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STOCKHOLM ROTTERDAM LUCERNE BERLIN VIENNA ZURICH

FRIDAY, OCTOBER 1, 1915.

LATEST NEWS. SHORT ITEMS OF INTEREST FROM VARIOUS SOURCES.

No Cipher Telegrams.

Sofia, Sept. 30. All messages have been taken here as in times of war. Amongst other regulations is one that cipher telegrams are not allowed.

Roumania Refuses Aid to Serbia.

Ofen, Sept. 30. The *Az Est* publishes a despatch from Sofia, in which it is stated that Bratianu has refused the aid which Serbia asked for.

British Losses.

London, Sept. 30. The latest casualty list gives the names of 24 officers and 2,194 men.

New French Loan.

Paris, Sept. 30. Preparations are being made for the flotation of a new war loan of ten milliards of francs. It is to be issued at 95.

Cadorna to Resign.

Lugano, Sept. 30. Report has it that General Cadorna will give up the command of the Italian army in favor of General Porro.

Ghenadieff in Ministry.

Sofia, Sept. 30. The leader of the Stamboulist party Ghenadieff has accepted the offer to enter the Ministry as adviser without portefeuille.

Servian Sorrow.

Lugano, Sept. 30. The *Corriere della Sera* publishes a Nisch telegram in which it is told that the mobilisation of Bulgaria is looked upon as bringing about an exceedingly critical condition for the country.

English in Denmark.

Copenhagen, Sept. 30. Strange as it may sound the *Nationaltidende* announces that the English object to the delivery of a cargo of meat which is lying at the quay here, aboard the Oskar II, until guarantee be given that the same will not be forwarded to Germany.

Dumba Recalled.

Washington, Sept. 30. The Austro-Hungarian Government has recalled its representative Dr. Dumba. The Austro-Hungarian representative will now be assured a passage home without molestation.

Troops for Macedonia.

Vienna, Sept. 30. According to news both from Paris and London, the Allies are seriously considering the matter of suspending the Gallipoli campaign for the time being, and utilising the troops they have in the Greek Islands to assist the Servians. It is said that the English are ready to land troops at Kathrin near Salonika.

Parliament Adjourned.

London, Sept. 30. In order to avoid a repetition of the undesired debates concerning conscription the Government has suddenly decided to dissolve Parliament for a couple of weeks.

A Defence Committee.

London, Sept. 30. The Premier has appointed a special commission composed of members of the Cabinet, who will become responsible for the conduct of the war. The names of the members are Asquith, Kitchener, Lloyd George, Balfour, Grey, Lansdowne, Bonar Law, and Churchill. It will be noted that the commission comprises the name of only one military man, and the navy is not represented at all.

How Long?

London, Sept. 30. The *Economist* asks how long can England stand the vast expenses of the war. The national debt at the present rate of expenditure would in two years have reached from 4,000 to 5,000 millions of pounds sterling. The entire wealth of the country stands at 15,000 millions, therefore a third of it would have been spent in the war.

Moment Not Come.

Bucharest, Sept. 30. The Premier Bratianu, speaking before a deputation of representatives of Parliament says that the Government did not share the opinion of those that the moment had come for Roumania to join in the war.

In a speech made at the opening of the Conservative Club the party leader Marghiloman said that the only right policy for the country was one of strict neutrality.

Asquith Speaks Out.

London, Sept. 30. In the House of Commons the Premier said that before long he would make a full declaration of policy. He added that the country was passing through very critical times and that all were watching with the utmost interest the outcome of the present military movements. The Premier asked the Members to refrain from touching upon the conscription question, and Lloyd George eagerly nodded approval. The advice, however, was not heeded, for a little later an acrimonious discussion concerning conscription was in full debate.

POINTS ON THE AMERICAN LOAN.

Undoubted Shyness Displayed by the Bankers of the United States. Regarding the Allies.

A HARD BARGAIN.

If the Money be Granted it will Surely be Upon Expensive Terms. Situation of the Anglo-Franco-Commission. Warnings Given.

New York, Sept. 29. To fully understand what is taking place concerning the loan which the Anglo-Franco Commission has come over here to obtain, it is necessary to have a comprehension as to "how things are worked in America."

So Many Opportunities.

The American capitalist has endless excellent opportunities of speculation at home. He cannot even deal with the full volume of his own railroad and other securities and so sends them over, and makes markets for them in London, Berlin, Paris and Holland. But the American himself deals most charily in foreign stocks and bonds. He can make much more money at home.

And so it is now, that if the Bankers take up the Anglo-Franco loan, it is merely because the order to do so is given by the all powerful ruler of the money markets of the United States, and not on account of any spontaneous desire or free wish on their own part.

Such a condition of things could only be in the United States, where, should Morgan and Kuhn Loeb join together and insist upon almost any transaction being carried out, the financial world would not dare to refuse. That was the answer given by several of the small Bankers when asked what they proposed to do.

An Unpleasant Life.

Ever since their appearance in America, the members of the Anglo-Franco Financial Commission have lived the lives of people engaged in some illicit business. They have been accompanied about in their comings and goings by Pinkerton men, they have held their meetings in the greatest privacy in places the name of which was carefully kept secret, and they have received hundreds of threatening letters menacing them with death. Therefore their position has, for honest men, not been the least pleasant.

Already it is known that if the money be forthcoming — and it probably will be — that the Allies, as in the case of their purchases of munitions of war in the United States, will have to pay exceedingly heavily for the accommodation. The profits, which in the case of an internal loan would go to the bankers at home, will now serve to fill the pockets of the American financiers. Eight million of dollars is talked of as the commission to the American bankers for the accommodation of underwriting the loan and there will be many incidental expenses besides. That sounds like an exceedingly expensive flotation. But the American is fully aware of the hard necessities which force the Commission to come over and try and save a financial position that had become well nigh hopeless, and he is utilising the same of the utmost.

Conditions Cabled.

According to a despatch received at Copenhagen from New York, the terms upon which the American Bankers are prepared to advance the money needed, have been cabled over to England and France and it therefore lies to those countries to accept the conditions offered or to leave them. It is almost certain that those conditions, however severe, will be accepted because the English and French are unable to do without America and they can only trade with America if the loan materialises, for it is the only means, as they have been told by Morgan, whereby the agio can be kept at a relatively normal level.

The terms will be 5% free of income tax. At all events so it will be called for the sake of appearances, but what with commissions and discounts for the bankers and brokers, and other expenses, and the loss of the income tax, the loan will come to England at not less than 6%.

The Western Banks.

The western banks are almost all against the loan, but they dare not raise their voices against the financial magnates of New York who have decreed that the loan must be given in order that the country may be able to continue doing business with the Allies.

Voices have been raised in many directions against the loan, and the Multi-Millionaire Ford, who offers ten millions of dollars to the cause of peace, has told that he will withdraw all his money deposited in any Bank that contributes.

A Warning.

There is also the case of the late American Consul-General to Frankfurt, Simon Hanauer, who sends a circular to every newspaper in

the United States showing the American people how both from the moral and commercial points of view it is wrong to supply the loan called for. He warns them not to enter upon a Micawber policy of rendering themselves answerable for the debts of the Allies. He points out that it is well nigh certain that three of the powers, Russia, Italy and Serbia, will be bankrupt at the end of the war and that it is most likely that England and France will for a long while give up paying in metal. He recommends his countrymen to wait till the war clouds have rolled by and in the meanwhile to use all the money and cleverness they have in developing the trade of their country abroad. And he ends up by stating that the very fact of the applications of the two greatest capitalist countries in the world, to inexperienced America, is of itself a matter which should arouse suspicion.

RUSSIAN MONEY NEEDS.

Minister of Finance Bark Appears to be Having Trouble in London. Lord Rothschild Leaves Town. England Demands Security.

Rotterdam, Sept. 30. According to advices that have reached here, the Bark mission is not progressing as favourably as the Russian government might wish. It appears that the Russian Minister of Finance was to have left London on Friday, but on Saturday was still in the Metropolis. According to what is stated, his mission up to date has failed in success and on all sides he is met with deaf ears. He has, as announced, had an audience with the King, and been received by the Premier, and then several times by the Chancellor of the Exchequer. Failing to come to satisfactory terms with the latter he, in his trouble, went back to the Premier who in turn referred him to Mr. McKenna.

Lord Rothschild has left town for some days, which rightly or wrongly is attributed to his desire to avoid the visits of the Russian Minister of Finance.

It appears that the trouble between Great Britain and Russia is that the former asks for some tangible security before granting the loan asked for and that this the Russian Minister of Finance refuses to give, and considers it an indignity to ask for such the credit of Russia, he puts it, being sufficient.

POSITION OF HOLLAND.

Under Secretary of State Zimmermann Says That Holland is not in the Least Danger from Germany. Questions of Belgium and Poland.

Rotterdam, Sept. 30. An interview with the German Under Secretary of State Zimmermann is published in the *Nieuwe Rotterdamse Courant*, sent by its Berlin Correspondent. The Under Secretary of State gives the assurance that Holland has nothing whatsoever to fear, as Germany has not the slightest intention of interfering either with the neutrality or commercial freedom of that country. He regards it as a happy omen that in Holland it is all the while becoming better understood that nothing is to be feared from Germany.

Best of Neighbors.

Said the Secretary of State: "We wish to remain as the best of neighbors with Holland. People who in Germany speak in any other sense have no political importance. In Germany the correct and proper attitude in which Holland has maintained its neutrality is fully recognised."

The Correspondent then touched upon the question of Belgium, saying that the fate of that country touched Holland very deeply.

"It is," replied Under Secretary of State Zimmermann, "not possible at the present time to state what will be the relations between Germany and Belgium when the war is over. It is a very difficult question. But a solution must be found. One thing is certain, namely that Germany must be assured against Belgium standing in the future as an advance guard for England. That we must avoid."

"You are sure that the future of Belgium will depend upon Germany?" the Correspondent asked.

"Certainly," answered the Secretary of State, "of that all of us in Germany are convinced. We will allow no conditions to be dictated to us. We will have a care that what has now taken place shall not occur again. We have thoroughly demonstrated our love of peace. We are a peace loving people. All was going well with us. What had we to gain by a war? But now we seek a peace of the kind, that will protect us from a repetition of a similar war. We will hold out until that goal has been reached."

"What will occur to Poland," said Herr von Zimmermann, "that we can no more say than about Belgium."

AN OFFENSIVE THAT FAILED.

Stupendous Effort Along a Vast Front. Artillery Display Extraordinary. Excitement in London and Paris.

GREAT EXPECTATIONS.

Only Result First Line of Germans Beaten Back in One Place. The Counter Attack.

The second Franco-English offensive movement; which was to have taken place long ago, but has only just materialised; has it is now known proved, like the previous one, a failure. It had taken months of preparation, vast stores of ammunitions had been continuously brought to the front, the greatest number of troops possible had been gathered together and a vast effort was made simultaneously along the entire line, from the North Sea to the Vosges.

It is told that Paris was waiting on the tip-top of high strung expectation, feeling sure that, when once France's "one General," took the offensive, it would be "all over" with the enemy. The faith of the French in Joffre appears to be unlimited, it is said because he is a man who is silent of nature amongst a people who are so loquacious.

Victory Assured.

The English Correspondents had been allowed to go to the front in considerable numbers, in order to see how excellent the preparations made had been, and they had one and all written to the effect, that after seeing what they had seen they could stake their reputations on it that victory was assured.

So in England likewise, expectation and hope had been aroused to a very high pitch. Kitchener does not hold the British quite so magnetically as Joffre does the French, but still, most of the English have a belief that he is well nigh infallible and that it was merely an accident that the last offensive, which ended with the attack upon Neuve Chapelle, had not succeeded, and that the coming one would surely prove decisive.

