

High Prices and Cheap Money in Guatemala

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GUATEMALA CITY, TAHO about high prices in the United States. They are nothing compared to high prices in Guatemala. I have been here with my stenographer for the last few weeks, and my average expense has been about \$70 per day. Last week cost me over \$100, and my regular board at the principal hotel is \$15 per day. I had a carriage this afternoon for three hours at \$15 an hour, and every time I take a mule ride over the country the charge for the animal is \$25 per day. Everything is in the same ratio. It costs 50 cents to post a letter and 15 cents for a postal card. I tried to buy an English saddle in a harness store this morning, and the price for it was \$1.50. I could not afford it, and went to the stationery store across the way, where I was charged a dollar for a lead pencil and 50 cents for the note book in which I am writing.

Land of the Six-Cent Dollar.

Indeed, the prices are terrible. But they are not so bad when you find that they are paid only in the currency of the country. The Guatemala dollar has been steadily going down, and it is now worth just about seven cents of our money. You can get seventeen or eighteen Guatemalan dollars for an American dollar, and in order to figure out the real cost you must divide by seventeen. All the bills are paid in paper, and the money is worth so little that it is a trouble to carry it. Five thousand dollars in gold changed into 17 bills would give you a large pillowcase full, and as I am writing all my pockets are bulging with dollars. I drew \$20 on my letter of credit at the bank today, and for this the cashier handed me 3,000 of these Guatemalan simoleons. Some of it was in 100 bills, but the most of it was in petty tens and twenties and 5 notes, such as one gives for a fee.

While I stood at the bank window a man came up to make a deposit. He had a bundle under his arm which looked like a package of laundry. He led it on the counter and took off the string and the dirty bills, by a gust of wind, were blown over the floor. They were finally gathered together and it took over twenty minutes to count them. What the amount was I do not know, but it was probably under \$100 in gold.

Indeed, the currency here reminds me of that of our southern confederacy at the close of the war, the value of which was well shown in a story told by General Gordon. As the general was riding along one day he saw a man with a very fine horse and said:

"That's a good animal, my man. I will give you \$500 for him."

"Oh," was the reply, with a sneer, "you



President Cabrera signing a government concession.

will Why, I just paid \$2,000 to have him carried."

Crazy for Gold.

As a result of this poor currency the people are crazy for gold. In the business sections there are money changers in every block and every one wants to change his paper for gold. The proprietor of my hotel grabs at each gold coin, and one of the priests I met in the cathedral asked me to exchange gold for 6-cent dollars. It is the same at the American club. I was offered \$1,500 there for a \$10 gold piece and I am told that there have been times when one could buy \$5 in Guatemala for \$1 American. The value of gold changes every day and a special demand for it sends the currency kiting.

At the same time the wages on the estates are paid in currency and the Indians receive only a few cents of our money per day. Some think this is good business. They say that the planters get work for Guatemala dollars, while their exports are paid for in gold. If the Indian gets \$3 a day he is really receiving only 15 cents and he is more often paid 10 or 12 cents. This is said to be one of the theories of President Cabrera.

Country of Enormous Resources.

The fact is, the position of Guatemala is much like that of a bankrupt who still has one of the richest gold mines of the world under his feet. The natural resources of the country are valuable beyond description. Guatemala abounds in rich mineral deposits. It is known to have gold, silver, copper, iron and lead, but the country is practically unexplored. It has some of the best coffee soil of the world and it exports from 80,000 to 100,000 pounds every year. It has rich grazing lands, and it will grow rubber, cotton and sugar. There is no country on earth which will produce better or more bananas per acre than the Motagua valley, and it has in addition vast forests of timber, including mahogany, cedar and dye woods. All the country needs is money to make it blossom like the rose and to bring into use its vast resources in lands, mines and labor. The labor problem is based upon the Indian population, which amounts to more than 1,500,000 in number, and it is not difficult to handle. If the country could have a big enough loan to put it on a gold basis it would soon become one of the richest lands of this hemisphere. It is in the front doorway of the United States. It is within two days by steamer from New Orleans and it has only thirty miles of railroad track to build to unite Guatemala City with the railroad systems of the United States.

