

How Is It With Europe?

How far is Europe from financial and social bankruptcy?

A summary of facts gathered first hand by Henry P. Davison.

HOW far is Europe from financial and social bankruptcy? is a question of vital importance to all the world. Herewith is a concrete summary of facts of great value on this question, gathered at first hand by Henry P. Davison. Concerning these facts and the man who gathered them Rowland Thomas in the New York Sunday World makes this statement:

At this time Mr. H. P. Davison, partner in the firm of J. P. Morgan, seems more thoroughly qualified than any other person in America to express an authoritative opinion on conditions in Europe.

He has an extremely keen, clear mind. He is a man of the largest affairs, accustomed by many years of business experience to grasp the essential details of complex situations. And on top of his unusual personal qualifications as a trustworthy observer and reporter, he has just, through his position as head of an international organization, had put in his possession the latest and completest mass of information obtainable anywhere.

He is chairman of the board of governors and therefore ex-officio head of the League of Red Cross societies which comprises all the Red Cross societies in the world except those of the central powers, and has just returned from the first conference of this organization, held in Geneva.

At this conference the European situation was the main object of consideration, and to give a basis for discussion and action, experts were brought in from the field all over Europe and their first-hand reports were received and examined. The result was the composite picture of post-war Europe in the winter and spring of 1920 which Mr. Davison holds in his mind.

By fixed rule, Mr. Davison does not give interviews to individual representatives of the press, nor write signed statements for individual papers. He has not broken his rule in this instance. This is not an interview. But when his unique position as a source of information was pressed on his attention, he granted the Sunday World access to his data, and what follows may be taken as a substantially accurate and complete statement of the facts as he sees them. Its significance can therefore hardly be overemphasized.

"The catastrophe," wrote Mr. Balfour, chairman of the Council of the League of Nations, to the Red Cross conference at Geneva, "is of unexampled magnitude," and in the same communication referred to "the horrors with which we are faced," and stated they had reached "appalling proportions."

These are very strong expressions, coming from a personage of such standing. They indicate a recognition of disaster.

Is there any hope of setting matters right? Can Europe "come back"? Or is she bankrupt? The present summary of known facts will be an attempt to indicate an answer to that question.

At the outset it is necessary to clarify the situation by making certain distinctions. Europe stretches over 3,500,000 square miles. Its people number 400,000,000, more than a quarter of the globe's estimated population. Furthermore, at present Europe as a unit is non-existent, if it ever existed. It has been split by the war into various groupings, in which conditions widely differ.

The neutrals, unravaged Spain, Switzerland, Denmark, Norway and Sweden, with over 40,000,000 population, constitute one group. Defeated Germany and Austria form another. Russia is a third. The "Big Four" of the European allies—England, France Italy and Belgium—are another. And the less stabilized countries of the central and eastern regions are a fifth. Between these groups conditions vary greatly, and this must be kept in mind in considering whether Europe is solvent or bankrupt.

About our principal allies in the west there is no question. They are strongly going concerns still, and, despite their own distress, are doing their best to pull their neighbors out of the Slough of Despond. The French peasant is working, and the French artisan, despite a sad need of raw materials, has not lost his habit of industry and thrift. The encouraging fact about France today is that her people are fully alive to the seriousness of her problem and are going forward bravely to solve it.

Italy, too, despite her great shortage of raw material, is looking forward, not backward, led by one of the great men produced by the war, Mr. Nitti. He is a truly wise statesman, and under his leadership Italy can be relied on to do her part by herself and her neighbors. Belgium, as might have been expected, is strongly on the mend, and England is meeting her problems of reconstruction with quiet courage and sturdy common sense. She is doing each day's work, and at the same time rendering all assistance her resources will permit to the countries on the continent.

Belgium and France and Italy and England are asking no charity of the United States. Their peoples are as proud as we are—eager as we are to work out their own national destinies and carry on their own businesses. They seek only the opportunity to regain their economic strength. And these countries have a population of 125,000,000. Combining them with the 40,000,000 neutrals, it appears that about a third of the people of Europe could not be referred to as bankrupt. Some of them are in serious difficulties, but they have plenty of hope left, as well as energy, for the tasks of reconstruction.

