

U. S. Seizes 2 Enemy Ship Companies

Fleet of Eleven Vessels, Valued at \$7,500,000, Pre- viously Taken Over

German Agent Here Confesses Part in Deal

Richard G. Wagner Tells How He Obtained Con- trol for Teutons

The American Transatlantic Company and the Foreign Transport and Mercantile Corporation, whose fleet of eleven ships is owned almost to the last rivet by German capitalists residing in Germany, have been taken over by A. Mitchell Palmer, alien property custodian.

The ships of the two companies were bought with German gold furnished through the intervention of that veteran of German secret agents, Count von Bernstorff, former ambassador to the United States. Their value may be gauged by the offer made by the Hudson Bay Company to pay \$7,500,000 for the fleet. This offer was made to Richard G. Wagner, native of Milwaukee, founder and organizer of the shipping firms and agent of the German interests which advanced the capital. Wagner refused the offer, although he might have made a handsome profit for the enemies of this country by selling.

Wagner broke down and made a full confession after Mr. Garvan had virtually traced all his ship-buying ventures. He admitted that with his full knowledge and consent he had allowed Count von Bernstorff and his German propaganda agents to make capital out of stirring up trouble between this country and Great Britain and France because the latter had taken over four ships alleged to be American.

Wagner told Mr. Garvan that he and Jensen drew up the whole ship purchase plan in Copenhagen. Albert Jensen, managing director of the Copenhagen Coal Company, owned by Hugo Stinnes, wealthy German ship owner, was to furnish the money and Wagner was to proceed to the United States and organize an American company which was to nominally own the ships, so as to secure for them American registry and American protection.

Wagner returned to this country via Italy, and on March 29, 1915, he organized the American Transatlantic Company with a capitalization of \$200,000 under the laws of Delaware. He then began calling Jensen for money, but he received no reply. He then took the matter straight to Count von Bernstorff. Thereafter everything was easy.

He received \$20,000 from Berlin almost at once. Jensen began to buy ships under Danish, Norwegian, Swedish and Greek registry, and to transfer them to the American Transatlantic Company. Then he was caught by the Danish government smuggling copper into Germany, the manifest being represented to be sugar. He was sent to jail for sixty days.

Wagner told Mr. Garvan that almost before he realized it, the American Transatlantic had a fleet worth about \$2,500,000, which had cost the company not a penny. Then came the tussle with the Commissioner of Navigation for permission to hoist the Stars and Stripes over the boats.

Wagner told Commissioner Chamberlain that he owned all the ships himself. The Commissioner demanded to know how he had financed the company. Wagner admitted that Jensen, who, he said, was a Dane, had bought the ships, but that he himself had the right to buy 50 per cent of the stock. The Com-

Labor Board Faces Failure Unless Given Punitive Powers

By Theodore M. Knappen

WASHINGTON, Sept. 4.—The War Labor Board is discovering that it is an industrial court without a sheriff or police force to enforce its decrees. So long as its decisions favored the employees, which they invariably did until the Bridgeport, Conn., community decision of August 26, everything proceeded smoothly, on the surface at least. The employers, remembering what happened to the telegraph companies when the Western Union refused to abide by the board's policy, have been compelled to accept the decisions against them. But who is to compel employees to live up to decisions?

The Bridgeport case shows that there is no compulsion for them. Sixty-five hundred machinists are on strike there a week after the decision was rendered and they are rapidly leaving the city to seek employment elsewhere. On the other hand, the decisions of the board against employers are putting both of them into an embarrassing position. The companies that have government contracts are saying that they are perfectly willing to comply with the board's decisions that wages must be increased, but where they have flat contracts, with a small or uncertain margin of profit which was figured on existing wage scales, they politely inquire of the board where the wage money is coming from.

The Profit Problem

Those that have cost plus contracts comply and shove the increase onto the government.

The situation is even more difficult in the cases of companies, as the various street railway companies that have been ordered to advance wages but have not the funds nor the government to fall back on.

