

# Franc Will Hit Toboggan, Claim of Authorities

Drop Not Expected to Go Below Value of German Mark — Inflation Loses Glimmer.

By MARK SULLIVAN.  
New York, July 28.—I arrived on German soil (at the city of Cologne) in the morning. I handed my two bags out through the window (as is the custom in Europe) to a porter. Then I joined the porter at the door of the car. He asked me "Where to?" I said: "To the Dom hotel." He said: "I will carry them." So I took no taxi, but walked to the hotel, with the porter carrying the two bags. At the hotel I asked the clerk how much I should pay the porter who had carried my two bags a distance the equivalent of about two American city blocks. The clerk said: "Oh, give him 5,000 or 10,000 marks." I gave him 10,000 marks. Later in the day, when I was getting my bearings about the value of German money, I learned that 10,000 marks is worth between 6 and 7 cents. In any large American city the reasonable cost of that service would have been at least 25 cents, and in many cities 50 cents.

Fontenelle Service for 4 Bits.  
Then I had breakfast. The bill was 33,000 marks. In the confusion attending dealings in such large figures I could not make out for a moment whether it was 33,000 marks or 133,000 marks. But it was 33,000, and that was the equivalent of about 19 cents. For that I had ham and eggs, chocolate, bread, butter and jam. The hotel in which that happened was the leading one in Cologne—equivalent, we say, to any of the St. Charles hotels in Cleveland or Detroit, or the Fontenelle in Omaha, or the St. Francis in San Francisco or the Claypool in Indianapolis. My room with bath in this hotel, clean and fresh and well kept, as everything German is, cost me 80,000 marks a day, almost 50 cents.

Oddly and perhaps characteristic of the two countries, the piece of German money which is worth about half a cent, the 1,000-mark bill, is made of more durable paper than the French bill that is worth 30 cents. The French paper money is the last word in filminess. It is printed on paper not much better than the best American newspaper, and inks running strongly to pale blues and pale browns, inks which seem to fade with use. Once, when William Allen White and I happened to be in Europe together, we engaged in a small financial transaction which ended in my owing him some money. As I handed him some of these various colored French notes he said: "What is that Mutt and Jeff colored Sunday supplement stuff you are trying to pay your debt with?"

Money More Artistic.  
And yet, while the flimsy paper of the French money may suggest the American Sunday supplement, the artistic quality does not. The French money before it becomes faded and muddled up is really beautiful in design. The German notes, perhaps characteristically, are less delicately beautiful, but quite durable. A German 1,000-mark note, worth less than 1 cent, might last as long as an American dollar bill.  
The cynical say the French make their money beautiful to look at in order to divert the mind of the public from the dubiousness of its essential value. The value of the French franc is under suspicion all the time. Nearly every sophisticated person expects to see the franc start on the downward toboggan almost any time. They pick up the paper each morning and look for the current value of the franc, much as an American baseball fan looks to see whether his favorite team has held its own. Ever since last January nearly every European banker you spoke to said he

couldn't see how the franc held up. It isn't that the French are printing too much money, in the way Germany has been doing. The French have not since the war ended inflated their paper currency unduly. But what the French have done is to inflate their bond issues (the equivalent of our Liberty bonds) enormously. The French government spends each year much more money than it collects in taxes, by at least about \$200,000,000 a year. Some say the deficit is much more, for it is not easy to follow all the intricacies of a national treasury is able to devise when it is spending more than it collects, and therefore has a motive for camouflaging its operations. In any event, inflating bond issues, which is the same as printing more credit francs, will have much the same result in the long run as printing more currency francs.

France to Hit Toboggan.  
France justifies that it is doing on the theory that when some of these bond issues come due France will be getting money from Germany to meet them. If ever the expectation of France getting large sums of money from Germany should come to seem vain, or if it should come to be recognized as an expectation long deferred, in that event the French franc will start toward the same end as the German mark. There is no reason why it should go so far. It ought not, in the worst eventually, go more than a fraction as far as the mark.  
But a good many well-informed persons expect it to go a part of the way. Also, when any currency starts on the downward path it is apt to develop greater momentum than the original conditions warranted. At each stage in the downward path the temptations of the government and of some commercial interests is to give it another shove. At each stage the hard thing is to stabilize, or try to go backward; the easy thing and the tempting thing is to inflate some more.