The Realisation.

With such a condition of mind existing in both countries, it is easy to understand that the realisation of the sentiment, which is rapidly dawning upon the public in France and England, that something has gone wrong, is exceedingly bitter.

The whole thing was made ever so much worse by the extraordinary news published in both capitals, telling of the severe defeat of the enemy, much exaggerated and more overdrawn in Paris than in London, but much overestimated in each.

What really took place was, that owing to the overwhelming quantity of ammunition used, there came a storm of explosives such as possibly the world had never seen before. Evidently the outcome of the factory produce of the two countries and America for months past in the form of shot and shell, was suddenly hurled at the German lines. The result can be easily understood. In most places the defending forces resisted, but in one at least the French managed to break through and forced a division back, that is to say the first line was forced. But, as one of the reports of the Allies put it, we were not able to force the second line. And, it must be remembered that the Germans have their armies arranged in three lines. So two remained intact.

Many Prisoners.

Many prisoners were taken on either side as far as can be judged in somewhat equal numbers, but of the dead, they must undoubtedly have numbered far heavier on the attacking side than on that which stood to the offensive. The losses of both the French and the English are stated to be enormous. The whole train service to the rear of the English lines in Flanders, is reported to be given over to the carrying-back of the wounded.

Since then the inevitable counter attack of the Germans has taken place, and it has already resulted in the occupation of an important strategic position hill 199. The news is not yet out either in London or Paris, but the ground is being prepared for the revelation of far worse news to an over eager public, which is told that it must not be over sanguine and that the victory is not yet conclusive and so forth. It is the old story and half truths being given out to the public.

The British Press.

The *Daily Telegraph* comes out more boldly than the rest, of the English papers and says straight out that the German front has not been broken through and it does not appear certain whether a breach was at the bottom of the plans of the Allies. Latest

events merely presage the commencement of a prodigious plan of campaign.

The *Daily Mail* says that the next twenty four hours will tell whether it will the offensive has been a grand success or a new period of set back, as was the case after Neuve Chapelle. Five thousand recruits are needed daily.

The military correspondent of the *Times* says that it would have been better to have waited awhile longer, in order to allow the plans of Lloyd George to fructify, but the necessities of Russia were such that immediate action had become necessary.

Simultaneously comes the news of the failure of the plans of General Iwanow upon which such great hopes had been built up by the Russians and his retreat from Volhynia, which is being carried out in great haste leaving the one weak spot in the eastern front once more strengthened and the enemy beaten back.

THE GREAT BATTLE.

Fierce Fighting in the Champagne District. Alternating Successes and Losses on Both Sides.

The official German report gives it that the effort to break through by the French has only been pursued in the Champagne district.

South of the Menin-Ypres road two English positions have been blown up.

North of Loos the counter attack proceeds slowly forward. South East of Souchez the French were able to enter the German lines at two small points. A French attack South of Arras was repulsed with ease.

Between Reims and the Argennes bitter fighting continues.

South of Ste. Marie-a-Pybrach the enemy broke through the first line and reaching the reserves were driven back leaving 800 prisoners. All attack between Somme Py-Souain and St. Menhould have been repulsed. The assault of the French north of Massiges has broken down. Height 191 has been lost. At the other fronts artillery and mine fighting continue with alternating results.

THE FRENCH BULLETIN.

According to the French bulletin, the number of prisoners taken amount to 23,000 and 79 guns. It states that 316 officers and 17,550 of the rank have passed through Chalons as prisoners. That bitter fighting is going on near Artois for the possession of height 140. Around Massiges groups of Germans surrendered, in all 1000 prisoners were taken. The battle continues around Souchez.

RUSSIAN POLITICAL CHAOS.

The Octobrists and Cadets Call for Opening of Duma. Ssasonow Against the One Man Policy of the Premier.

Petersburg, Sept. 29. There is no longer any political unity in Holy Russia. The Octobrists and the Cadet parties at a meeting held in Moscow insisted that the Duma must be re-opened without delay.

In the Cabinet itself there exists the greatest divergence of opinion. Prince Lwow and Minister Tschelnckoff have telegraphed the Czar asking for audiences.

The Minister of Foreign Affairs Ssasonow has expressed himself as opposed to the one man policy of the Premier.

At a Cabinet Council, Gorymekin twice endeavoured to stop Ministers giving vent to their opinions, and, having failed, he left the meeting without addressing a word to his colleagues. The Council proceeded without his presence. Many of the Minister considering conditions existing not to be normal wish to resign.

The Czar takes the line of not replying to any of the telegrams addressed to him and is understood to fully support the Premier and to resist a calling together of the Duma.

THREATENING BULGARIA.

Representatives of the Quadruple Alliance Call Upon Radoslawow. The Premier Coming to Berlin.

Sofia, Sept. 30. The representatives of the Quadruple Alliance have called up the Premier Radoslawow and informed him that if the Bulgarians should march against Serbia they would be confronted not only by the Greek but also by the army of the Allies. M. Radoslawow replied that if any foreign power should send troops to Macedonia, it would be taken as an act of hostility against Bulgaria.

M. Radoslawow will shortly make a visit to Berlin, on the pretext of seeing his son in law, who is attached to the Bulgarian Legation. Nevertheless great political importance is attributed to the journey.

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CORRECTING.

The statement in the "New York Times" to the effect that the American Consul-General in Munich, Mr. J. St. John Gaffney "has expressed approval of articles in the "Continental Times" criticising the policy of the Administration and that he has at the same time written newspaper articles violently attacking England" is wholly without foundation.

The "Continental Times" has no interest in Mr. Gaffney, but cannot in justice to itself no less than to the innocent person attacked, allow such a false statement to pass uncontradicted.

The American Consul-General in Munich has never contributed any article or letter to this paper, and the "Continental Times" desires categorically to deny the statement of the "New York Times" which is doubtless inspired by the very inadequate conceptions of neutrality that illustrate so many articles in that newspaper. The Editors.

The American Loan.

In order to re-establish the value of the golden sovereign, which had depreciated most seriously, the British Government made appeal to Pierpont Morgan, the great American financier, who at once showed it a way out of its immediate trouble. An artificial way it is true, yet as the matter was urgent that could not be helped. That England and France, reputedly the two greatest financial powers in the Universe, should have to go to the United States for monetary assistance, was of itself remarkable and suspicious.

The Banks of the United States would never have accorded the loan had it not been that the autocrat of the money market in the United States, Pierpont Morgan, ordered them to complete the transaction, and none in the financial coterie of the New World dare refuse his bidding. And so, the loan, which the Anglo Franco Financial Commission has travelled over to the United States to obtain, is very likely to materialise. But, as the American is a particularly keen business man, he is going to make the English and French pay very dearly for the accommodation, which after all is a device to facilitate American trade with England and France, so that he thereby kills two birds with the one stone.

The American Bankers themselves will quite surely take their profits and pass the issue on as soon as possible into the hands of the public, if the public is found to be willing to subscribe. In view of the interest upon money obtainable in the United States an English government loan at 5 per cent, even without income tax, does not appear particularly attractive, all the more as it is known that the debts of Russia, Italy and Serbia are hitched on to Great Britain and France. And so it might easily be, that the Americans are in a fair way of burning their fingers by undertaking to finance the Allies even if it be only in part.

Belgium Wants Peace.

One of the most interesting of statements that have come to light for some time past, is one made by the world famed Belgian author Maurice Maeterlinck apropos of his much troubled country. In earlier periods of the war, Maeterlinck was one of the most bitter enemies of Germany and did not stint himself in his utterances concerning the Germans. But time has brought in the horizon of his broad intellect a great and important change of opinion, one which ought to be known and full seriously pondered over by everyone of his countrymen. He says that what Belgium needs is peace. Already, as the great author says, a large measure of prosperity has returned to Belgium, that the Germans are honestly endeavoring to heal the wounds caused by the war, and are doing their utmost to restore trade and prosperity. Quite contrary to the malicious reports spread about, he says that the government of the new rulers is not in the least tyrannical, but on the contrary is that of an administrator

having a precious trust to care for and administering it as such.

Maurice Maeterlinck states that the Belgians, after over a year of waiting, have given up all hopes of the promised help from England. Indeed it is not wanted, for the invasion of the Allies into Belgium, as he wisely remarks, would result in bloody strife, and the towns might be returned to the Belgians freed, but then merely as ruins and ashes. Therefore, as Maeterlinck says, there could be no greater ill fate for the country than that the Germans should be turned out of it.

A Critical Well may the British Prime Minister. nister in the House of Commons sum up the situation as "exceedingly critical", and say that all eyes are watching with eagerness and anxiety the result of the vast operations proceeding all along the French and English front. According to the Correspondent of the London Times, it is a pity for England that the offensive had to be taken so soon, and he considers that delay ought to have been made until the aims of Mr. Lloyd George had been fully realised—in other words, till the munitions supplies arrangements had been properly organised. But, there was no alternative, the Russians had sent out an urgency call to their allies, to be up and doing, so as to cause a recall of some of the German forces pressing so hard and constantly advancing nearer and nearer the Russian capital. The military movement progressing in the Western Front is so prodigious and over a vast front, that definite results cannot be known for some time to come. But that those results will be of the highest importance is evident, and, as one of the War Correspondents at the front telegraphs: "The fighting now going on is of the fiercest and most important since the commencement of the war!"

ENGLISH CASUALTIES.

Lord Longford is Missing. Brigadier-General Wiggin Wounded. Larger Losses Reported Each Day. Champion Marksman Killed.

London, Sept. 30. The casualty lists are growing to alarming lengths and now as a rule over three thousand casualties are reported daily. The latest list shows 97 officers out of service and 3,858 men.

Brigadier-General Lord Longford, K. P., M. V. O., who was reported wounded at the Dardanelles early this month, is now reported as wounded and missing. Lord Longford was also wounded in the Boer War.

Brigadier-General E. A. Wiggin, wounded at the Dardanelles, also served in South Africa in command of a mounted infantry battalion. He was present at Colenso, Spion Kop, and on the Tugela Heights.

Lieut.-Colonel E. G. Harrison, C. B., D. S. O., 12th Manchester Regiment, and Captain and Adjutant C. St. Q. O. Fullbrook-Leggatt, D. S. O., 1st Royal Berkshires, are both wounded in Flanders. The former obtained his D. S. O. in Uganda 1897-8, and the latter in the present war.

Lieutenant A. N. V. H. Ommundsen, Honourable Artillery Company, who for years was probably the finest shot in the British Empire, it is unofficially reported, has been killed in action in Flanders. A Scotsman, Lieutenant Ommundsen, who was in the final stage of the Queen's, and later the King's Prize, at Bisley twelve times, was said by many judges to be the best rapid rifle shot in the world.

He was the first winner of the King's Prize as a lance-corporal in the Queen's Edinburgh Rifles in 1901, and since then won almost every prize offered for individuals by the National Rifle Association. He was in every Scottish and international team of note for fourteen years and was chosen several times to shoot for England.

When war broke out Lieutenant Ommundsen was on the way to South Africa with his wife, but came back. Up to a month or so ago when he went to Flanders he did most useful work training men in rifle shooting and bomb throwing.

As a youth of nineteen, Ommundsen gave striking proof of his wonderful skill and steadiness as a marksman. When he won the King's Prize in 1901 he was but twenty-two, and had then been twice in the Queen's Hundred, and had won the St. George's Challenge Vase at Bisley and the Caledonian Shield as champion of Scotland. His King's Prize he won by scoring 310 out of 335 points after a tie with Colowr-Sergeant Major H. Burr, the Hampshire shot.

THE DRINK TROUBLE.