Still another phase is the growing discontent among employers, who feel that on account of the basic policies which the board is administering they are bound to get the worst of it in almost every decision. Even in the Bridgeport case the employers feel that the decision was against them, though the employees (or at least the union labor element among them) are of the contrary opinion.

There is reason to believe that the metallic trades are organizing to oppose the radical course of the board. There is undoubtedly a growing feel-

ing among employers everywhere that the whole war administration is along class lines, with labor always at the front and in favor, always petted and coddled and honored, whereas the employers are banned as profiteers and "blood-money suckers," condemned by the President and castigated by the Federal Trade Commission.

As the employers see it, it never occurs to the powers in Washington that there may be such a thing as labor profiteering.

The Labor Dilemma

There is apprehension on the part of the board that unless it is to have more than moral powers, based on Presidential proclamations without statutory force, it will soon sink into complete impotency and disrepute. But if Congress is asked to give it power to enforce its decrees, such a step will be considered conscription of labor, and will doubtless be bitterly opposed by organized labor.

Yet, one reason why the board's moral decisions are not enforceable against labor is that labor as a whole is not organized.

Who is to keep unorganized men from quitting work under a decision they do not like and going elsewhere to accept higher wages?

Doubtless the labor leaders thought the principle of collective bargaining which the board always supports would naturally lead to the unionization of employees everywhere. But their hopes are meeting with disappointment. The unorganized men eagerly accept any advantages organized labor secures for them, but they see no advantage in joining a union in these prosperous times.

Unions Morally Bankrupt

In fact, one close observer of labor problems gives it as his opinion that with the government taking such an advanced stand for labor the labor unions are morally bankrupt. They no longer have anything to offer to the unorganized. They are like a political party without an issue.

In the general view, both employers and organized labor are now dissatisfied. The employers find that the decisions are going against them and the unions find that the government war labor policies are taking the words out of their mouths and robbing them of their reason for existence.

It is believed that there must be further steps along the path of real authoritative control by the government of relations between labor and capital or else the present attempt at control by mere moral authority will collapse.

Week's Coal Output Largest This Year

(Special Dispatch to The Tribune)
WASHINGTON, Sept. 4.—Anthracite coal production for the week of August 31 was the largest recorded this year. The estimated output of 1,806,121 gross tons exceeded the production of the preceding week by 100,600 tons. For the first time this year the daily output passed the 300,000-ton mark.

The official figures on the distribution of anthracite this coal year are encouraging. Domestic sizes of anthracite have been distributed closely in accordance with the schedule of allotments for the first third of the coal year, and in some regions are ahead of schedule.

New York is only 250,000 tons behind and all the Atlantic states are well up. Moreover, their location is such that their deficiencies can be made up easily. It is important now to gain a surplus in New England, Canada and the Central and Northwestern states, as weather conditions later will make it more difficult to coal them.