So long as the inflation is continuing and active it is, to considerable elements of the population, a joy ride. To the savers of the country, those who have life insurance policies, deposits in savings banks, bonds, mortgages and the like—to all these currency inflation is a tragedy, because it deprives them of everything they have. But to the spenders of a country inflation is a joy ride. And, inasmuch as the spenders are usually more numerous than the savers, inflation is generally popular until the active comes. It always makes business active, because at such a time the thing to do with money is to spend it, buy something with it. Don't put it in the bank, for it shrivels up overnight. Don't let it stay in your pocket a minute longer than it takes you to get to a shop and buy something. For that reason during inflation business is always active. It is a frightfully unhealthy activity, but the persons who realize that are not commonly many in number.

Depends on Savers.  
To the reckless and to the shrewd who manage to snatch real profit out of it, as well as to the thoughtless who for a brief while think it is profitable—to such inflation may seem like something magic. But there's no real magic in it. All it means is that you take all the money the savers among the people have got together over a period of generations and you divide it up among the spenders. Essentially that is what inflation is. The spenders spend it, and then it's gone.  
As soon as it is gone there is nothing to do but begin at the bottom and start once more on the slow and painful business of living on what you earn. The temperamental savers among the people start once more their habit of living on a little less than they earn. Out of what they save the country must slowly build up again the store of accumulated savings on which the civilization of any country must rest.  
That is, roughly, what inflation is. For purposes of brevity it is stated in generalizations, to which a more exact statement would make some qualifications. When it is said that everything the savers have is taken away from them the reference is only to those savers who have put their savings in banks, in life insurance, in annuities, in bonds and mortgages. There is one type of saver who in the beginning seems not to be affected so disastrously.  
The saver who has put his money in houses, buildings and land seems

at first not only to be immune from the disasters of inflation, but actually to be a beneficiary of it. As the value of the unit of currency goes down the quoted value of the land goes up. If there is a mortgage on the land it can be paid off with a song. But toward the end of the process the owner of houses and lands ceases to be immune. In Cologne the other day a house was sold which 10 years ago was worth \$15,000 in American money. The sale price the other day was the equivalent of \$681 in American money. Germany is now at the point where the tragedy of inflation is finally catching up with every element of the population except the comparatively small number of the shrewd who have put their profit into dollars and hidden them away in New York or elsewhere. And it is doubtful if even that small class will be able to hold on to all their gains.

Living Cost Cheaper.  
Germany is the one country in Europe, so far as the present writer has traveled, where the cost of living is conspicuously low. In France and in England the cost of living—to a traveler, certainly—is as high as in America. Doubtless to those who know the country well enough to be able to practice economy and in the country districts distant from the large cities the cost of living in England and France may be some little less than it is under corresponding conditions in America. But, broadly speaking, no American need go to France or England with the expectation of living less expensively than he can under corresponding conditions in America.  
But in Germany, as I said in the beginning, the cost of living is conspicuously low. It won't stay so low as it now is. It appears to be a law of the conditions accompanying currency inflation that when the value of the mark is going down rapidly it takes some time for the cost of living to adjust itself, and so long as the descent of the mark continues the cost of living is low. But so soon as the mark reaches whatever is to be its end and so soon as the currency is stabilized on a new basis the cost of living will go up somewhat. But even after that has happened the cost of living in Germany will still be low, relatively to America.

New Plan Inaugurated to Cut Freight Losses.  
A new plan of supervision which is designed to eliminate much of the freight loss and damage claims on the Rock Island railroad has just been put into effect by W. T. Dickinson, general solicitor for that railroad. Among the features of the plan will be the distribution of text books to all trainmen and agents with respect to proper handling of freight in transit.  
A soiled clothesline can be wrapped around the washboard and thoroughly scrubbed with a brush and hot soap suds.