In Spite of the Closing of Many Public Houses Drinking Increases Largely.

London, Sept. 30. Mr. Montagu Sharpe, charging the Grand Jury at the Middlesex Sessions, welcomed the restriction order, and said that early in the year he drew the attention of the Grand Jury to the fact that while the number of licensed houses in Middlesex had been reduced by 170 or 175, drunkenness had increased considerably. In one year alone, 1906, the increase in the number of cases was no less than 1700. The number of convictions for drunkenness in the metropolitan area in 1908 were 47,000, in 1910 49,000, in 1912 59,000, and in 1914 67,000. Here were the number of houses being reduced, and yet there was an increase to this extent. It was an extraordinary thing,

VIRIBUS UNITIS.

NEWS OF AUSTRIA-HUNGARY

Galician Refugees Returning.

In Galicia and the Bukovina the establishment of normal conditions is also making rapid strides. The number of returning refugees increases every day and in spite of the fact that only a part of West Galicia has been officially proclaimed as ready to receive the wanderers, the stream of refugees is returning to every point from which the enemy has been driven out. The school-year has now begun afresh, and not only have the Volksschule and the Mittelschule re-opened but even the Hochschule. The municipalities are resuming their old tasks. The economic situation continually assumes a more favorable aspect, and no better proof of this could be given than the fact that the Ministry of Justice is now receiving from all sides the assurance that in Galicia and the Bukovina also, the Moratorium may at any time be declared at an end.

"Oppressed" Italians.

A highly characteristic piece of news comes from Sarajevo. The Italian citizens, who have lived in great numbers for many years in Bosnia and Herzegovina, rather than go back to Italy, have applied for admission to Austrian citizenship. Their one desire is to remain in the country which has always suited them so well. There could scarcely be a better illustration of the pressing need for an immediate Italian "Rescue Mission." If deliverance be not speedy, the "oppressed Italians" under the Austrian flag will settle down comfortably as Austrian-Hungarian citizens and lose forever the opportunity of dying gloriously for Salandra, Sonnino, D'Annunzio and the Little Kinglet.

More Signs of Brotherly Feeling.

Vienna has just voted a sum of three thousand Kronen for the provision of Hungarian flags, so that when the city decks itself in celebration of a victory the Hungarian flag may float beside its Austrian brother from all the official buildings. This little incident speaks volumes alike for the care which the city of Vienna takes in providing for the fitting celebration of the glorious victories of the Central Armies, and for the intimate relations which the war has established so firmly between the black and yellow and the red-white-green.

The Saving Banks of Vienna and Budapest.

The civic chief of Vienna, Burgomaster Dr. Weisskirchner, has issued a report on the economic and financial conditions of the Austrian capital since the beginning of the second year of this great war. The report culminates in the statement that the conditions are good, and that therefore the civic authorities have every reason to be satisfied with them. The best test for the state of the economic and financial conditions of the Austro-Hungarian metropolis is afforded by the status of the Central Savings Banks. Thus the report shows that the sums paid, for instance, into the Vienna Savings Bank at the end of August 1915 amounted to 171,090,061 Crowns; and from among the leading banks are mentioned the Anglo-Bank with 97 millions; the Bankverein with 168 millions; the Creditanstalt with 140 millions; the Laenderbank with 124 millions; and the Verkehrsbank with 89 millions. These figures alone give already a total sum of round 790 million crowns. Undoubtedly a most convincing proof of the good financial position of the Viennese population.

Equally good news on the satisfactory state of the economic conditions prevailing in Hungary come from Budapest. The amount of savings deposited at Budapest with the Hungarian Postal Savings Bank on September 1st 1915 amounted to 120,295,806 crowns, or about 10 million crowns more savings than were deposited at the Budapest Postal Savings Bank in July 1914, that is before the outbreak of the present war.

There exist thus good prospects for a great success of the third Austrian and Hungarian war loans which are to be issued shortly. Conferences have already been held at Budapest and Vienna between the respective Ministers of Finances, on the one side, and the leading bankers of Vienna and Budapest, on the other side, about the form and the conditions under which this third war loan is to be issued.

Great Commercial Development for Austria.

In connection with the above mentioned third Austrian war loan great interest attaches to an interview which the Berlin representative of the "Neues Wiener Journal" recently had with His Excellency Dr. Fischer and Director Salomonsohn of the Berlin Disconto Gesellschaft which Bank has a capital of 300 million Marks. Dr. Fischer said, among other things, the enemies of Austria made a very great and serious mistake in underestimating the financial position of the Austro-Hungarian Monarchy. This terrible war has proved to be a rejuvenating process for the old Austrian empire. After this war the Austro-Hungarian monarchy will be economically and financially ever so much stronger than it ever was before the war. And the reason for this change for the better is already patent to all who do not wilfully close their eyes. The reason is that Russian influence, and Russian competition in the Balkan coun-

tries henceforth will be eliminated completely and for ever. A period of great commercial development for Austria and Hungary will follow this war with the greatest certainty.

It is no doubt of interest to our American readers to learn that more than 5 million crowns were subscribed to the second Austrian and Hungarian war loans by Austrians and Hungarians living in the United States.

Vienna the Healthiest City on the Continent.

The report of the Medical Authorities of Vienna contradicts most emphatically the malicious lies hawked about by the press of the Entente powers that Vienna is visited by an epidemic of cholera and typhus. There is not the smallest ground for such base assertions. In July and August there were respectively fifteen and two cases of small-pox, but not a single case of either cholera nor typhus. In fact, so the medical authorities of Vienna proclaim with great satisfaction, Vienna is the healthiest city on the Continent.

The labor conditions of Vienna are likewise very satisfactory. During the months of July and August there were wanted 21,058 persons, and 22,256 persons were seeking employment. In 19,108 cases the labor exchange offices effected engagements.

From Galicia comes the welcome news that the damage done by the Russians to the Galician oil-mines is being repaired with great rapidity by the Austrian authorities. The daily output has already been increased to 220 wagons of raw oil, so that during the month of September 7414 tanks of oil have been sent off.

On September 25th a congress of Burgomasters of German and Austrian cities was held at Vienna. Dr. Weisskirchner, Burgomaster president at the opening meeting of delegates, The deliberations of the burgomasters will probably extend over several days.

Russia Suffers for England and France.

The Czechish newspaper "Moravská Orlice" publishes an article on the tremendous sacrifices Russia is making for the interests and for the cause of England and France, and particularly for England. It says, ever increasing numbers of Russians begin to realize that England is very lukewarm and faint-hearted in its exertions to relieve, by a grand and supreme effort in the West, the pressure exercised by the German advancing armies on the retreating Russian forces in the East. The Czechish paper comes to the conclusion that Russia now wants a really Great Man who not only recognises the true political and military position of Russia, but who is also honest enough to draw the consequences from this actual position; and who shall be sufficiently fearless to carry through with a strong hand the measures needed to bring this position to an end. The Russian statesman who will be courageous enough to conclude an early peace with the Central Powers will in future days be hailed not only by the Russian peoples as the Saviour of Russia, he will moreover have deserved well of Humanity in general, and of Christianity in particular.

Kouropatkin in Command.

Petersburg, Sept. 30. It is reported that General Kouropatkin has been given the command of an army corps.

Archangel Frozen.

Petersburg, Sept. 30. The harbor of Archangel is frozen over and thus shipping is stopped till the winter is over. This leaves Russia largely dependent upon Vladivostock.

More Warships Damaged.

Lugano, Sept. 30. The explosion which sank the Benedetto Brin was of a terrible description and of such force that three other warships lying in the harbor of Brindisi were damaged. The Italian censorship will allow no details to be published. The Italian newspapers attribute the explosion to the hands of foreign agents.

Peace Reports Untrue.

In reply to the reports which have been circulated to the effect that there was likelihood of a special peace being made with England, the Norddeutsche Allgemeine Zeitung publishes a contradiction. It says: "We are authorised to state that such reports are unfounded that they are harmful and contrary to the interests of the realm."

The Iron Hindenburg.

Tomorrow, it being the occasion of the birthday of General Hindenburg, a programme of festivities has been arranged to take place around the big monument of the Field Marshal in the Königs Platz. A vast wreath of roses will be deposited at the foot of the monument, there will be music, aeroplanes will be flying around and thousands upon thousands of school children will be given the opportunity of viewing the monument and adding nails to the ever and rapidly growing number that are rapidly covering the wooden surface and coating it with iron armor. The nails sold so far have brought in 205,456 marks, the costs of the monument have been 100,000 marks. About 400 golden nails which cost 100 marks each already adorn the lettering below the monument.

Next to Nothing.

"Why does your wife dry the clothes in the cellar now? That isn't healthy, is it?" "Dunno. To tell you the truth, daughter is wearing so little that mother is ashamed to hang the stuff in the yard." (Judge.)

The Open Tribune.

To Our Readers.

We shall be glad to publish any communication from our readers, but must ask contributors to attach name and address to their letters. These will be published anonymously, if so desired.

A Correction.

To the Editor.

My recent letter to the Continental Times, refuting the London Morning Post's slanders against some of our American consuls, I regret to inform you, contained a misstatement concerning the daughter of Lord Portman, made by me in error.

Writing of the arrest of Lord Portman's daughter in Munich last year, I stated that this lady was arrested "under suspicion of espionage."

When I wrote to you I believed this to be the cause of the arrest, because at the time of this lady's detention in Munich I was informed that a telegram addressed by her to London, asking her father for 50,000 marks, had been intercepted by the German military authorities and had aroused suspicions of espionage.

Recently, however, while passing through Garmisch near the Bavarian-Austrian frontier, I learned that Lord Portman's daughter was arrested because of a civil suit brought against her by a building contractor in Garmisch, who was constructing a house for her there. The lady's intercepted telegram to her father asked for money in satisfaction of this claim. Unfortunately in her telegram, so I am told, she did not explain the purpose of the required money. So large a sum of money mentioned by her in a telegram, addressed to a country at war with Germany, naturally excited the suspicion of the military authorities at a time when Germany was still in the midst of mobilization. Nevertheless she was not arrested on this account, but was merely asked to explain. The Bavarian military authorities had no concern in her civil arrest.

Consul-General Gaffney tells me that all my other information concerning the Hon. Miss Portman's arrest and subsequent release on bail, furnished in part by Mr. Gaffney, is correct.

Munich, Sept. 30, 1915. Edwln Emerson.

Maeterlinck on Belgium.

To the Editor.

The Zillauer Nachrichten of the 25th of this month publishes the following interesting statement of change which has taken place in Maeterlinck's opinions about Germany during the course of the war. Thinking it may interest your readers, I venture to send a translation:

"From Holland we receive an account of a conversation which took place between a Dutch artist in Paris and Maeterlinck who says: 'We have been waiting for a whole year now for Belgium to be freed by England's weapons. If England has not been able to bring us the help it had guaranteed, it may be owing to the course the war has taken, so prolific in unexpected changes.

"We see our land firmly in the hands of the Germans, who, if one is to tell the honest truth, do not act as tyrants in the land or as conquerors, but as those who feel themselves in the position of administrators of a precious estate and who are holding it in trust.

"Germany, even now, is endeavouring to heal the wounds that the war has inflicted upon our country, and it seeks to settle matters throughout the land, to give work to those in need of it, and to build up a certain amount of national prosperity.

"The German system of organisation has been introduced into Belgium. And, as a consequence, many communities have gladly fallen into the habit of the new condition of things, have adapted their businesses to existing circumstances, and have adjusted their habits of life in keeping with the new era.