In the first place, however, the government will have to secure its foreign debt, which is now held in Europe and in our country, and then to make some kind of an arrangement as to the currency. A number of loans have been arranged for from time to time in New York, but for one reason or other, and chiefly on account of the opposition of the Germans, they have failed to go through. Such arrangements are still pending, and they will probably result in the regeneration of the country.

German Capital in Guatemala.

As it is now, the Germans are the great leaders on the body politic. They are sucking the life blood out of the business and are grabbing after everything in sight. I am told that their investments in coffee plantations alone amount to upward of \$60,000,000 and that 50 per cent of the coffee estates belong to them. It is said that there are \$20,000,000 now in Germany for investment here. The Germans have got their hold on the country by watching the finances and buying at every time of financial distress. They took over the coffee plantations some years ago by loaning money right and left when coffee was high. Then coffee fell, there was a poor crop, and the planters who borrowed could not pay their interest. The mortgages were foreclosed and as no one was able to buy the Germans took in the best estates at their own prices.

The great trouble as to this German ownership is absentee landlordism. The coffee all goes abroad and the money stays there, while the plantations are worked with Indian labor at from 10 to 15 cents a day. This small wage is practically all that Guatemala gets out of its coffee crop.

Jenalous of Americans.

The Germans are very jealous of Americans and they are secretly opposing every American investment. They have done this as to all electrical propositions, and they want to keep the Americans out of the wholesale and retail trade. As it is now the largest stores belong to them and they have their drummers going over the country. Much of the business is very profitable, and this is so of all banking and mercantile enterprises.

The ordinary interest rate is 10 per cent and the pawnbrokers get 6 per cent a month. The chief banks have franchises from the government and they make loans in return for the right to issue certain amounts of currency which, as I have shown, is worth now only 6 cents on the dollar. Altogether there are six banks, each of which has a capital ranging from \$1,000,000 to \$2,000,000 in gold. There ought to be a big American bank here and the country should be financed by the United States. Under the Monroe doctrine we have to be content with a

certain extent for its business arrangements, and to keep other nations from enforcing their claims we shall have to arrange for the debts.

Some Big American Investments.

Within the last few years considerable American capital has come into this country. The Motagua valley and its banana lands belong to the United Fruit company, which has there many thousand acres, and about 20,000, I believe, already planted to bananas. The railroads of the country are in the hands of Americans, and they have big schemes for controlling the transportation. They will eventually complete the system in conjunction with Mexico, and will extend their lines through the country south of this to the Isthmus of Panama.

Americans own the shipping which comes to Guatemala. The United Fruit company has steamers twice a week to New Orleans, and it frequently sends ships to New York. Its steamers fly the English flag and they have English commanders, but they are bought with American money and they carry little else but American freight and passengers. The reason why the fruit company uses such steamers is because under the navigation laws all steamers sailing under the American flag must be built in the United States, and ships can be bought more cheaply in England.

The English steamers are not always satisfactory to the American passenger. The English captain is sometimes inclined to be cocky and to show his preference for his own country. On a voyage a few weeks ago an American woman took the American flag which was hung at one side of the sideboard in the saloon and raised it up a little higher than the British flag which decorated the other side. She thought this a joke, but the English captain did not see it that way, and he thereupon ordered the steward to pull down the American flag and leave up the British.

American Trade.

If the trade here were rightly handled it might be monopolized by the Americans, but as it is the Germans have more than half as much as we have and the English are very close to them. Our exports to Guatemala run between \$2,000,000 and \$3,000,000 a year, and Germany and the United Kingdom each sends over a million. Germany buys a great deal more than we do and the United Kingdom almost half as much.

Our trade is not properly worked. We should do as the Germans. We should send drummers here who know the language and who have lived long enough in Latin America to know the people. We should send out our catalogue in the language of the country and not in English, as we are now doing.

Speaking of this, I heard a story yesterday from a woman who had been traveling on one of the river steamers. She was standing near the furnace when she asked the native engineer what sort of fuel he employed. He replied: "We use some coal and a little wood, but the most of the fuel is composed of catalogue sent by American business firms printed for the Guatemala trade in a language the merchants cannot understand."