This distinction drawn, and it being understood that Germany, because her problems are so peculiar to herself, is left out of the discussion, it is not too much to say that in all the rest of Europe—excepting, possibly, Russia, about which reports are conflicting—civilization has broken down. For something like 200,000,000 people, disease, bereavement and suffering are present in practically every household, while food and



Henry P. Davison

clothing are insufficient to make life tolerable. Particularly in the broad belt lying between the Baltic and the Black seas there is appalling misery. This great area includes the new Baltic states, Poland, Czechoslovakia, Ukraine, Austria, Hungary, Roumania, Montenegro, Albania and Serbia, to say nothing of Russia eastward and Armenia to the south. In all that region there is almost complete paralysis of national life and industry.

All that part of Europe has today a tremendous number of idle people. Many of them want to work. But there is a great shortage of raw materials with which to work, and the import-export situation seems all but hopeless. Such has been the output of paper money and so much greater is the need of imports than the possibility of exports under existing conditions that these countries have nothing, either money or goods, with which to purchase from outside what they need to sustain life itself, to say nothing of supplies for the revival of industry. They totter on the brink of utter ruin, from which nothing but a helping hand can save them.

The depreciation in the currencies of some of these countries, as valued in dollars, is unbelievable. According to market quotations of April 10, it ran as follows:

Austria97.53%
Hungary97.48%
Germany92.32%
Greece43.20%
Roumania91.81%
Poland97.98%
Czecho-Slovakia92.78%

In other words, if the peoples of these countries tried to buy materials and supplies in America at the present market values of their currencies, Austria would have to pay approximately 40 times the normal cost, Germany 13 times, Greece just double, Czechoslovakia 14 times and Poland 50.

These figures are official and are the only index which can briefly give any comprehension of the economic conditions inside these countries. Their currencies are depreciated because they have neither gold nor sufficient production with which to maintain their normal position with the United States or with their immediate neighbors. Until each such country is able to produce sufficient to maintain itself, either from within or by importing in exchange for gold or goods, it cannot hope for normal conditions, if indeed it can hope to survive. There is nothing difficult of comprehension about the situation. Somewhere, somehow, some time, these countries must become possessed of food, clothing, raw materials and the means of transporting them, or they must perish. Economically and politically, they are crippled to a point threatening complete paralysis, while at the same time the people are ravaged by destitution and disease. The inroads of the latter on the war-worn and undernourished population has reached the proportions which Mr. Balfour called "appalling."

Men, women and children are dying by thousands, and over vast once civilized areas there are neither medical appliances nor medical skill sufficient to cope with the sanitary crisis.

In the Ukraine, winter of 1918-19, typhus and influenza affected most of the population. In villages of 2,000 and 3,000 half the people would be ill of typhus at the same time. Many physicians attended a territory 40 miles in diameter. Some who had 20,000 to 30,000 typhus patients could get no medical supplies whatsoever, and could give only oral encouragement to their sick. And this year the condition is even worse. Pauperism is becoming more and more intense. Prices have advanced steadily.

In Austria, according to a report dated February 12, there were in Vienna rations for three weeks. People were apathetic, fatalistic and tired, and there was an epidemic of dancing. One dance was attended by 4,000 people, half of whom had had no dinners. Refusing to go home, they danced until exhausted. One hundred thousand school children were underfed and diseased as a result of food shortage, lack of fuel and inadequate hospital facilities. Crime was increasing among the child population, hunger sometimes driving little boys to attempts at murder. The

population of Vienna was literally famished. The general death rate had increased 46 per cent since 1913, and the death rate from tuberculosis 250 per cent. Many children of one year had not surpassed their weight at birth. The middle class, living on salaries, were selling their belongings to buy even the government ration. One meal for one person cost 6 kronen at the municipal kitchens, while the salary of a professor was 77 kronen a month. An overcoat cost three months' salary of a court justice, and a second-hand Renault automobile sold for an amount equal to 17 years' salary of the chancellor.

The following is taken from a communication from Sir William Goode, British director of relief:

"All official and other reports which reach me give no hope of improvement in the situation in Central and Eastern Europe. The misery of the outlook in many parts, particularly in Austria, Poland and Armenia, is worse than ever. * * * The marshalled charity of the world, government and unofficial, will not alone heal the disease from which Europe is suffering. Increased production and the restoration of economic order out of political and economic chaos are the only solutions of the problem that now defies the ingenuity of those who face it."

