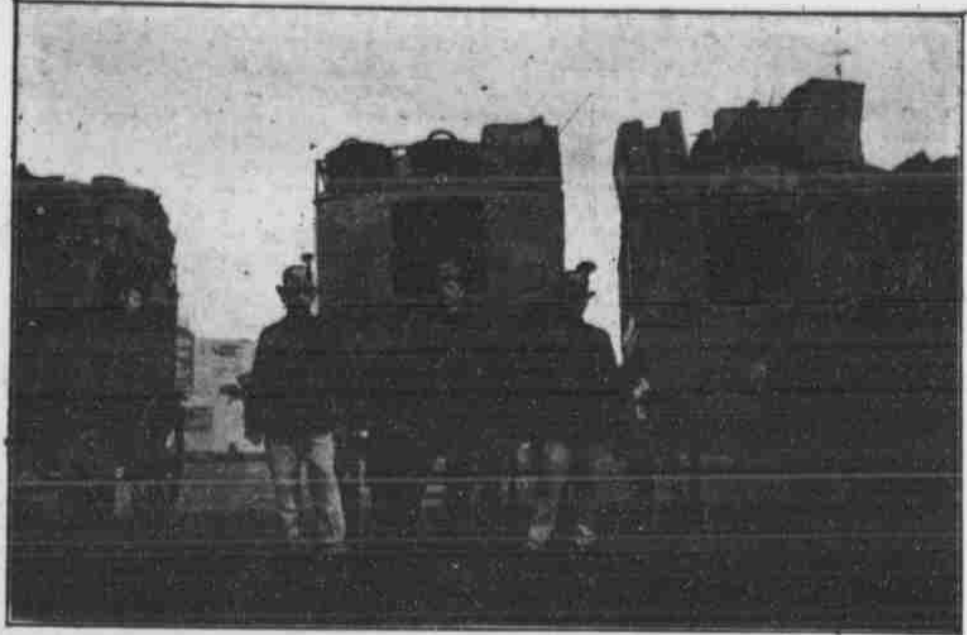


How German Municipalities Lend Money



THE BOOK EXCHANGE LEIPZIG.



EXPRESS SERVICE OF THE GERMAN POSTOFFICE.

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LEIPZIG, May 13.—(Special Correspondence of The Bee.)—I spent this morning in a pawnbroker's shop. It belongs to the city of Leipzig and it loans out hundreds of thousands of dollars a year. It has a capital of less than \$100,000, but it borrows money from the City Savings bank at 2½ per cent interest and charges about 8 per cent to its customers who bring as security watches, clocks, furniture, old clothes and everything under the sun. Last year it made about 200,000 loans, which on the average would be more than one for every family in Leipzig.

I spent some time watching the pawnbrokers take in the goods and give out the money. The loaning room is large and divided in half by counters. On one side are the pawnbroking clerks and on the other, at the time of my visit, were about 200 men, women and children, each holding a bundle waiting to get money upon it. They were lined up like the single file before a theater window at an opening night. Each dickered with the clerks, trying to get the most for his goods.

As the articles were placed on the counter their value was estimated by an appraiser who gave the owner a check for the amount to be loaned. He took this a little further on to the cashier, who paid out the money and gave him a ticket. Another man then took the goods and bundled them away on a shelf. The amounts were generally small, seldom more than \$1. Many were for 1, 2 or 3 marks, or 25, 50 and 75 cents. The interest charged was 2 pfennigs for each mark, or one-half cent for each 25 cents per month.

This pawnshop was established seventy-eight years ago, and since then it has loaned out millions. Its loans increase during hard times and decrease when the times are good. The institution is worked for the benefit of the people. The interest is kept down to the lowest rate and the articles are so valued that practically nothing is lost. The most of the articles are redeemed, less than 10 per cent being left for sale at auction.

The auction was going on in another room during my stay, and I went in to watch it. The room was filled with bidders, and the auctioneer knocked the goods off without delay. I noticed that they sold for a little bit more than their valuation. A clock which was marked \$2.50 sold for \$3 and other things in proportion.