Underpaid Postage.

Another fault with Americans trying to do business in Guatemala is that they do not understand the postal rates. They know that 2 cents will carry a letter to Mexico, Canada or Panama, and suppose the same sum will carry it to any part of Central America. This is not true. Letters coming here require 5-cent postage and every letter sent with just a 2-cent stamp is subject to a fine of 30 cents or more, which is paid by the man who receives it. Catalogues underpaid have a similar fine. The result is that a merchant gets an advertising catalogue with from 50 to 80 cents due on it. He pays this amount and then finds that he cannot read the catalogue, for it is printed in English.

About half the business letters which come here are underpaid and those who receive them must pay extra postage before they will be delivered. One of the leading bankers here has just told me of his experience with a bank in St. Louis. The St. Louis bank sent a letter requesting information bearing a 2-cent stamp. The man paid 30 cents extra postage to get it and then wrote a courteous letter to the banker and pointed out the mistake and annoyance such mistakes caused. In reply he received an apologetic letter from the president of the St. Louis bank enclosing 30 cents worth of American stamps, which he could not use. The letter including these stamps, also bore a 2-cent stamp and the Guatemalan banker had to pay 29 cents to get it. He wrote again and the same thing happened a third time. It took a fourth letter to show this live St. Louis business man that a 5-cent stamp was necessary for Guatemalan mail. All this was thank-you business on the part of the Guatemalan.

Guatemala's Debt.

If Guatemala could make a loan of something like \$20,000,000 and have this secured by the customs I am told that it would soon be on easy street. Its foreign debt now amounts to under \$20,000,000, but it has defaulted in interest on this again and again and the whole has been readjusted on a 4 per cent basis. On July 10 of last year a settlement was made

certificate face value and the sum they pay to the government, and this profit is by no means small.

The banks also make big money from loans. I doubt not they made a pretty penny out of Knox's visit, which must have required several hundred thousand dollars of new cash to paint up the towns and champagne for the American party. In such cases the president often calls upon the Banco de Guatemala, in which Germans are interested. Among the chief financiers are the Stahls, who are ready to lend at such and other times of need, relying on setting their money back with big interest. I am told that these bankers recently bought up the bonds of a loan which every one thought had been repudiated. They got the bonds for a song and then it was found that the president had decided they were an honest debt, and should be redeemed. There are some dissenters who say that his excellency President Cabrera and other high officials shared in the profits.

FRANK G. CARPENTER.

FEAST FOR NUTMEG BALDIES

Sixty Nude Domes Palpitante Mervily Amid Vietnam, Wine and Song.

A snowstorm served to "hold up" the first annual banquet of the Baldhead Club of America, which was held at Lang's Inn in Falls Village, Conn., November 25. However, despite the storm, sixty hairless heads responded to the call and occupied seats about the festal board.

Following grapefruit cocktail, clam chowder (cut pompadour) was served. After which came baked bluefish (combed back), spring chicken (parted in the middle), celery (curly top), plum pudding (bary rum sauce), apple (bald-wid) and pumpkin (shampooed) pie and other delicacies.

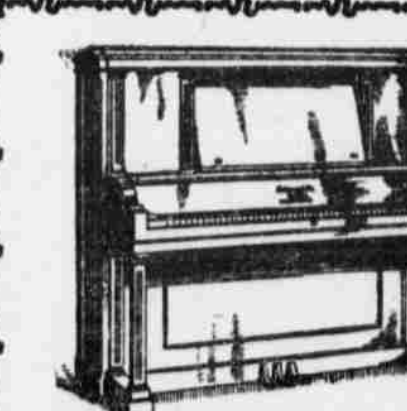
The baldheaded circle was toasted by John Rodemeyer, an editor, who wisely followed the role of toastmaster, and the after-dinner speeches were some, sparkling with wit and humor. Coroner S. A. Herman of Winsted responded to "Pompadour Reveries." State Commissioner of Domestic Animals H. C. Averill tried to explain "Why is a Baldhead," and Julian H. Sterling of Bridgeport spoke on "When This Bare Spot Was New."