Such is the picture of conditions in the spring of this year of our Lord 1920—according to the information gathered by Mr. Davison during a two months' stay overseas, where he joined in conference with representatives of 27 nations.

How is that aid to be rendered? A week ago last night, at a dinner given to him at the Waldorf-Astoria hotel, Mr. Davison spoke at length of conditions as he had found them, and indicated what seemed to him the only possible courses of remedial action. To quote from portions of his speech:

"Any voluntary aid, to become effective, can only follow the provision of such essentials as food, clothes, and transportation, which must be given if the peoples are to live and be restored to a condition of self-support, and the need of which is so vast that it cannot be given by voluntary organizations, but must be supplied by governments. Upon assurance from the league of nations that food, clothing and transportation will be supplied by governments, the League of Red Cross societies shall at once formulate plans for the immediate extension of voluntary relief within the affected districts, appealing to the peoples of the world, through the Red Cross organizations, for doctors, nurses and other necessary personnel, medical supplies, diet foodstuffs, and such money as may be required. * * *

"We are going to find out that we can no more escape the influence of the European situation of today than we were able to escape the war itself. You cannot have one-half of the world starving and the other half eating. We must help put Europe on its feet or we must participate in Europe's misery. * * * We find ourselves the only country possessed of many of the supplies which Europe needs and which cannot be purchased or given in sufficient volume on credit. As a nation we should at once arrange to place within the reach of those peoples that which they need to save them and start them on their way to recovery. * * * The situation has developed so far and so seriously that there is no possibility of its being met in any other way. * * *

"I have always been an optimistic American, because of my supreme confidence in the ultimate judgment of the American public upon any question, submitted to them. I believe that as soon as we realize the truth and effect of such statements as I have made, we will take steps worthy of the traditions of the American people. Therefore the responsibility upon everyone of us is to do whatever may be in our power to the end that the American people may have a clear understanding of what it all means, that they may the sooner declare themselves. * * * Not until the prior and fundamental step is taken of furnishing by government action the necessary essentials, food, clothing and transport, will we, the American people, properly have established ourselves among the peoples of the world and be in a position to leave a creditable heritage to those who are to come after."

Carlsbad Now Karlovy Vary



Scene in Karlovy Vary.

WHEN EUROPE'S best advertised health resort awoke one morning to find its postoffice changed from Carlsbad, Austria, to Karlovy Vary, Czechoslovakia, the mental shock to the German inhabitants must have been somewhat like the occasional explosions of its hidden wells, from which its famous mineral waters come, says a bulletin of the National Geographic society.

Though it is located in Bohemia, the Englishman had introduced afternoon tea, and the American had made tennis popular, but the 17,000 permanent residents, who remained in Carlsbad after the annual influx of some 70,000 visitors, were essentially German, and Karlovy Vary remains so, according to the press reports.

Hence it is easy to understand how this island of Germans, under Czech rule, approached a political boiling point. Dispatches told of open display of Emperor Franz Joseph's portrait, and of the refusal of the native sons, who live by means of the saline waters and salt derivatives, to call Carlsbad by any other name.

Discovered by Charles IV. Traditions had it, and the inhabitants preferred to believe, that Emperor Charles IV. discovered the healing power of the waters that gush through the vents of the mammoth lull that nature clapped down over a seething caldron far beneath the surface.

Atop this vast subterranean lake of molten mineral and hissing steam a river, the Tepel, flows lazily down a narrow valley whose slopes are softened by winding trails and paths. Among these, some physicians intimate, the health hunters gained the rosy cheeks and buoyant spirits for which the springs receive overmuch credit.

It is just before the Tepel enters the Eger that the underground streams pierce the crust at numerous points, and furnish the waters used for bathing and drinking by those who could afford to go there; and either bottled or boiled down by the millions of gallons, for its salt and soda content, and shipped to all quarters of the globe.

During the season at pre-war Carlsbad the guest at any of the numerous hotels would be awakened at 6 o'clock, or even earlier, and would arise to join the procession toward the springs. At a popular one, such as the Sprudel, from which flow 440 gallons of water a minute, at a temperature of 163 degrees, Fahr., he might have to wait 15 or 20 minutes until a whitecapped maid served him. For his protection, large glass covers were erected over many of the springs, and from an air-plane Carlsbad might resemble a field of conservatories.

