rooms and leave the amount they charge for meals open. It is possible at most of the summer resorts to secure three and four rooms with kitchen at prices around 15,000 to 20,000 marks, or in dollars from \$400 to \$700 for the entire three months season.

### Russian Professors Named

Special Cable to THE NEW YORK HERALD. Copyright, 1922, by THE NEW YORK HERALD. BERLIN, May 27.—The nucleus of a Russian community was formed in Czechoslovakia when exiled Russian professors recently were named on the faculty of the University of Prague. Thirteen men, from the universities of Moscow, Petrograd, Cracow and Kiev, accepted posts.

Swedish real estate holders have turned their attention to property at the center of the city. They purchased, for example, the large Metropole Theater-Palace and Westminster Hotel, an adjoining building. These amusement places are among the largest in Berlin. They also purchased the Victoria Cafe, located at the Leipziger Square, in the heart of the city. Americans bought houses in Germany two years ago, before the mark speculation bubble burst. The idea of buying houses for \$1,000 was irresistible when marks were a hundred to the dollar. Now many of these purchasers are beginning to repent. When they came to Germany themselves to settle down to live in their houses they had a large return on their investment. But as foreign speculators merely looking for an interest return on their capital they have been disappointed. Many are already finding their houses more of a cost than an asset to them. Although the German Government has removed control over most goods, house rentals are still pegged down to pre-war levels. While most costs have increased forty times over in marks, rentals in Berlin are but 45 per cent. higher than they were before the war. But then these represented gold marks, while to-day in depreciated paper they represent but a thirtieth of the amount.

### French Army Man Branded a Traitor, May Yet Be Freed

Capt. Proust Said to Be a Victim of German Woman's Revenge.

Special Cable to THE NEW YORK HERALD. Copyright, 1922, by THE NEW YORK HERALD. BERLIN, May 27.—The attention of French military circles has been directed again to the condemnation of Capt. Proust for having sold important plans for the mobilization of the French army in Switzerland just before the war. The fact that Proust served with distinction throughout the war convinced many of his friends that there was something mysterious behind the discovery of a notebook left in Belgium, by the retreating Germans and which formed the chief exhibit in the recent court martial which found Proust guilty. It now seems possible that the army may be stirred by a controversy almost as intense as the famous Dreyfus case. Proust's lawyer is insisting that he be ready to prove in a new court martial that the captain is the victim of a revengeful German woman, who failed to induce him to become a German spy.

Special Correspondence to THE NEW YORK HERALD. New York Herald Bureau, Berlin, May 13.

Germans now look to China as one of the few remaining large countries where German enterprise and trade initiative can yet find a place. Former German residents of China have very largely returned there. German exportations to China are being encouraged in Germany, and German merchants and manufacturers are seeking not only to sell their home wares but to open branch factories in China.

During the war German contact with China was completely severed. Germany lost Shantung and Tsin-Tau, important German trade as well as military bases. Many Germans themselves were interned and German property was sequestered.

Most of the war difficulties were settled and a hand found for a resumption of trade relations in a treaty between the two countries concluded May 20 last year. By the terms of this treaty Germans received back their property, with the exception of a couple of mines and the property of the German-Asiatic Bank, which the Chinese Government still holds sequestered until the German Government meets \$5,000,000 war reparations claims. Otherwise this treaty was attractive to the Germans because it permitted them to begin business again in China without the extension of the ill defined burdens of the Treaty of Versailles—a tax to which the Chinese refused to align themselves because of the anti-Chinese Shantung clause it contains.

Obstacles which Germans encountered in resuming trade relations with China were numerous. The Germans had no longer their own ships to carry their wares to Chinese ports. Germans also found that their capital in German marks melted away when they changed them into the other currencies necessary for resuming business. The Chinese compradors, native business men who acted as agents for German firms, had found other employment.

### Good Start Is Made.

But an important beginning has been made. Some four hundred Germans returned to China to resume business last year and nearly as many more have already returned this year. German officials formerly in Chinese service, however, for the most part are not going back even though Chinese service is again open to them. They are of the opinion that anti-German feeling among other foreign administrators in China is too great for a German to secure advancement in the service.

The principal German shipping lines have already opened their Chinese service. But for the time being this means only a few small freighters. These carry but a small part of the wares now exchanged between the two countries. Much German exporting has gone to China by Dutch and English ships. German wares from the occupied area, often disguised, have been sent in large quantities via Antwerp and French ports to China. In 1913 Germany exported 25,000,000 tons of wares to China, while last year the amount was between 5,000,000 and 7,500,000 tons, about a fourth of the peace time trade. This does not, however, represent more than half of the Chinese wares which Germans bought. During the year large stocks of Chinese goods were accumulated in English and Dutch warehouses. Germans bought large amounts of these wares at low prices and with immediate delivery. Germany is exporting steel and iron wares, machinery, toys and household goods to China. The Germans are buying hides and cotton goods in return. Chinese imports into Germany are also about a fourth of what they were before the war—4,000,000 to 5,000,000 tons as compared with 16,000,000 in 1913. The Chinese Legation tells me that several leading German firms are seeking information about the possibilities not only of selling their wares in China but of opening factories there. Also, many of the German business men who are now going to China are going less to re-establish relations between Germany and China than to build up establishments in China for trade with other countries which have larger buying power than Germany.

### Active Before War.

Germans took an active part in Chinese domestic trade before the war. They did much to build up the Chinese textile industry, which now is almost entirely in Japanese hands. Trade in furs and skins, all seeds and vegetable

Special Correspondence to THE NEW YORK HERALD. New York Herald Bureau, Berlin, May 13.

Foreigners have been heavy buyers of Berlin real estate since the war. The so-called Bavarian quarter about the square of this name, one of the popular residence districts in Berlin, is now, popularly called the Dutch quarter, owing to the large number of houses which Dutch investors have acquired there. Swedish real estate holders have turned their attention to property at the center of the city. They purchased, for example, the large Metropole Theater-Palace and Westminster Hotel, an adjoining building. These amusement places are among the largest in Berlin. They also purchased the Victoria Cafe, located at the Leipziger Square, in the heart of the city. Americans bought houses in Germany two years ago, before the mark speculation bubble burst. The idea of buying houses for \$1,000 was irresistible when marks were a hundred to the dollar. Now many of these purchasers are beginning to repent. When they came to Germany themselves to settle down to live in their houses they had a large return on their investment. But as foreign speculators merely looking for an interest return on their capital they have been disappointed. Many are already finding their houses more of a cost than an asset to them. Although the German Government has removed control over most goods, house rentals are still pegged down to pre-war levels. While most costs have increased forty times over in marks, rentals in Berlin are but 45 per cent. higher than they were before the war. But then these represented gold marks, while to-day in depreciated paper they represent but a thirtieth of the amount.

### French Army Man Branded a Traitor, May Yet Be Freed

Capt. Proust Said to Be a Victim of German Woman's Revenge.

Special Cable to THE NEW YORK HERALD. Copyright, 1922, by THE NEW YORK HERALD. BERLIN, May 27.—The attention of French military circles has been directed again to the condemnation of Capt. Proust for having sold important plans for the mobilization of the French army in Switzerland just before the war. The fact that Proust served with distinction throughout the war convinced many of his friends that there was something mysterious behind the discovery of a notebook left in Belgium, by the retreating Germans and which formed the chief exhibit in the recent court martial which found Proust guilty. It now seems possible that the army may be stirred by a controversy almost as intense as the famous Dreyfus case. Proust's lawyer is insisting that he be ready to prove in a new court martial that the captain is the victim of a revengeful German woman, who failed to induce him to become a German spy.

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