Low Standard to Continue.  
In Germany for a generation or more to come the cost of living will be low. It will be low because the standard of living will be low. It will be especially low if Germany is made to pay large reparations. Whatever reparations Germany pays must be paid in the long run by the workers.  
One is impressed again and again with how small, after all, is the number who even seem to get an advantage out of inflation. There was a time when the workers of Germany, through the sheer intoxication of high figures—the unaccustomed handling of thousands of marks—thought there was a happy magic in it all. But long ago the workers began to feel the real effects. When I pay a porter the equivalent of 7 cents for half an hour's work it may seem a low cost of living to me, but one wonders what the porter and all the other wage earners must think about their cost of living.  
In Cologne a young British army officer told me the wages of his maid—all work for the month of June was 60,000 marks. That was the equivalent of about 40 cents a month. It was a low cost of living for the employer, but one wonders how the maid, who was a happy magic in the transaction gets along. If by any malevolent chance we should have any suggestion of cheap money in America in the presidential campaign next year, if we should be threatened by infection from these European countries, one hopes the wage worker will not be fooled.  
In the congressional campaign in New Jersey last fall Congressman Acker, in running for re-election, had an impressive device for demonstrating from the platform the fallacy of cheap money. He had a letter sent from Russia to America. The Russian sender in paying the postage on the letter had to use so many ruble stamps that they were folded together like accordion pleating. Congressman Acker used to take one end of a big sheet of note stamps and get some one standing 19 feet away to hold the other. The use of so many rubles to pay the postage on a single letter was reinforced in its lesson on the true essence of what inflation does by the fact that the enclosed letter was an appeal for help from a Russian who could not get enough to eat.

Omaha Contractor Works Three Jobs  
Construction on an addition to the Schuitze Baking company plant at 2200 Leavenworth street is to start Monday.  
The American Construction company of Omaha, of which W. Boyd Jones is president, has the contract for the addition which will cost \$30,000 and will include a new storage warehouse, platforms and ovens.  
The American Bible society has circulated 1,987,326 Bibles in China. The volumes are in 16 languages and dialects of the country and in eight foreign tongues.

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## Thompson, Belden & Co.



Advance Showing of Fall Millinery  
\$7.50 \$10 \$12.50  
CHARMING new creations that are predestined to be favored by the miss, matron or the most stylish lady for early wear. Authentic styles in satin, taffeta, duvetyne, Lyons and Panne velvet and the newest combinations in the very newest colors.

Fourth Floor

## Thompson, Belden & Co.

### Final Clearance

50 Silk Dresses \$25.00  
Greatly Reduced  
Lovely afternoon frocks and sport dresses, distinctive in styling and beautifully ornamented. All have been much higher priced and while they are late spring and summer frocks, they are the type and color to be worn the year around.  
Third Floor

### Silk Hose 1/2 Price

White Silk Hose  
With Embroidered Clocks  
All of our finest white silk hose with hand-embroidered clocks in bright sweater shades at one-half price.  
MONTH END SALES

### Women's White Silk Hose

With Handsome Lace Motifs  
All of our white silk hose with handsome reproductions of hand-made Belgian lace motifs at one-half price. Exquisite hosiery for the bride.  
Infants' and Children's  
Half and Three-Quarter Hose 1/2 Price  
Main Floor

### Wash Goods Reduced

Zephyr Ginghams 29c a yard  
Renfrew and other good brands in pretty checks, broken plaids and plain shades, 32-inch.  
MONTH END SALES

### Dotted Marquisette 39c a yard

An excellent quality in sheer white marquisette for curtains, 36 inches wide.  
Cretonne 39c a yard  
Attractive small patterns suitable for aprons, applique work or comforts, 36 inches wide.  
Second Floor