"Here and there, where formerly brisk business relations existed, between the Germans and the Belgians, the same are springing up again and there are not a few of those who were formerly fanatical haters of Germany, who now have no greater fear than that the Germans might be driven out of Belgium. Belgium needs quiet, and, if it should come that the Germans are forced out of the country, then Belgium would for a long time become the scene of bloody strife. Not a stone would be left atop of the other. So Belgium, now that it enjoys rest over the greater portion of its territory, has given up all hope of help from England.

"England states that in its own interests it must hold Calais. We wish to preserve our land, our towns, the possessions we have inherited. But what value would a freed Bruges, Mechlin, Brussels, Antwerp have for us, if they were to be returned as heaps of ruins and ashes. We await our fate with the declaration of peace!"

Herrnhut, Sept. 25, 1915. S. A. Becker.

The Censor in Italy.

The Italian censor has recently suppressed two Socialist journals, the *Libertario*, of Spezzia, which has been established for over 30 years, and the *Squilla*, of Bologna.

THE "U-BOAT" AND THE LINER.

Important Treatises upon Momentous Subjects.

Dr. Hans Steinuth upon the Lusitania and the Lusitania.

By R. L. Orchelle.

The question of the Lusitania and that of submarine warfare are not matters of news, but matters of history and international law. The disheartening confusion which has resulted in the discussion of these problems by incompetent and ignorant journalists and by laymen, executives and the uninformed public generally must give way to the clear analysis of experts and the verdicts of sound thinkers. Here, too, Germany has first to break her way through those jungles of prejudice and those tangles of falsehood sown everywhere in her path.

I have just been reading two timely and important treatises upon these timely and important themes—"England und der U-Boot Krieg" and "Lusitania" both by Dr. Hans Steinuth, a recognized authority in marine matters and a scholar of great attainments. Both these books give a luminous and exact presentation of the history of these two phenomena of modern warfare and international relationships. Dr. Steinuth makes no desperate attempts at defense—his defense lies in an objective presentation of the accepted principles, the recorded notes and documents, the actual facts and the inevitable deductions drawn therefrom. But these are sufficient and when combined with logic and a reasoning faculty unshaken by any furious partisanship, constitute a most damaging attack upon the unjust attitude assumed by Germany's enemies, and, unfortunately, our own government.

The successive measures taken by Germany in inaugurating and augmenting her submarine warfare against the merchant shipping of her chief enemy were, as Dr. Steinuth indisputably proves, in each and every case, in the nature of retaliation and reprisals. England was the first to overthrow all the accepted principles of the Declaration of London, and to shelter herself behind the thin plea that it had not ratified all of these. England was the first country to discard all the regulations pertaining to contraband and deliberately to paralyse the legitimate rights of neutrals whom her sea-tyranny cowed into offering no further protests save feeble and ineffective notes. Of these worthless and disregarded "scraps of paper" our own Government supplied quite a number for the waste-basket of the British Foreign Office. True to her ruthless and immemorial policy of the bully of the seas, Britain proceeded on her way—with her disregard of international law, her proclamation of war zones, her secret orders in council, her violation of other countries' flags, her monstrous and yet blundering attempt to starve out the entire German people; her seizure of neutral ships, her insistent robbery of the hospital ship "Ophelia" upon a lying pretext, her arming of merchant vessels and trawlers, and all those innumerable lawless acts which she considers as her prerogatives by her preponderance in brute tonnage over mere justice. There is something almost comic in this overweening arrogance, this assumption of virtuous self-sufficiency and these howls of fury and indignation when bubble after bubble is pricked and science triumphs over stupid malignity and numerical preponderance.

That proclamation of the German Admiralty issued on Feb. 14, 1915, was the one inevitable and justifiable answer to the brutal harshness of the English orders. As a literary man and one who knows our own American lack of logic and our inability to realize Germany's position whilst breathing the poisonous gases of our strumpeted New York press, I might have wished to see that clause about the danger incurred by neutrals in the War Zone somewhat differently expressed. Its firmness and frankness gave as usual, a handle for the clamorous and virulent enemies of Germany to raise a frantic shout on behalf of the threatened neutrals—a shout which found strange echoes in the White House, as may be seen in that tone of warning solicitude and "now you mind what I in a-going to tell you" in our official attitude. The re-reading of this strange note induces the reflection that it is easier and safer to insist on neutral rights in some cases than in others.

Dr. Steinuth with great selective skill quotes the opinions of various neutral newspapers upon Germany's justifiable and in fact, necessary procedure in submarine warfare. Step by step this has developed, and Germany has not only shown consideration for neutrals but even courtesy, almost apologetic courtesy, I am afraid, towards her virulent and slanderous enemy.

One of the most incomprehensible psychic phenomena of the war is the train of reasoning employed by such British figure-heads as Balfour and Churchill. Their utterances are either the results of an ignorance or self-delusion so abysmal as to amount to sheer blindness, or else the deliberate falsification of fact—in order to deceive a dull-witted, ill-informed public. Most likely the

latter, for such an attitude is in strict conformity with British politics. We have read with amazement the pronouncements of these two worthies upon the result of Germany's submarine war. It cannot be better answered than by quoting the concluding passage in Dr. Steinuth's brilliant little work: "The German submarine has thus achieved much of which England in its haughty aloofness and rooted conviction of its power *aere perennior* never permitted itself to dream. It has annihilated English merchant vessels; it has reduced England's sea-borne traffic; it has forced wages, freight rates and insurance premiums into the air; it has induced strikes, screwing up the price of food, produced a state of chaos in the entire world of English commerce—above all, a tiny David, it has destroyed the awe with which neutral nations were wont to regard the Goliath of the Seas. England's prestige as the unrestrained mistress of the seas is slowly crumbling to pieces."

That America in its short-sighted solicitude for the freedom of movement of a few roving and reckless countrymen of ours, should endeavor to weaken the great weapon which Germany's weapons so effectively against the oppressor of all nations,—a weapon by which alone she can attain her great and majestic ideal of the freedom of the seas,—is in my opinion so deplorable, so unjust and so short-sighted that history must adjudge it as a stone placed in the very path of progress.

In his treatment of the "Lusitania" affair Dr. Steinuth pursues the same logical and scientific method. The torpedoing of this big liner is in effect, the direct application of the just principles upon which Germany based her "U-Boot" measures. All journalistic, "humanitarian", sentimental and technical considerations are beside the mark so far as abstract justice is concerned. With an artist's eye for dramatic effect, Dr. Steinuth in this book opens with an intimate note—the character of the "Lusitania", the unnecessary but chivalrous warning issued by the German government, the false assurances of the Cunard agent, the loud laugh of Captain Turner and the various facetious and foolish remarks of the betrayed American victims of British treachery. They spoke pompously—poor creatures—under the spell of our Anglo-maniac press, repeating the hollow and boastful phrases of the London papers.

But the fair and generous, almost superfluous warnings uttered in the name of a true humanity and out of a real regard for neutral lives, were met by jeers and flouts—the blow fell and all the imbecile talk of a German "bluff" was converted on the instant into howls of impotent rage.

The great armed auxiliary liner with its gigantic cargo for the death and destruction of Germany was justly sent to the bottom. Any other course would have implied a gross crime by Germany against its own people—and seen in its larger aspects, against "humanity" a word which has grown almost nauseous to all who interpret it in a nobler sense. For the fact remains, as one clear-thinking American pointed out, that the destruction of the "Lusitania" saved more lives than were lost by it. A drowned horse-racing millionaire, a shallow and blatant disciple of culture like Elbert Hubbard, or even the pathetic forms of drowned women and children upon the docks at Queenstown cannot alter the iron logic of the essential truth. They merely lay a still heavier burden of guilt upon the head of that nation whose icy ruthlessness has for centuries drenched the world in blood and whose sordid motives furnish the key that wound up the gigantic spring of the world-war.

The verdict of Lord Mersey in the Lusitania case is a typical bit of English cant and Pharisaism. It contains several deliberate mis-statements, several deliberate *non-sequiturs*, and is saturated with that top-lofty tone of moral indignation in which the English judge and politician are so expert. In its own class it is related to the recent attempt of the French paper *L'Illustration* to palm off an old photograph of a public manifestation of loyalty by the people of Berlin—as evidence that there was universal rejoicing throughout Germany because several hundred non-combatants lost their lives aboard the "Lusitania"! Here again we have that exchange of tedious and unfruitful notes between Germany and America—moral indignation, lack of insight and logic as well as obvious sympathy for England on one side—on the other moral justification in the face of a great and a tragic fact and a touching dependence upon the laws of logic and philosophic abstraction in a world deprived of its senses by the howlings of a vicious press. And once more, as "Historicus, Junior" pointed out in his prequart article upon the Lusitania case (just published in the *Continental Times*) we have the instance of the privileges of a few individuals being considered as of more importance than the life of a great nation struggling for its very existence against overwhelming odds!

To me the sinking of the "Lusitania" and the resultant loss of life, was nothing so

THE VAMPIRE OF EUROPE.

The Role of England Through Four Centuries.

The Foreword to a Famous Book.

By Dr. Georges Chatterton-Hill.

Count Ernst zu Reventlow's book "The Vampire of Europe" cannot be too strongly recommended to all those who desire to obtain an insight into the hidden recesses of European political history, where the forces are at work which have shaped the evolution of Europe since about the middle of the sixteenth century. It is the first systematic attempt to go to the root of things, to lay bare the developmental forces in question that have escaped the attention of partial or insufficiently clear-sighted historians up till now. With rare penetration and skill does Count Reventlow show all such forces to find their synthesis in England's Will to Power—to use an expression coined by Nietzsche,—in England's insatiable greed, in her limitless craving for the riches of this world. The center-point of European history during the last 350 years is to be found in London. It is here that have been spun all the threads of the countless political intrigues, the result of which has been to turn the palaces and cottages of Europe alike into shambles, her sunny fields and pastures into a desert deluged with human blood. And, meanwhile, the barns and granaries of England were filled with corn, her warehouses with goods of all descriptions from all corners of the globe; her factories and workshops poured forth their products with quadrupled energy; her warships prowled along the ocean highways, stealing all they could lay hands on, whether it belonged to friend or foe or neutral; and her trading vessels transported her manufactured articles to all countries, draining the wealth of the latter in exchange, and filling the pockets of the British merchant with gold.

The more greatly Europe was impoverished, the more did England's wealth increase. Therefore has England stirred up wars innumerable, in which she has herself taken practically no part, in order to ruin Europe economically, morally, and politically. Therefore has she always sought to prevent by all means the rise of any prosperous European State capable of competing with her in the markets of the world. She knew that, as long as she ruled the seas, Europe was helpless, and that the monopoly of the overseas trade belonged to her. Therefore did it become a fundamental principle of hers to destroy mercilessly the sea power of every nation, as soon as this sea power showed signs of growing to an extent such that England's "maritime supremacy" would be threatened.

Founded on piracy, the British Empire has been built-up at the expense of humanity. The English commenced by robbing the Spanish treasure-ships—acts of murderous and dastardly brigandage which are held up to Englishmen to-day as deeds of prowess. They continued by robbing Canada and the States from the French, Gibraltar from the Spaniards, India from the French and the Portuguese, South Africa from the Dutch, Egypt and Cyprus from the Turks, Malta from the Italians—and last, but not least, Ireland from the Irish. Over the whole world we can follow the trail of the venomous serpent, which has fastened its deadly fangs into so many victims. Over the whole world we hear the cry for vengeance and for redemption.

The great merit of Count Reventlow's work is that of showing us the history of Europe in its true light. Pitilessly has the historian here torn to shreds the garment of hypocrisy in which the English seek to clothe themselves; spurred on by the sole desire of impartially searching for the truth, he has rent asunder the veil which they have thrown over the real history of the world with a cleverness equalled only by their unscrupulousness. England is here exposed to the reader in all her hideous nakedness, with not even a rag to cover her sores; in the cold, unshaded light of facts she appears before our eyes—no longer as the "Liberator", but as the Vampire saturated with the blood of its victims, at the Shylock gorged with ill-gotten wealth, as the Parasite grown fat on the marrow of the bones of all the peoples of the earth.