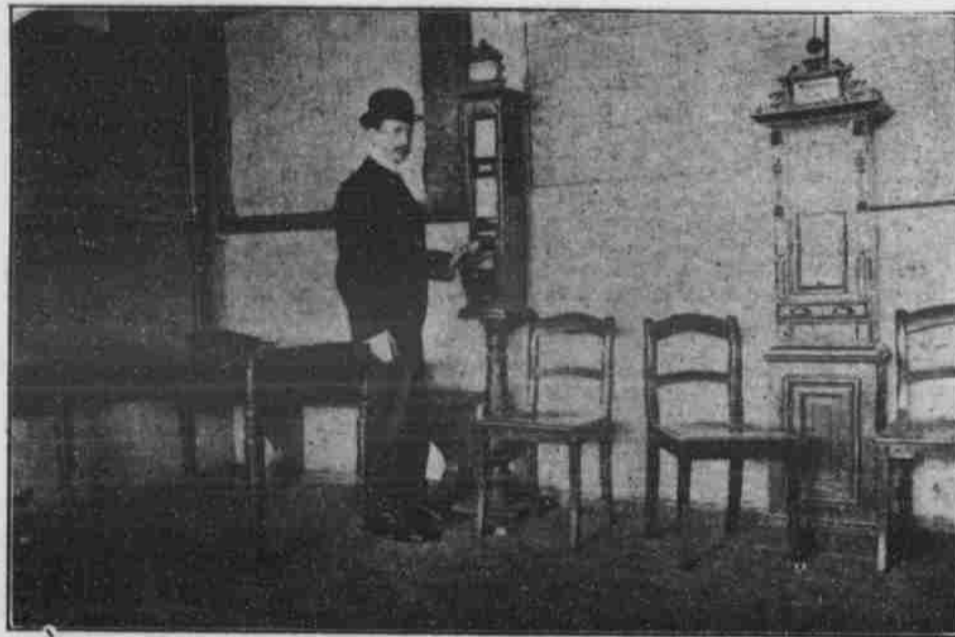
This pawnbroking shop is connected with the City Savings bank, which has deposits amounting to about \$17,000,000 and now deposits of something like \$3,000,000 a year. It pays about 3 per cent interest, and loans its money out for 2½ per cent and upward, the pawnbroking branch paying 3½ per cent.

The bank is not run to make money, but in the interests of the people. It has now about 180,000 depositors, and of these more than 70,000 have deposits of less than \$15, 25,000 have between \$15 and \$25 and only 55,000 more than \$42.

Much of the depositing is done by means of stamps. A man can buy a stamp for 10 pfennigs, or less than 2½ cents, and deposit this in the penny savings bank. Such stamps are saved until they amount to a mark or more, when they are deposited. There are stamp offices all over the city, and one can put away his small change into the savings bank almost as easily as into the beer saloon.

Such savings banks are to be found in nearly all cities of Germany. That of Berlin has about 100 different branches; its depositors number more than 600,000 and the deposits are about \$50,000,000. Dresden has almost half as much in its savings bank, and there are a number of other German cities which have as much as \$20,000,000 each.

In addition to these city banks there are private savings banks, which are to a certain extent under the supervision of the government. In these the deposits are limited by law to 5,000 marks, and the



MR. CARPENTER BUYS A TICKET AT A "SLOTBOX."

interest rate is fixed annually by the board of directors. It is usually low, about 3 per cent. In these banks \$40 can be checked out on any one day, but a month's notice must be given for the withdrawal of more than that sum up to 1,000 marks, and six months' notice for larger sums.

I have written of the modern postal service of Switzerland and France. That of Germany is equally good. The government here works for the people and helps them do their business. The Postoffice department forwards all kinds of express, including farm produce and merchandise. There are regular wagons for such work. I see them at the stations piled high with crates and baskets. When I came into the big depot at Leipzig yesterday I heard a hen cackling and a duck quacking. By and by a rooster crowed and I looked about for a farm yard in the heart of this city of a half million people. I found it on the top of the mail wagons each of which was driven by a postman in uniform. The wagons were loaded with crates of ducks, chickens and other fowls. One box contained two white pigeons and another a dozen big turkeys. There were postage stamps on the back of the boxes, and I was told that they had been sent in from the country through the post at so much per pound. I took a photograph of the wagons, their helmeted drivers laughing as I did so.

The German states, with the exception of Bavaria and Wurtemberg, are in the imperial postal service, which is one of the largest in Europe. It has 300,000 employees and about 37,000 offices. It handles a billion copies of printed matter, a billion postal cards and about two billion letters every year, and it does it at a profit. Our Postoffice department annually runs behind that of Germany runs ahead. It gives a letter service than we do at a lower rate, and at the same time makes a profit of \$4,000,000 out of it.

Berlin, for instance, has a pneumatic tube system superior to any quick delivery system of New York. By it telegrams, letters and postal cards can be sent from one part of the city to another more quickly than by telegraph, at a cost of 6 cents a card or 7½ cents per letter. If you pay 12 cents you can have a prepaid answer. This post is called the rohr, or tube post. Its offices are distinguished by a red lamp, and are to be found in all parts of Berlin.

The telegraph and telephones of Germany belong to the government, and, consequently, their charges are lower than ours. The rate for all Germany and Austria-Hungary is 1½ cents a word, while that to Belgium, Denmark, Holland and Switzerland is only 2½ cents. You can send a dispatch to England, Norway or Italy for less than 4 cents per word, and to almost

any place in Europe for less than 5 cents.