### Sale of Footwear

Pumps and Oxfords Now \$6.95  
Smart styles for street or dress, including black and brown kid oxfords with welt soles and military heels. Strap slippers in brown kid, patent, brown and black suede; also patent pumps with sand quarters.  
MONTH END SALES

### Novelty Footwear \$7.95

Cutout sandals in the newest colorings—red, tan, green and gray trimmed with patent.  
Main Floor

### Handbags Reduced 20%

Leather and Silk Bags  
This reduction applies to all handbags over \$3.50. Included are hand-tooled leather bags in the soft shades of brown. Beaver calf in brown and gray. Black pin seal and patent leather bags. Silk bags in brown, tan or black and a few silk beaded bags in tan and gray.  
MONTH END SALES  
All purchases charged during this sale will appear on September 1 statements.  
Main Floor

## Something New In Schmoller & Mueller Phonographs

\$100 and up

We have just received a carload of CONSOLE model PHONOGRAPHS, our own make, in Colonial, Queen Anne, Italian, Louis XIV, William and Mary and Adams designs.

Five Dollars Down Sends One to Your Home

Your choice is limited only by the amount you desire to pay, but there is sure to be one in this big shipment you will want for your own.

Remember, Schmoller & Mueller sweet-toned Console Phonographs are being sold in every state in the Union and are FULLY GUARANTEED. They are sold direct from factory to home, so you have a saving of \$100 or more when you purchase from us. See these wonderful values and compare them elsewhere. Your old phonograph accepted as a substantial part payment, and convenient terms arranged on the balance.

IF YOU LIVE OUTSIDE OF OMAHA WRITE FOR PRICES AND TERMS

## Schmoller & Mueller Piano Co.

NEBRASKA'S OLDEST & LARGEST MUSIC HOUSE  
154-16-18 Dodge St. - - - Omaha

# Thompson, Belden & Co.

## August Fur Sale

Begins Monday, July 30

### Savings of 20% to 33 1/3%

Why Buy Furs in August?  
Because --  
The first garments of the season are always made of the softest, primest skins. They are worked slowly and carefully before the rush is on. Early showings contain models that are not duplicated later. New fur styles call for a tremendous number of pelts, causing prices to advance every day. And you further obtain the benefit of special August terms and privileges.

<b>Hudson Seal Coats \$395</b> Luxury as well as warmth is personified in these superfine creations. Novel designs in the collars and cuffs of Kolinsky, Viatka or Natural Squirrel, Marten (skunk) and self. 40 to 50-inch lengths.	<b>Hudson Seal Coats \$275</b> The fine quality of skins in these luxurious Hudson Seal (died muskrat) coats make them one of our big features. Collars and new Bishop cuffs of finest marten (skunk.) 45-inch models, beautifully lined.	<b>French Seal Coats \$125</b> Stunning models of French Seal (died coney) in novel reverse stripes with panel sides. Four styles to select from in 45 to 50-inch models.
<b>Small Furs and Chokers</b> Natural Mink, \$15.00. Hudson Bay Sable, \$45. Baum Marten, \$22.50. Natural Squirrel, \$10.00. Stone Marten, \$24.50. Brown Marten Opossum, \$8.50. Brown Foxes, \$24.50.	<b>Natural Muskrat Coats \$125</b> Finest dark skins are strikingly effective in these novel creations in this most popular fur. Attractively lined 45 to 48-inch models.	<b>Caracul Coats \$450</b> Beige Caracul Coats in wrap around style, with squirrel collar and wide Jenny sleeve. Very luxurious. 48-inch length.
<b>Terms of the Sale</b> Any garment may be selected on payment of 1/4 Deposit and the balance to be paid November 1. You take no risk. Free storage will be provided on any garment you select until you are ready to wear it.	<b>Sealine Coats \$165</b> Six styles to select from in the finest quality of Sealine (died coney.) Striking models in 48 to 50-inch lengths. Fur Shop—Third Floor	<b>Scotch Mole Coats \$395</b> Ultra-smart models in 48 and 50-inch length with novel side closing with ornament fastening. Collar and cuffs of fine Taupe Fox.

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