Count Reventlow's book is not only a book to be read; it should be re-read many times, pondered on, slowly and carefully digested; the great lessons it teaches us

terrible as the loss of reason and the debasement of all justice that accompanied it—especially in our country. The editors of the pro-Ally press in New York, including the sapless old *Outlook*, reminded one of cats in a fit or the gyrations of headless hens.

To all Americans who know German I commend the reading of Dr. Steinuth's two excellent brochures upon these momentous questions. To see clearly in these tangles of right and wrong, of political casuistry and journalistic corruption is exceedingly difficult. Such clear and objective works should therefore be read not only by the publicist and scholar but by the ordinary citizen, a duty rendered the more easier by the simple and even fascinating manner of presentation.

should be engraved in our minds. When the world has grasped the central truth taught by all the facts of its history during the last 350 years or thereabouts—the truth, namely, that *Europe has never been considered by England as anything else but an instrument adapted to increasing the latter's wealth and power*: then only can the salvation of the world be hoped for.

Spain, Holland, France, who, all of them, defended the interests of Europe against England, have been vanquished. But the victories of England were never obtained by England herself. Physical courage, endurance, organization, are not characteristics of the Vampire. *England's victories were obtained by Europe against Europe*. From the outset England succeeded in trading on the ignorance and stupidity of Europe; admirably did she understand how to wave red cloths before the eyes of the European bulls, skilfully goaded to fury by her; equally admirably did she understand how to enthrall them with sententious phrases about "liberty" and "justice", even as the mermaids of old enthralled unsuspecting mariners by means of their divinely sweet melodies. The English Mermaid bewitched Europe with her Song of Liberty; and only too late has Europe discovered that it was a Song of Death.

But has she discovered it? We fear the truth is only just beginning to dawn. France at any rate does not yet perceive that she is being bled to death for the sake of England, who employs her to-day against Germany, even as she employed Germany against Louis XIV. and Napoleon in former centuries. France, Belgium, Russia, Italy, are to-day England's instruments. By means of them does she hope to destroy Germany and Austria-Hungary; but she also hopes that by *destroying these, they will have eo ipso destroyed themselves*. The whole of Europe will thus be drained to the last drop of blood, exhausted, ruined; and on those ruins will England's trade flourish anew. The harvest reaped as the result of the Napoleonic wars will be reaped again.

Such was England's calculation. It was a mistaken one. For the first time in her history since the Elizabethan period, England has miscalculated her chances. Grievously miscalculated them! Germany has to-day assumed the glorious task of liberating the world from the clutches of the British parasite. She it is who continues the great mission of Napoleon, who takes up the sword dropped by him, and which France, unfortunately, is to-day unwilling to wield. In this great war everyone must take his part—for it is a struggle between light and darkness, between truth and lies, between manly vigor and parasitical cowardice, between civilization and barbarism. Germany, the champion of the light and the truth, against the power of darkness and mendacity! Under such circumstances, to sit on the fence would be contemptible. And those who cannot fight with the sword must fight with the pen.

Germany, in fighting for her own existence, is fighting also for the liberation of the world. The great day of liberation will surely come, sooner or later. The condition *sine qua non* of that liberation is the destruction of England's maritime supremacy. For as long as England rules the waves, humanity must remain her slave. This is a fundamental truth. And another fundamental truth is that England's maritime supremacy cannot be destroyed until Ireland is a free country.

The one criticism which can be levelled against Count Reventlow's admirable work is that it has not sufficiently insisted on this second great truth. As long as Ireland remains a British colony—or rather, a British fortress—England can at any time shut off the whole of Northern and Eastern Europe from all access to the ocean; even as, by means of Gibraltar and Port Said and Aden, she can close the Mediterranean. *Ireland is the key to the Atlantic*. Release Ireland from her bondage, and the Atlantic is at once opened up to Europe.

Therefore must Ireland be restored to Europe, if Europe is to be free. An independent, neutral Irish Nation would be the natural bulwark of European liberty in the West. The freedom of Europe depends on the freedom of the seas; and the freedom of the seas depends on the liberation of Ireland.

We hear a lot about Ireland's helplessness and poverty. And it is nothing but trash accumulated by England's scribes and hirelings. Ireland, the most fertile country in Europe; Ireland, whose flourishing industry was deliberately destroyed by England; Ireland, whose civilization reaches back far beyond the Christian Era into the dim twilight of the ages, and whose missionaries carried, during the early Middle Ages, the torch of learning and piety all over Western and Central Europe; Ireland, who, in the nineteenth century alone, whilst artificially-made famines wrought havoc amongst her children, furnished one thousand million pounds sterling to her oppressor for investment in the latter's

world-policy; Ireland, whose sturdy sons, broken on the wheel of misery; were decoyed to the number of 2,000,000 during the nineteenth century into England's army of mercenaries; Ireland, whose geographical position makes of her the connecting-link between Europe and America, and whose forty harbors to-day lie empty and desolate at England's behest; Ireland, whose economic and biological wealth has formed the basis on which the whole structure of the British Pirate Empire has been reared:—Ireland is a rich country, rich by reason of her economic resources, and rich by reason of the incomparable moral qualities of the Irish race.

Europe has too long forgotten Ireland, too long has she shut her ears to Ireland's cry of distress. And to-day the most far-sighted of her thinkers and statesmen recognise that the secret of Europe's future destinies lies embedded in the green isle of Erin.

In his great speech in the Reichstag on August 19th, 1915, the German Chancellor, Herr von Bethmann-Hollweg, said: "the welfare of all peoples and nations demands that we obtain the freedom of the seas, not—as England has done—in order to rule the latter ourselves, but in order that they may serve equally the interests of all peoples". The words spoken by the Chancellor prove that Germany understands the nature of the immense historical task incumbent on her; and we may confidently believe that she likewise realises the conditions under which alone this task can be satisfactorily accomplished.

Despising the foul calumnies and the impotent vituperation of England's scribes, Erin waits calmly and confidently for the great day of her liberation. The best proofs of her invincible strength—proofs which no English lies can suppress—she carries within her bosom: namely, her Existence and her Faith. Alone against the most powerful empire in the world since the days of Rome, Ireland has survived. The British Butcher has tried in vain during three centuries to exterminate her; and yet, just before the war broke-out, he was forced to hold out his gory hands in a vain attempt to coax the victim he had intended to strangle. Her race, her religion, her traditions, her language—Ireland has maintained them all, and yet no foreign help has been hers since the days of Napoleon. Often has she been deceived, but none the less is her faith to-day stronger than ever. For England's difficulty is Ireland's opportunity. These who, to-day, are intently listening, can hear the groan of an empire staggering under the blows rained mercilessly upon it—they can hear, as if borne on the wings of Time, a music like unto a distant deathknell, tolled by bells of the future cast by German hands, strong, swift, undaunted.

And meanwhile voices are calling to us voices from the grave, the voices of our dead—of the martyrs who died for Ireland—sacred voices that we hear both waking and in dreams, and that bid us watch and pray and be of good cheer, for the Green Flag of Erin is to-day unfurled in the whirlwind alongside of the Black, White and Red.

Geneva, September MCMXV.

TARTUFFE AND ANANIAS.

Cant, Calumny and Commercialism.

"Will it go the Way of Louvain? The Imperial University Library in Warsaw."

—Boston Transcript from London Press.

"The Key to National Economy is May-pole Margarine."

—Adv.

"It is a deep chagrin to me that my country is not at this moment England's ally in war."

—Ezra Pound.

"The United States might raise 10,000,000 men in a night and they might be butchered in a day of modern warfare. The number of German and Austrian reservists in the United States out-numbers our combined armies 10 to one."

—George Gordon Moore.

"A strike or two cannot make much difference."

—Times.

"We are going to win on the land. We are going to win on the sea."

—Boots' Cash Chemists.

"If you cannot join the Army, join the Anti-German League."

—Oxford Street Poster.

"Living under the cloud of War, the strain of keeping bright and cheerful is very severe. St. Ivel Lactic Cheese as a regular portion of your dairy diet will keep you sound and well with a mind cheerfully alert."

—Adv.

"Patriotism in Business. When we Britons talk to one another of the cost of the War, we mean, of course, Britons' cost. Are you buying Dunlop Tyres?"

—Adv. in London Paper.

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* England und der U-Boot Krieg—by Dr. Hans Steinuth—Deutsche Verlag Anstalt, Stuttgart, M. 1.20.

** Lusitania.—by Dr. Hans Steinuth. Same Publisher, M. 1.50.

BERLIN THEATRE LIFE.

Excellent Musical and Dramatic Programmes at the Charlottenburg Opera House.

Wonderful as is the military strength of Germany, just as wondrous, in its own line, is the commercial and artistic buoyancy of the nation.

Just now the new winter programmes of the theatres of the Capital are appearing, and as ever attract the amusement and fun loving public.

Of the newest theatres of the capital in the first rank undoubtedly comes the German Opera House of Charlottenburg.

The interior is imposing on account of its spaciousness. There is no exaggerated luxury, but all is in a subdued note and strikes by the quietness of the tone.

At the present time, in the Opera, the repertoire consists of Lohengrin, Hoffmann's Erzählungen, Der Bettelstudent, Die Fledermaus, Der Wildschütz, Die Meistersinger von Nürnberg.

That the German public is devoid of Chauvinisms, by which its enemies allow themselves to be overcome, is shown also in matters of art, which benefit all mankind, and so we find being played at the Charlottenburg Opera House, La Traviata, a Dame au Camélias, music by Giuseppe Verdi, all being given before crowded houses.

For the audiences here the loosely strung and superficial text and libretto does not go for the public is accustomed to a very carefully selected bill of fare.

The role of Violetta is played by Hertha Stolzenberg with remarkable success, musically as well as dramatically. Excellent in his role is Herr Kurt Frederich as Alfred Germont and he comes out particularly strongly in the touching Andante in the second act.

Likewise Herr Holger Börgesen, as Georg Germont's father, acquitted himself of his role, especially the singing, with great success, whilst the combined play of the chorus was most praiseworthy and often concealed the meagre contents of a right unnatural Libretto.

American Travellers and War Munitions.

When the manufacture and the shipping of ammunition to the belligerents began to assume gigantic proportions the more sensitive portion of our population began to feel that we were defying the principles of humanity in giving assistance to the wholesale killing of human beings.

Your poor luck that your ships have been driven off the seas and you can't get the ammunition. When Germany tried to counterbalance its poor luck by driving the English munition ships off the sea we objected on the ground that Americans might be on board.

Granting, for argument's sake that international law, with all its vagueness, lack of authoritative force, requires such a conclusion, it would seem to be a great pity that the chief practical result of the ruling is to protect munition exports.

Capt Champe S. Andrews in N. Y. American.

FRENCH "HUMANITÉ".

Refuse Aid to Wounded Germans.

The neglect meted out to German prisoners in France may again be seen from the affidavit of a severely wounded soldier of the name of Friedrich Muller, volunteer of the Reserve regiment 233, who was recently returned to Germany.

For five days he lay on the battlefield without any aid, when he was picked up by a French patrol. The patrol carried him to a French trench, which was bombarded by the German artillery.

A French physician did nothing to help the man and went away without giving him the slightest aid. A kind fate, however, protected the prisoner.

Until late in the evening he lay on the edge of the ditch, when he finally was pulled into the trench, where he had to remain without any physical aid for four days. He was then bandaged and carried away. On the way to the hospital he was treated in the most abhorrent manner by the civilian populace, who spat at him, beat him and threw stones at him.