I have spent some time here with Brainard H. Warner, jr., one of the youngest and brightest men in our consular service. He has been making an investigation of the book trade, and, through him, I am able to tell you something of the book metropolis of Europe.

Leipzig does more book handling than any other city in the world in proportion to its size. It has 800 book stores and publishing establishments. It has almost 200 different printing houses and about 9,000 publishing firms represented by agents. It has a book publishing exchange and clearing house, and its arrangements are such that books are sent out daily by the thousands from here to all parts of Germany.

There are 6,000 retail book dealers in the empire, and the book stores of Austria and German Switzerland are fed from here. All publishers have their agents at Leipzig and many keep full stocks of books on hand so that they can supply orders at an hour's notice. There is a regular system of sending out books by cheap freight and express and the agents arrange for quick delivery and make all collections. They represent the book stores, as well as the publishers, and the system is such that the publishers so represented come into direct contact with the buyers all over Germany, and by the Leipzig agency throw their books into something like 10,000 stores. About the only provision is that all books must be delivered in Leipzig free of freight charges, the book dealers expecting to pay the charge from Leipzig to their respective stores.

Some of the American firms have such agencies, and it would pay all of our publishers to appoint such representatives. I have gone through the book clearing house. It is a beautiful building thoroughly equipped for the purpose. I have also visited some of the chief publishing establishments, including the famous one of Breitkopf & Haertel. They all do good work, but in modern conveniences are far behind similar establishments in the United States.

Every one here says Germany is having hard times. It may be so, but that is not delaying public improvements. The city of Leipzig is planning a railroad station which will cost \$30,000,000, or five times as much as the new union station at Washington. There are at present about half a dozen depots. These will be done away with and this structure will be built in their place.

Dresden recently put up a railroad depot costing millions; I have already described the station at Frankfurt, which cost \$3,500,000. Berlin has a number of fine depots. Cologne has good railroad buildings, and so have almost all the cities of Germany.

The railroads here belong to the government, and they are very well managed,

though not as luxurious in their appointments as ours. The cars are after the European fashion—first, second and third class. They are divided into compartments. On the better trains there are lavatories, but an extra charge is made for the use of towel and soap. This is furnished by a penny-in-the-slot box. You put in a 10-pfennig piece and pull out a little rag and a piece of soap. The rag is too small to dry you well, and the soap is just enough for one washing.

The third-class cars have no such accommodations. Many of them are without cushioned seats. There is also a fourth-class, where most of the passengers stand up. The rates of the first-class are about the same as ours, second-class a little cheaper and third and fourth classes very low.

Speaking of slot boxes, they are to be found everywhere here and of every kind. In some of the cities you can buy tickets on the elevated railroads by dropping a German nickel, which means 2½ cents, in the slot. There are slot boxes which sell postal cards and slot restaurants where you can get anything from a thimbleful of benedictine or chartreuse to a glass of champagne or a schooner of beer, and from a chocolate cream to a slice of roast beef. The advantage of the slot machine is that it dispenses with feeling. There are no waiters and hence no fees, and this where one has to pay from 2 cents to a dime for every service, amounts to much.

The Germans appreciate small savings. The richer among them spend a great deal but they know just where the money goes and try to get the worth of it. The poor get more for their money perhaps than any other poor in Europe outside the French. They know how to prevent waste. In cooking nothing is lost. The crusts of bread and stale pieces of the loaf are kept to thicken the next day's soup and the waste paper of the poor man is kept for fuel.

German stoves are economical. They are made of porcelain and are often a yard square and from six to eight feet tall. Each stove has a series of flues, and a very little fuel suffices to warm it. Once hot it gives out a gentle heat all day, using about one-third the coal of an American base burner and nothing like that of a furnace. Every bit of coal is saved, and a great part of that now used is in the shape of briquettes or bricks made of coal dust, so tightly pressed that they are as hard as the coal itself and at the same time perfectly clean. This is a great business in Germany.

The Germans have a better system of domestic service than we have. In Leipzig and other German cities the people live in flats, so that the most of the work is confined to one floor. Every room is valuable and the servant usually has little more than a closet to sleep in. The mistress of the house knows all about housekeeping, that being a part of every German girl's education, and she watches to see that no food is wasted. The servants are seldom given the same food as the family and among some it is customary to give the hired girl an allowance of 2 or 3 cents for her supper and let her buy it outside. If there is fruit on the table it seldom goes out to the kitchen.

I am much interested in the employment agencies here. Each town has one or more such institutions supported by low charges upon employers and employees. The charge is about 12 cents for getting a servant and half that amount to the servant who wants a place. The laws provide that every servant shall have a record or pass book telling where she was born, her age and previous servitude. It must have the records of the places she has worked and the signatures of her former employers testifying to her character. The police must stamp every record showing that it is correct.

A dollar a week is a big price for a hired girl, and at one of the agencies I was told that excellent servants could be had from

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