Others who had a part in the exercises were George J. Vogel of Canaan, who discussed "The Psychology of Capillary Extinction;" George C. Woodruff of Litchfield, "How to Avoid Booming All Bald Up;" Philip Troup of New Haven, "Why I Became a Baldhead;" William H. Corbin of Hartford, "Poll Tax Perplexities," and P. Davis Oakley of Hartford, "The Blessedness of the Skull Cap."

Hartford Courant.

Didn't Fear for Mamma.

A Lakewood woman was recently reading to her little boy the story of a young lad whose father was taken ill and died, after which he set himself diligently to work to support himself and mother. When she had finished the story she said: "Dear Billy, if your papa were to die, would you work to support your dear mamma?" "Now!" said Billy, unexpectedly. "But why not?" "Ain't we got a good house to live in?" "Yes, dearie—but we can't eat the house, you know." "Ain't there a lot o' stuff in the pantry?" "Yes, but that won't last forever." "It'll last till you get another husband, won't it? You're a pretty good looker, ma!" Mamma gave up right there.—Cleveland Plain Dealer.



Guatemala Policeman

The DOCTOR'S ADVICE

by Dr. Lewis Baker



The questions answered below are general in character, the symptoms or diseases are given and the answers will apply to any case of similar kind. Those wishing further advice free, may address Dr. Lewis Baker, College Bldg., College-Hospital Bldg., Dayton, O., enclosing self-addressed stamped envelope for reply. Full name and address must be given, but only initials or first name will be used in my answers. The prescriptions can be filled at any well stocked drug store. Any druggist can order of:

fluid balsam, 1 oz., and syrup sarsaparilla, 8 oz.

"Tara" writes: "I have had a cough for about a year and fear I shall never be rid of it, but I got worse with every fresh cold I contract. Could you give me a remedy?"

Answer: I can give you a remedy that I am sure will cure you and one that is absolutely harmless and pleasant to take. Make a syrup with one pint of granulated sugar and one-half pint of boiling water, put on the fire and let it come to a boil, then add the contents of a 50 cent bottle of essence mentha-lavandula, which you can purchase at any drug store, and you will have a pint of the finest cough syrup on the market today. It is about eight times cheaper than ordinary sweetened medicines and will last much longer.

"Mrs. M." writes: "I have a very severe case of sore throat. My blood is bad and my stomach and bowels are affected. I would like a cure as I suffer greatly."

Answer: I would advise the following local treatment: obtain 1 oz. aniseeds, 1/2 oz. powder, to a half teaspoonful add one pint of warm water and from the pain of the throat pour the water through the nostrils several times a day. Mix a level teaspoonful of the Vaseline powder to one ounce of lard or vasoline and apply this lard to the nostrils as far up as possible. For internal treatment use the following: Obtain the following ingredients at any well stocked drug store, mix by shaking well: Syrup Sarsaparilla 4 oz., comp. fluid balsam 1 oz., fluid extract hacha 1 oz. Take one teaspoonful four times a day.

"X. Y. Z." writes: "My hair is harsh and dead looking and my scalp is covered with dandruff. Can you help me?"

Answer: Get a 4 oz. jar of plain yellow mineral and use it regularly and your hair will become soft and fluffy and it will bring back the intense natural color to the hair; your dandruff will be cured and you will be rewarded with a healthy growth of hair.

"Mrs. G." writes: "I want something to increase my weight about 15 or 20 pounds. My stomach is thin, watery and I have a pale complexion. Doctors say I am anemic."

Answer: Probably your assimilative functions are impaired and anemia is the result. I would advise that you begin taking three grain hypophosphite tablets at once and continue until your body is re-vitalized with red and white corpuscles. These tablets aid digestion, cause the blood to assimilate the fat elements in food, thus giving color, weight and strength to the abnormally thin.

"Tom K." writes: "I have been unable to work for some weeks on account of rheumatism. What would you advise?"

Answer: Get the following and I am sure you will soon be back at your work again. Mix the following at home and take a teaspoonful at meal times and at bedtime: Juice of potassium, 3 drams; sodium salicylate, 1 dram; wine of colchicum, 1/2 ounce; comp. essence cardoli, 1 oz., 1 day.

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