Unfortunately Not.

"You say she treats you like a dog?" "I don't say anything of the sort. When I see how she treats that Boston bull of hers, I wish she would." (Judge)

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SUPPLEMENT TO "THE CONTINENTAL TIMES"

Speech Delivered in the Reichstag on August 20th, 1915, by Dr. Helfferich, Secretary of the Imperial Treasury.

(Translated by M. B.)

Gentlemen: In view of the explanation of the gentleman who has reported for you I could dispense with a motivation of the supplementary budget now before you, for I believe the matter which I have to represent here needs no further defense in this house. (Quite right!) If nevertheless I beg your permission to say a few words explanatory of the new war-credit, I do so because—assuredly in harmony with you—I feel the necessity, on the threshold of the second year of war, of giving before this high house, before the German people, the allies, the neutral as well as the hostile world, an outline of the manner in which the financial situation of the Empire has shaped itself in the first year of war, and of the expectations which we are justified in holding for the future.

I shall plunge immediately in *medias res*, and I recapitulate: You have thus far approved for the war the following amounts: Twice five billion marks, once in August, the second time in December of last year; then ten billion marks in March of this year, that is to say, twenty billion marks in all. With the supplementary credit now before you the total sum of the resources demanded for the war will be raised to the enormous sum of thirty billion marks.

Gentlemen, one has at times the impression that in this war the world has to some degree lost its sense for big figures. (Quite right!) We must seek for other standards of measurement, and in order to give you such a standard, I may be permitted to mention that the twenty billions already appropriated represent about the value of the entire German railway system, with all appurtenances and all the rolling stock. (Hear! Hear!) Nevertheless this gigantic credit of to-day must be made available. Although we reckoned as early as March on high sums, our estimates have still been exceeded by the actual development of the war's expenses. The reasons for this are plain—the tremendous and ever-increasing devotion of all our forces to this inexorable struggle for the life and future of the expenditures of the war.

I shall refer only to the most important points. There come into consideration the placing in the field of ever new formations and their equipment; the provisioning and clothing of our armies of millions in the face of increasing prices for all foodstuffs and for all raw materials; the consumption of material and ammunition, which goes far above all previous conceptions; the maintaining, increasing and improving of our means of waging war on land, on sea and in the air; the organization of the means of communication back of our lines, and the building of roads, bridges and railroads in the occupied hostile territories. All these things confront daily the leader of the empire as finances in the form of money requirements, and they amount together to monthly sums which have to-day reached a total of about two billion marks. (Hear! Hear!) Gentlemen, we desire to look these figures and the truth clearly and fearlessly in the face; we will not deceive ourselves concerning the magnitude of what is yet to be accomplished, nor the heavy sacrifices that are yet to be made. It is a terribly grave period through which the German nation and our hemisphere are passing. We should not be worthy of this time if we sought—*more Gallico*—to conceal from ourselves the earnestness of the situation. (Applause.) We desire soberly and clearly to face the fact that in the second year of war it will not be easier but many times harder to hold on than in the first year. (Quite right!) Let us realize clearly that new tasks will arise and that existing expenses will become greater; let us especially face the fact that new and great efforts will be necessary to make it easier for our population at home to maintain themselves, (quite right!) that still greater means than heretofore must be employed to relieve present need, to ward off threatening want and to prevent evil results for the future of our people. (Bravo!) I desire at this time expressly to repeat what your chairman has already reported to us from the discussions of the budget commission, namely that the federated governments will not seek to avoid these tasks, heavy as they may be. I repeat especially that the imperial treasury, in accordance with a suggestion made in the budget commission, will establish from the new credit a fund of 200,000,000 marks to supplement

the fund which was created in December last year for the support of municipalities and municipal associations in the work of war relief, especially for the support of families and of the unemployed.

Gentlemen, heavy as the material sacrifices are which the German people, along with the still heavier and greater sacrifices, have already made in this war and will continue to make, every German knew from the outset why we make these sacrifices, and every German knows to-day that these sacrifices are not made in vain. (Bravo!) For this reason, as I said at the outset, I need not employ many words in motivating the credit measure before you. Its effective motivation is—your chairman has already emphasized it—the united will of the German people to carry through to a victorious end the war forced upon us, to carry it through to a peace for which we can accept the responsibility before ourselves, our children and our grandchildren. (Loud cries of "Bravo!")

But, gentlemen, we are not yet so far. Our enemies will not yet confess that their wanton courage overestimated itself when it thought to crush us by numerical superiority and armed power; they still comfort themselves with the self-deception that they can succeed in conquering us by tiring and exhausting us; they still resist the thought, though they are hard hit, that their cause is lost, that the sober consideration of all possibilities must compel them to confess the failure of their undertaking, to save for themselves what is still to be saved, and to grant us reparation and safety for the future. (Bravo!) So long as our enemies will not reconcile themselves to accepting the consequences of our invincibility and our victories, weapons are our only means of convincing them; (quite right!) so long we will and must fight and make every sacrifice which the war imposes upon us. (Bravo!)

And now, gentlemen, as to the securing of the means which you are to approve in the supplementary budget, the course pursued will be this time, as before, that of a loan. I had ventured as early as March to explain in this place the reasons impelling the federated governments to avoid a war tax so long as it is practicable. These reasons still exist today. We do not desire during the war to increase by taxation the mighty burden which our people are carrying so long as no exigent necessity to do so exists. A higher taxation of articles consumed, in the face of the already high prices, would be as little liked here and among the people as would a heavier burdening of modes of traffic. The direct taxes, quite apart from considerations of principle, have already been resorted to in increased measure under the compulsion of the war by the municipalities and to some extent also by the individual states. In addition to this is the fact that, even by resorting to taxation of the most drastic sort, we could, in view of the mighty war expenses which I have described to you, secure only a small percentage of what is required for the war.

In this connection, gentlemen, you will expect a word concerning the much discussed tax on war profits. You are acquainted with the fact that an understanding in principle was reached in this question at the meeting of the financial ministers of the individual states which was held here in Berlin on July 10th. The matter, which must be thoroughly prepared, is not yet ready to be put into the shape of a proposed law. We are also of the opinion that the collection of such a tax can take place after the war is finished. I say expressly "the collection of the tax", for not until after the end of the war will it be possible for those effected to estimate the financial effects which the war had for them. In regard to the principles as to which the federated governments are today agreed I can say this: The federated governments are on the one hand convinced that it is technically impossible to establish beyond cavil what is meant by the term war profits. On the other hand, the federated governments are of the opinion that all those persons who, during wartime, in contrast to the great mass of their countrymen, were in the position to increase their wealth importantly, are also in the position and are in duty bound to contribute to the burdens of the war to an extent greater than that

called for by ordinary taxation. (Quite right!)

With this, gentlemen, is connected the imperial tax on increments of fortunes. How far in individual cases the changes in income in wartime can be used as a criterion for establishing the rate of taxation is a matter for investigation, as are also a number of other questions. It is agreed that an increment of fortune through inheritance shall be free from the extraordinary tax. We are further agreed that, in view of the especial purpose of this tax, namely, to contribute to lessening the burdens of the war's expenses, the tax can be paid not only in cash, but also in war loans. The expectation of a tax on war profits, therefore, should not prevent anyone from subscribing to the war loan. (Laughter) Gentlemen, you laugh. But the affair has a very earnest side. I have received a great number of letters from people who ask: "How shall we subscribe to war loans in the future when we do not know whether, after the end of the war, we shall not be subjected to a heavy and perhaps confiscatory tax? We cannot let ourselves be placed in a position where we shall eventually have to sell at heavy loss, in order to pay taxes, securities which we buy today." From these considerations we must see to it that such a tax as we have in view shall also be payable in war loans. (A voice: "At par?") Most assuredly at par.

If, therefore, so long as we can hope that our regular budget balances without the necessity of opening up new sources of revenue, we dispense with new taxes, we are not alone in that respect in the world nor among the belligerents. Even England, which announced proudly in the first months of the war that it would hold to the good old tradition that wars must be financed in great part by taxes, has, under the pressure of circumstances, been obliged to reconcile itself to another view. As late as last fall the secretary of the treasury was under the spell of the precedent of the Napoleonic wars, 40 per cent. of whose cost was borne by taxes and less than 60 per cent. by loans; but taxation did not go beyond the increase decided on then in England, in the fall, of the income tax, and the taxes on beer and tea, whose amounts, according to English estimates now at hand, make up only about five per cent. of the money needed in the first year of war. A second attempt to carry through increases of taxes was again given up ingloriously in the spring of this year. And though lately the English government is toying with the idea of getting new revenue from taxes by making subject to taxation the incomes of laborers, which have heretofore been tax-free, the government has already met with such great opposition that the fate of this new idea can today be hardly longer doubtful.

As the situation lies, gentlemen, there remains, then, at this time only the course of postponing to the time peace is concluded and to times of peace, by means of credit, the final regulation of the costs of the war. And in this connection I desire again today to emphasize this: If God gives us the victory and with it the possibility of shaping the peace according to our needs and our vital necessities, then we will not and may not, along with all other factors, forget the question of costs; (vigorous assent) we owe that to the future of our people. (Quite right!) The entire future manner of life of our people must, so far as it is in any way possible, remain freed and be liberated from the tremendous burden which the war is piling up. (Very true!) The inciters of this war have earned for themselves the leaden weight of the billions; (quite right!) let them, not us, carry it through the decades. (Very good!)

In this connection, gentlemen, I do not fail to recognize that the tremendous financial weakening which the war in its course thus far has brought upon our opponents will make especially difficult the task which I just mentioned. (Quite right!) But whatever can be done in this direction will be done. (Bravo!)

The approval of the war credits has as its complement the realizing of these credits through the placing of the loans. You know, and the public knows, that the issue of a new, a third war loan, is impending. Our preparations are in great part already completed, they are almost at the point of being concluded. At the end of this month, that is to

say, in a few days, the invitations to subscribe to the third war loan will be given out. We must through this new loan bring in the great sums which we have already expended in excess of the 13½ billions of the first two war loans. In part, indeed, these sums are covered by the war treasure and by the money already on hand in the imperial treasury at the outbreak of the war. The extent to which these sums are covered has also been increased by the excess over the estimates of the regular budget for the last fiscal year. On the basis of preliminary calculations and estimates, I reckoned this excess here in March to amount to 38,000,000 marks. The final balance has shown that the surplus of the regular budget for 1914/15 amounts to 219,000,000 marks. (Hear! Hear!) Together with the other items which I mentioned, the war treasure and sums on hand, it is in any event a very neat sum that comes from the surplus of the regular budget to be applied to the war costs. But the sums which we must raise, temporarily by other means, in excess of the amount of the loan are nevertheless extraordinarily much higher. These other means are the discounting of treasury certificates with the Imperial Bank and the large German banks. The treasury certificates issued in this manner must be consolidated out of the proceeds of the coming loan, and the new loan must, in addition to this, bring us a very considerable surplus of ready money for the further conduct of the war.

Gentlemen, I am sure of success; for all moral and material powers which brought to our first two war loans a success exceeding all our expectations exists today as strong and steadfast as ever. (Bravo!) The tremendous sums which the empire has thus far given out for war have, with the exception of some comparatively unimportant sums, remained in the country. They came into the hands of and were expended for the benefit of our soldiers, our agriculture and our industry-laborers and proprietors. They served to cover payments to the last war loan and since then they have accumulated in the form of further savings.