But to linger too long among the springs of Carlsbad is to miss its history. Here there is a grim sort of symbolism. For it was here, just 100 years ago last August, that Metternich plotted to clamp down the lid upon free speech, free press, and untrammeled teaching in the German states.

Origin of the "Carlsbad Decrees." There were signs that liberal agitation among Germans was reaching the boiling point. Autocracy was threatened. Prince Metternich of Austria arranged to have sympathetic representation from Austria, Prussia, and seven other states of the German confederation at Carlsbad, and then called them together in a hurry, under pretext of need for summary action.

Out of the conference came the famous "Carlsbad Decrees," and there can be little doubt but that the tinder for the world explosion in 1914 was kindled at Carlsbad. There was formulated the policy, later carried to a relentless conclusion by the German empire, of press censorship, of state regulation of teaching in universities and all other schools, and a commission was created to inquire into utterances opposed to the monarchical principle which every German state was pledged to maintain.

Only sixteen years before Metternich conceived this method of political repression, Carlsbad was nearly blown up by the forces beneath the crusted surface. Now, to quote a traveler, "The most dangerous portions are firmly battened down, under solid masonry, held together with iron and steel,

while the rest of this Metternichian policy of repression is modified by the modern idea of providing safety valves, through which rise the springs."

Capitalizing the mineral waters was the principal industry, but not the only one, of Carlsbad. In the vicinity were porcelain works, and the shopper of the days when the wealth and fashion of three continents gathered there might purchase Bohemian glass and beautiful trinkets of many kinds, representing the Czech handicraft.

MOJRN OVER LOST CHANCES

Few Who Do Not Claim to Have Had Great Opportunities, and Lost Them.

In an article in People's Magazine Hugh S. Fullerton tells of millions of dollars' worth of ideas running to waste.

"I'd rather have the idea I failed to follow up than the ones I made my money out of."

That was said to me by a man who ranks among the wealthiest in the country and who is credited, among his associates, with almost supernatural wisdom in evolving ideas and seeing their possibilities.

"Every man had one or more big chances to get to the top," he continued. "If you don't believe that, just get into any crowd of men, tell some yarn of an opportunity that you had, and overlooked, and then listen to them. Chances are every one of them will have a better story of lost opportunity than you told, and nine out of ten of them will tell a wonderful story of how some other man stole their great ideas and got rich or famous from them. Examine into these stories and you will find, in the majority of cases, that the man who claims to have originated the idea did not do it at all, that he did not see the possibilities of it, or that, even if he did, he was not smart enough or lacked the initiative to follow it up."

There are more chances for men to get rich now than there ever were before in the history of the world, and more big chances being overlooked. Whether it is because men lack faith in themselves or because they prefer a humming bird in the hand to an eagle in the air, I don't know. They seem to think a man must be a super-genius or a great inventor."

I reminded him that he had a reputation as an originator, as an inventor and genius, in addition to being a successful organizer.

"Bunk," he asserted. "I do not claim to have originated anything. My success has been due to seeing the possibilities of an idea and working out the details so as to apply the idea to practical business. Probably a thousand men thought of the same things I did before I was born, and did not develop them. Some of my most successful ideas probably were talked over and dreamed over by hundreds who failed to work them out practically."

Insect Idiot. Scientists tell that when a grasshopper catapults his corporate self into space by the propulsive power of his hinged hopping poles he has no idea where he is going to light. It may be in the lake or the brush fire or the kerosene can or the pansy bed; it is all the same to him. Examine his countenance. He looks the perfect fool: At the top of the head two bulging eyes as expressive as the eye of a dead carp; and below this is a nose like a wooden plowshare. This is all. There is no forehead, no brain and no room for one. The grasshopper, we find, is an insect idiot. The best he ever did was to keep out from under the foot of his betters.—Minneapolis Journal.

Big Devil Fish. Four members of the Miami aquarium association recently went on a fishing trip in the Bahamas and caught a 3,000-pound devil fish.

Citizen's First Duty. The citizen is the servant of the state, and is bound to use all his endowments for the common good.—Bishop Westcott.