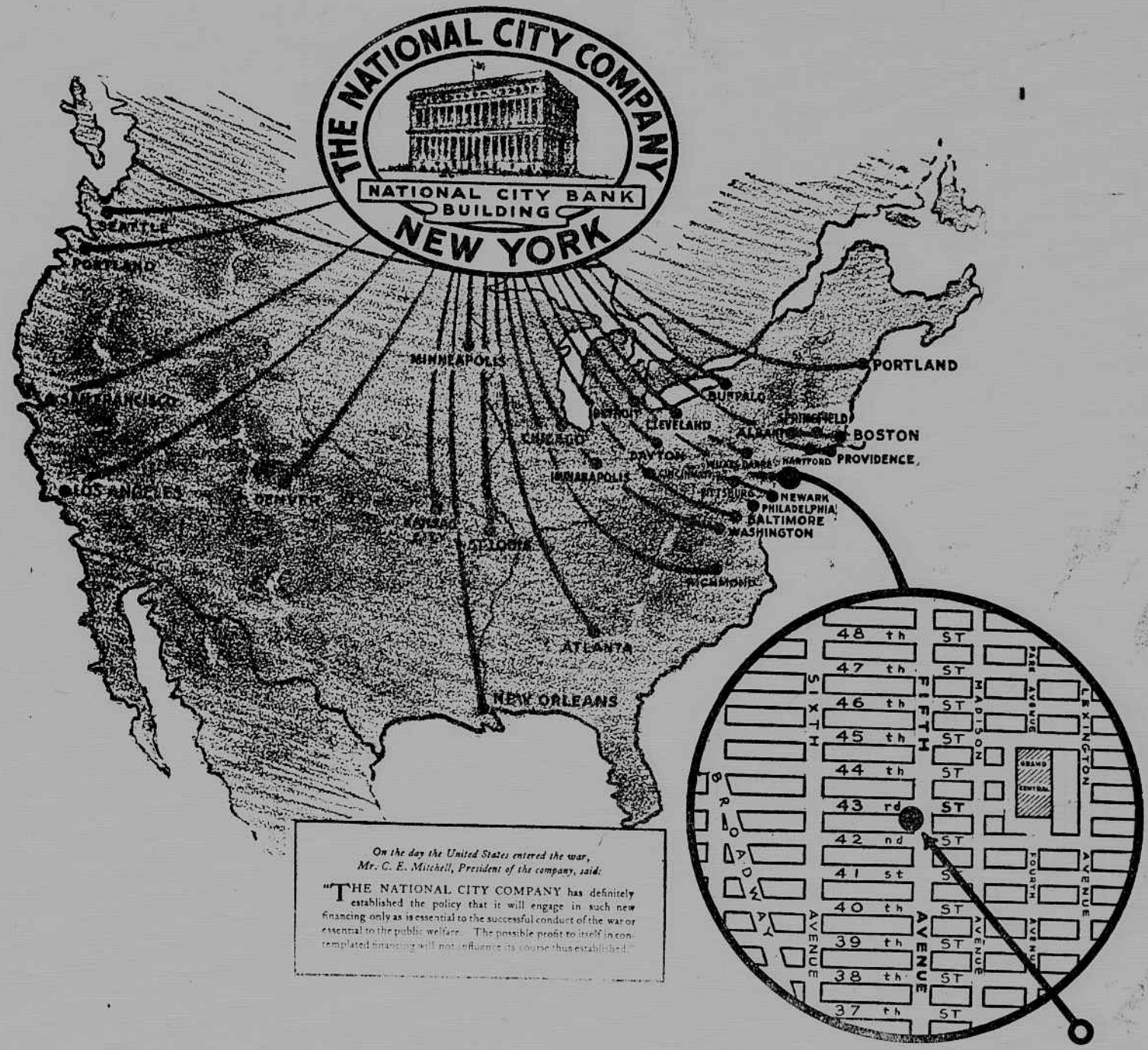
missioner refused American registry, as Wagner decided to "eliminate" Jensen.

Wagner sent Jensen his unsecured promissory notes for \$2,654,000, payable at the rate of \$500,000 per year. Then he returned to Commissioner Chamberlain and told him that he had paid \$1,300,000 to Jensen in "real American hard cash." He said he had sold stock to Americans to the extent of \$200,000, and that he had sold securities of his own for nearly \$400,000. To Mr. Garvan, Wagner confessed that his kinsman, Edmund Wagenknecht, also residing in Copenhagen, had advanced him the money. Wagenknecht is on the enemy blacklist.

Mr. Palmer then appointed Charles H. Sabin, Irving T. Bush, Henry L. Doherty, John Quinn, Frederick B. Lynch, Joseph S. Qualey and Henry Thompson to represent him as directors of the two companies. Former Judge James A. Delehanty and William M. Coleman are named counsel.

2,500 to Join Red Cross

Franklin Simon & Co. will have a meeting at 8 p. m. next Wednesday, when their 2,500 employees, who have been mobilized as Red Cross workers, will be accepted by the New York chapter as the Franklin Simon auxiliary.



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- 347 Fifth Avenue.
- 250 West 125th Street.
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- 706 Broadway, near Thornton St.
- 1267 Broadway, cor. Gates Avenue.
- 4478 Fifth Avenue, cor. 11th Street.
- 859 Manhattan Avenue.
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