You can follow the course of affairs by the development of our loan institutions. At the time of the first important payments on the second war loan the loans of our loan institutions exceeded the sum of 1,500,000,000 marks. Since then this sum has long ago dropped below one billion marks. Of the loans made by the loan institutions not more than 536,000,000 marks consisted of advances made for payments on the second war loan. This sum has in the meantime been reduced to 292,000,000 marks. This is not much more than 3 per cent. of the total of nine billion marks which has been up to today paid in on the second war loan. (Hear! Hear!) Gentlemen, you cry "Hear! Hear!" I could wish that our enemies also might cry "Hear! Hear!" (Cries of "bravo!" and laughter.) For it is precisely the point which I have just mentioned that they will not comprehend in any circumstances. (Quite right!) They spread abroad, with an obtuseness which simply will not be taught better, the assertion that our war loans are simply nothing but artifice, that they are financed with the paper of the loan institutions. (Laughter) Just this morning—I have the newspaper here—a clipping from the *Daily Telegraph*, generally a relatively decent paper, (laughter) was submitted to me. Here, to my amazement, I read the old fairy tale again. I read it with some piquant and interesting additions. It is reported here that our loan institutions grant loans on every security brought to them, down to a toothpick, (laughter) and down to a coalscuttle. It is printed here. This belongs to the theme which the Imperial Chancellor discussed here yesterday. (Quite right!) One may laugh about it. But on the other hand we must see clearly that this systematic and continued depreciation of our financial power, this libelling of what goes on in Germany, has done us endless damage in the course of the war thus far. It is greatly to our interests that this web of lies also, that the slanders in the realm of our financiers, be most energetically refuted. (Very good!)

Gentlemen, I pass from loan institutions to the savings banks. Our savings banks—I can make that declaration in

this connection—can be regarded as the pride of the German people. (Quite right!) In the year 1913, the year before the outbreak of the war, they gained roundly a billion marks in deposits, and in the year 1914, despite five months of war, they can show a gain in deposits amounting to a total of 900,000,000 marks, despite the fact that even in the year 1914 considerable payments were made from the savings banks' funds for the first war loan. In the first six months of the year 1915 the increase in the savings banks amounted to almost 1,500,000,000 marks. (Loud cries of "Hear! Hear!") This gain has indeed been entirely offset by the contemporaneous payments on the war loans, for which the savings banks subscribed the sum of 1,800,000,000 marks. But even today, counting in the three months from the beginning of July to the time of the first payments on the new war loan, one can say that our savings banks are once more fully intact, and that, with money on hand considerably exceeding twenty billion marks, they are stronger than at any time before the outbreak of war. (Loud cries of "Bravo!")

A similarly favorable situation exists as in our banks. Here, too, deposits, following the heavy demands for the payments on the second war loan, have again risen to the old figures. More than that, they have in places risen above the highest figures recorded before.

The liquidity of money and the feeling of financial strength and health have even in some instances found expression even in speculative transactions on the bourse. But, as you know, a slight hint has sufficed to put a check to this and to bring about everywhere a realization of the fact that there is a better use for ready money than speculating in securities. (Cries of "Quite right!" and laughter.) All available money today belongs to the Fatherland, and the place to invest it is in war loans. (Bravo!)

Unhindered trading on the bourses even in war times is justified if and so far as it serves directly or indirectly to fulfil this great end. It speaks well for the clear vision and patriotism of our banking circles that the unhindered bourse trading has thus far remained for the most part within these limits, and that the first warning at once met with full understanding and the most willing support.

Gentlemen, we intend also with the third war loan to make mobile and effective our financial power, which I have just described to you as symptomatic. To this end we have built up still further the organization which gave such a good account of itself in the first two loans. Above all, we shall this time employ all the postoffices in the whole German Empire for the acceptance of subscriptions, in order to give everyone a convenient opportunity to subscribe. We intend moreover this time to permit instalment payments also for the small subscriptions under 1,000 marks, and these instalments will be as small as 100 marks. (Very good!) We hope further, after some interesting and effective examples in connection with the last war loan, to induce employers of labor to make these to subscribe small amounts. In the case of big subscribers we shall simplify the work of paying in by accepting in payment, with a deduction of five per cent., the non-due, non-interest bearing treasury certificates of the empire which have been issued in the meantime, in order in this manner to minimize so far as possible the movements and the disturbance of the money market.

Furthermore, gentlemen, we shall this time, guided by the experience of the last loan, issue scrip, in order that the subscribers to the loan may as soon as possible receive an evidence of their investment. (Quite right!) I do not hesitate to admit that the failure to issue scrip on the second war loan led to misunderstandings and caused much dissatisfaction. At that time we could not foresee what an enormous extent the small subscriptions would reach. It was necessary to prepare far more than 6,000,000 certificates. In this connection I should like to request you and the public to take into consideration the difficult conditions under which the imperial debt administration is today laboring. A great part of its trained employes is in the field. Its work, although the labor goes on untiringly day and

night, is hardly to be conquered, and it can naturally not be done superficially. The subjects with which it deals are too valuable for that. (Quite right!)

We intend to carry on the campaign for the war loan this time in still greater extent than the last two times. To be sure, we believe we can and must do without the sensational advertising done by England for its last war loan—advertising of the same style as that employed in recruiting for the war. (Very good!) It is not consonant with German taste to employ for an earnest war the style of advertising for a circus. (Cries of "Bravo!" and laughter.) It is also not necessary for us to say to the subscribers, in English fashion, that they are doing their fatherland "a mercy", a gracious favor, by subscribing to the loan. The German Empire does not go begging, and the German gives no alms to his fatherland, but rather does his duty. (Lively assent.)

But we do not want to be without the lively cooperation of all who, by office and calling, by position and prominence, can instruct and advise the most extended circles of the people. Heads of municipalities, clergymen and teachers helped us bravely the last time, I am convinced that they will double their efforts this time. Above all, gentlemen, I count in this connection on you, on you as the elected members and trusted representatives of the German people. When you return now to your homes you will have opportunity, by explanations and appeals to patriotic conscience, to work for the new loan in your district and to contribute to its success. So far as the imperial financial administration can be at your service in this matter with material or in any other way, this will be gladly done by me.

I come now to the form of the new loan. In regard to the form of the new loan, we intend, after ripe and careful deliberation, to remain on the straight and simple course which has brought us the great success of the last two loans. The 5 per cent. war loan is today the most popular security that has ever existed in Germany. We will not, without being compelled to do so, depart from these proved courses. We shall only make the price of emission somewhat higher in the consciousness of our firm financial power. Beyond this we leave testing and experimenting, tortuous financial artistic gambols and sensational methods of incitement to those who feel themselves uncertain. (Cries of "Bravo!" and laughter.) The strong man uses his strength simply. (Bravo!)

Gentlemen, if anything in the world can increase our confidence and certainly of ourselves, it is a comparison with the financial conditions and financial measures of our opponents. I may therefore beg you to bear with me while I tell you something about these.

As a preliminary I desire here to give an estimate of the total costs which this tremendous war occasions.

According to exact investigations based on the material available here in Germany, the daily war costs of all the powers participating amount to nearly 300,000,000 marks. (Hear! Hear!) The monthly costs hence exceed 8,000,000,000 marks, and for the year we reach the sum of roundly 100,000,000,000 marks. This sum of 100,000,000,000 marks is about the third part of all personal and real property, public and private, in Germany.

Gentlemen, this is the greatest destruction and conversion of property that the world's history has ever seen. (Quite right.) I must say in this connection that of the different countries, Germany, until a few months ago, carried the heaviest burden, and today too the total sum of the accumulated expenditures for war in Germany are greater than in any other land. But what I foresaw in March has already come to pass—England has now passed us in the amount of current war expenditures. It appears that the war expenditures per day there have exceeded the sum of 4,000,000 pounds, that is, 80,000,000 marks. (Hear! Hear!) Gentlemen, we will not envy the English, for whom the idea of a record means so extraordinarily much, this lead. (Cries of "Bravo!" and laughter.) Since the English themselves have the feeling that we accomplish very much more with smaller means than they. Only recently an English lord, a member of the upper house, said in Parliament that he had the impression that more was done for the conduct of the war with a pound in Germany than with three in England. (Cry from the left: "The man was right!") I do not venture to decide whether the man was right, but I could at any rate name some examples for you in respect of which this lord underestimated the ratio quite importantly. (Laughter.) Among the nations of the two groups oppo-

osing each other the division of the war's total costs is nearly two thirds for the coalition of our enemies and somewhat more than one third for us and our allies.

Of the belligerent countries, Germany, England and Austria-Hungary only have thus far covered an important part of their war costs by long-term consolidated war loans. England has brought together 18,000,000,000 to 19,000,000,000 marks with its two year loans, of which some 12,000,000,000 to 13,000,000,000 marks have probably been paid in. We have today paid in a total of some 13,000,000,000 marks, and with the coming war loan we shall, as I confidently hope, also in respect of the sums subscribed and hence assured for the further carrying on of the war again be ahead of all others. Our ally Austria-Hungary has thus far raised some 8,000,000,000 crowns through long-term loans, an accomplishment which, in view of its economic condition and the wealth of its people, deserves the greatest recognition. (Very good!)

In order to make this clear to you, I need only adduce France by way of contrast. France remains far behind the figures which I have already named. The net total of her long-term loan, the *obligations de la défense nationale*, as it is proudly named, amounts today to hardly 2,000,000,000 francs. (Hear! Hear!) That is about a quarter of what Austria-Hungary has done by means of long-term loans. France has thus far been able to secure the entire balance of its war expenditures only through short-term credits. It has issued some 8,000,000,000 francs in short-term treasury certificates; it has taken 6,500,000,000 from the Bank of France, and it has secured the granting of a credit of 1,500,000,000 francs from England under most oppressive conditions.

I will not speak of Russia, Italy and the smaller allies of the *entente*. One should not needlessly be cruel even to enemies. (Loud laughter.)

Gentlemen, the proper valuation of the success achieved thus far and of the further prospects for the financial conduct of the war is dependent not alone on the amount of the sums raised, but also on the manner in which they are raised. I believe I can say without exaggeration that in this point we possess undisputed superiority. France, the land of *rentiers*, has thus far not even brought about a real loan, for the obligations of which I spoke before have not been offered for a uniform and regulated subscription, but are, like the treasury certificates, being sold from day to day. Recently even the issue of interest-bearing paper notes of 20 and 5 francs—with interest!—is announced, in order to increase somewhat the productivity of the financial resources. From time to time there is also talk of a great effort, of a consolidated loan. But France has not yet considered the time ripe for such an operation.

I come to England. The land of the 2½ per cent. consols first tried the experiment of a 3½ per cent. loan. The result of the subscription, with nearly seven billion marks, was outwardly good, but the loan, which was issued at 95, dropped below the price of issue from the first day it was quoted, and has since remained below the price of emission, a sign that the loan was badly placed. In an unguarded moment the bourse reporter of the *Times* recently disclosed that there had been so much talk before the closing of subscriptions of a brilliant success that the capitalists had not considered it necessary to exhibit any especial zeal; in this manner, he said, it came about that the large banks had had to reconcile themselves to making an especial effort in order to bring about an outward success. That, then, is a picture of the allegedly so heavily oversubscribed first English loan!

The further development in England followed quite naturally from this false situation. After the market had been burdened with an undigested loan, a further one could not be attempted, the more so because it became evident that this loan, which really was to reach to July of this year, was already used up at the end of March. Recourse was had to the daily issuance of treasury bills, after the French pattern. The sum became daily larger, but the rush of buyers grew daily less. As early as Easter there was talk of a further loan. The matter was postponed, and not until recently were steps taken toward the large new loan. In the meantime the man of the "silver bullets", Lloyd George, had undoubtedly become somewhat shaky as to the correctness of his confidence that he was sure of victory through this metal, for, as you know, he abandoned the treasury department and devoted himself to the pro-

duction of ammunition from a somewhat harder metal. (Loud laughter.) His successor invited subscriptions for the new loan. I need not dilate at this time on the details. You are aware that the rate of interest was raised 1 per cent to 4½ per cent, and that the loan was accompanied by far reaching interest concessions, conversion rights, etc., which make the actual rate of interest more than 5 per cent. You know furthermore that the loan, which, according to the hope expressed by the British secretary of the treasury in the lower house, would cover the English war needs until the end of the current fiscal year, that is, until the end of March, 1916, has brought in somewhat less than 600,000,000 pounds—the greater part of this sum is payment for dead horses—so that the amount realized by this loan will be exhausted as early as September. Even this result was only achieved because on the day before subscriptions were closed—I support myself here also by the testimony of the "*Times*", which is certainly not to be doubted—the large banks decided voluntarily—as voluntarily as people in the land of the *Magna Charta* do war service and manufacture munitions *liberatum*—(laughter) the large banks, I say, decided quite voluntarily to double the subscriptions which they had made—also quite voluntarily—to the first war loan. Of the not quite 600,000,000 pounds brought in by the English war loan roundly 200,000,000 pounds come from bank subscriptions, and this, too, after the English secretary of the treasury had declared previously that he did not this time desire a loan subscribed by banks, but by the people.

You can follow the fate of this loan day by day in the newspapers; the emission was at par, the loan is today quoted at 98 and somewhat less—and this a few weeks after permission was given to quote the loan. You can further judge the success of the loan by the fact that there has been hardly a breathing spell in the perplexities of the English government, that the newspapers are already speaking of the necessity of another big loan, this time at 5 per cent, and that the "*Times*" declares that a big loan in the United States is "unavoidable".

Gentlemen, in contrast with this course of events in France and England I present the simple fact that with us the two war loans have not gone below the price of emission for a single instant on a single day. Their quotations have, on the contrary, been constantly above the emission price. We were able to issue our second war loan at a price 1 per cent higher than the first, and we shall in like manner go a bit higher with the price of subscription for the third war loan. If, therefore, the words *facta loquuntur* still have their significance in this world-war, even the most ignorant among our enemies must see how affairs stand in the financial theater of war.

The condition of financial strength which finds such drastic expression in the war loans so far issued is further mirrored in all other things connected with public credit and the money market. I will refer only to the most important points. If you take the state paper which set the standard before the war in France, England and Germany, you will find that the 3 per cent. French *rentes* have lost roundly 20 per cent. compared with the quotation for March, 1914. In England minimum quotations for the 2½ per cent. consols have been fixed. The lowest quotation is 65; according to the judgment of the English financial price, this quotation is several points too high. But even at that, this figure of 65 represents a fall of 11 per cent. (Hear! Hear!) Our German state securities show a loss of from 8 to 9 per cent. Here, then, also, as great as the depreciation is, we make the best showing. It is true that the London bourse from time to time indulges in the jest of quoting our German 3 per cent. imperial loan, for which a market existed there before the war. A recent quotation was 49½. Evidently 50 would have been too round a figure to be credible. (Laughter.) I have endeavored vainly, by a roundabout way through neutral markets, to buy German state securities at this quotation of 49½ in London (loud laughter); this was because, apart from my own interest in the matter, I should never again find such an opportunity for the empire to clear off its debts cheaply. (Loud laughter.) But I must say to you that I did not succeed in getting even a single certificate. (Laughter.) We know how affairs stand. But such affairs are not made for us and not for the English. Nor do the English believe it. (Cries of "Very good!" and laughter.) They are made for others, especially for the French. The quotation of 49½ was accepted there with joyous enthusiasm. (Laughter.)

The newspapers say—I quote verbatim from "*le Gaulois*"—"in the realm of finance, therefore, as in other departments, the German debacle has begun." (Laughter.) Our Imperial Bank is, in the eyes of our enemies—it is hard to believe, but it is true—just such a debacle as this quotation of 49½ for our state paper. The Imperial Bank has increased its gold reserve since the breaking out of the war by more than a billion (hear! hear!), an example to which the English and French have thus far vainly endeavored to find a companion-piece of even approximately equal value. The Imperial Bank's gold covering for all its liabilities, which was about the same before the war as that of the Bank of England and 9 per cent. less than that of the Bank of France, which was very well supplied with gold, is today 5.4 per cent. better than in France and 8 per cent. better than in England, (hear! hear!) despite the large payments on the last English war loan. The percentages in which liabilities are covered by gold are: with us, 33.7 per cent.; in France, 28.3 per cent.; in England, 25.3 per cent. (Hear! Hear!) In England, however, it has already been less than 20 per cent.

But, gentlemen, even these figures are of no avail. A London financial sheet recently made the flat declaration that our Gold in the Imperial Bank was paper; (laughter) and the French press repeats this credulously. Why? Because, along with metal, our loan-bank notes cover paper money. This fact suffices for the foreign financial critics to declare that our gold is paper. One does not find the fact explained that these loan-bank notes, together with the imperial notes, appear in every Imperial Bank report separate from metal and separate from gold.

Recently a very clever man has made still another discovery. I adduce this case here, like the others, only to show you the methods of our enemies; not because of the *Temps* or the *Times* or any other source from which such outpourings come, but because of the system. A very clever man, then, who unfolds his activities in the *Temps*, has recently made the discovery that the increase in the gold reserve of the Imperial Bank is due to the fact that we have secretly appropriated for ourselves the gold reserve of the Austro-Hungarian Bank. (Loud laughter.) The brave Frenchman appears here to be judging others by his own experiences; he appears to confuse the Imperial Bank with the Bank of England. (Very good!) The Bank of England, as is known, has not only laid hands on the Egyptian gold reserve and the Indian gold reserve, and taken over in a fatherly way the gold funds of the Belgian National Bank, but has also, in coming to the aid of Russia and France, let itself be paid in shining gold for the credits it granted. (Hear!)

This newest legend which has been set in circulation in the world against us is not at all unwelcome to me, for it gives me the opportunity to make a definite statement concerning a matter close to my heart. Our German banks have, with the approval of the imperial administration, consummated certain financial transactions with the Austro-Hungarian Monarchy. Beyond that, we have thus far fulfilled the duties of the financially stronger ally to the Turks, who are fighting so splendidly, (bravo!) and we shall continue to fulfil these duties further. (Cries of assent.) We have not bargained with our allies; we have not taken gold away from them. (Very good!) To use true allies, who, shoulder to shoulder with us, are shedding their blood, as objects of business exploitation is not the German method. It is the British style. We leave that to the English. ("Bravo!")

And now, gentlemen, to the last point of this financial review, to the point which I described here in the month of March as the single sore point in our financial constitution. I refer to the state of the foreign exchange rates. I endeavored at that time to show you upon what factors the decline of our foreign exchange rates during the war rested. These consist, briefly considered, in the strong repression of our export and in the isolation of our capital invested abroad. The conditions in this department have not improved greatly for us, but they have also not grown worse. Matters stand today about in the same situation as in March. This fact, after another half year of war has gone by, is, all things considered, an improvement, in view of the proverb, generally applicable, that immobility means retrogression. And the French and English are no longer jesting about this matter. Proud England, for which the sea is open, which has at its disposal its own wealth and the wealth of others, is fighting a desperate battle to hold up the sterling rate in the face of the ever increasing depreciation. The sterling rate dropped recently in New York to 5 per cent. below par, a condition that had not come to pass since the Napoleonic wars. France, whose rate was still at par in March, is today paying 110 French francs for 100 Swiss francs, (hear! hear!)

and in New York the quotation for the franc cabled yesterday showed about 16 per cent depreciation. The French rate, one sees, is now lower in New York than the German rate. (Loud cries of "Hear! Hear!") But here as well the French find comfort ready at hand. Mons. Ribot, the French minister of finance, has but recently reassured the chamber and the country with the following words—I give the French, that no one can say that I exaggerate—"Il n'y a aucune dépréciation de notre crédit; il y a simplement des difficultés de payer." (Laughter.) This translates: "There is no depreciation of our credit; there are simply difficulties in making payments." (Loud laughter.) Gentlemen, with your laughter you place yourselves in a certain contrast to the French chamber, for, according to the report of the session, these words of the French minister of finance were greeted from all sides with the cry: "Tres bien! Tres bien!" (Renewed laughter.)

And now, gentlemen, let me revert from the details which I have permitted myself to present to you to the situation as a whole and to the important thing, the kernel of the secret of our success in the financial theater of war. The secret does not lie in what is ordinarily described as wealth. In this respect the British world empire is indisputably superior to us, as is also France, reckoned per capita of the population. The wealth which we have to thank for success is not simply alone the sum of money savings. It includes rather our whole economic-technical equipment, it consists above all in the vital productive energy of our people, which works and creates in the war and for the war. (Lively assent.) That which the war consumes is not merely our stock of ready money; it is the total of war material and articles of sustenance which our people—on their own soil, thank God!—secure and create ever anew with the devotion of all their energies. The money is used in this process, but not used up. Money plays here the same rôle as the railroads which bring to our troops the things necessary for living and for fighting. Just as the railroad cars roll well filled out to the front and then return to the workshops at home, so the money rolls out from the imperial coffers in the payment of war costs and thus it returns, thus it must return, by the route of payments on the war loans. A well ordered and well functioning financial system is just as important for the carrying through of a war as is an effective railroad system. But even the best railroad system avails naught if there is nothing at hand to be transported, and the best financial system can do nothing if the labor of the people does not create the articles necessary for life and for the conduct of war. Where the money rolls across the borders in order to supplement by purchase of war materials and food stuffs the deficient domestic production, it does not so easily roll back and there ensue the impediments which we observe in the case of our opponents.

Therefore, gentlemen, no matter how our enemies may repair their money machine (laughter) and no matter how much, in doing so, they take us for a model, it will advantage them only when they duplicate the efficiency of our agriculture and our industry, when they duplicate the efficiency of our employers and our workmen (cries of "Bravo!" and "Quite right!"), and that they cannot do. They can as little do it as duplicate our army (quite right!), for something more is required for that than the comprehension born out of the necessities of the moment. To that there belong generations of long years' training and co-operation, there belongs the iron education in duty and discipline, there belongs a nationality welded together into steel in the history of a thousand years. (Loud cries of "Bravo!") Therefore let them announce that they will destroy and dismember us; against this steel-hard German people, their numbers and their powers, their money and their stratagems, will break in pieces. (Bravo!) We bear the victory in ourselves. We feel the demand for victory doubly strong in these days, when, under the thunderous blows of our fortress-reducing guns, irresolution is taking form, when everyone perceives the approach of great decisions, when the beating of the wings of world-history, of world-fate, is growing audible in the smallest hut. We see in these days army and people permeated by the consciousness that every force must be employed; we know that every German quivers to have a hand in the great decision, out there in the battle on the fields and in the fortress war, here at home in economic and financial struggles. Therefore, gentlemen, I am confident that the credit which you are now about to grant will be approved by the entire people through their participation in the new war loan. No one will stand apart. Great and small will do their duty. Those at home will again show their gratitude to their brothers battling at the front and will show themselves worthy of them. (Bravo!) Those at home will do their part to bring us, through a striking success, nearer to victory and peace, to the German peace which will be for us the completion of the work of 1812 and 1870, to the peace which assures to us and our allies enduring safety from covetousness and aggression, which leads our opponents away from the course of misled passion and artificially cultivated monomania back to their senses, which brings quiet and freedom of development to the bleeding nations, a quiet and freedom which our hemisphere needs in order to retain its place in the world and fulfil its mission.

(Loud applause and cries of "Bravo!")