

News Review of Current Events the World Over

Germany's Financial Plight Worries All Other Nations—Hearings on Railway Freight Rate Increase Begun.

By EDWARD W. PICKARD



WHILE all the world looked on with anxious interest, Germany was plunged into a financial crisis that threatened the country with utter economic collapse and made possible even the subversion of the government. Delay in acceptance of the Hoover moratorium by France had resulted in the withdrawal of vast sums from the German banks, the conversion of these funds into foreign currency and its removal from the country. The big Darmstadt and National bank closed its doors, primarily because of heavy losses sustained through the failure of Germany's largest wool-combing concern, Dr. Haas Luther, president of the Reichsbank, rushed from Berlin to London and thence to Paris, seeking aid. The French government refused to participate in a loan to the Reichsbank unless Germany would agree to conditions which Berlin regarded as impossible of acceptance. These included suspension of the pocket battleship building program, abandonment of the Austro-German customs union, further credit restrictions in Germany and relinquishment of any hope of regaining Danzig and the Danzig corridor. President von Hindenburg and his ministers said they would resign rather than submit to these demands.

Luther then flew to Basel and laid the case before the Bank for International Settlements and representatives of American, British and French banks. Gates W. McGarran, American president of the B. I. S., announced that the directors of that institution had agreed to renew its participation in the rediscount credit of \$100,000,000 accorded to the Reichsbank June 25 and due on July 15. This credit was advanced jointly by the Federal Reserve bank of the United States, the Bank of France, the Bank of England and the world bank. The sum was welcome to Luther but it was only a drop in the bucket which he had to fill.

MEANWHILE the German government ordered all banks closed for two days, shut up the stock exchanges for a week and decreed a two-day moratorium. It thus checked the exodus of capital and the transfer of marks into foreign currencies or securities, for the time being. There was some rioting, but in general the German people exhibited the calmness of despair. The authorities cannot believe that America and the other nations of Europe would permit the insolvency of Germany, and the decree issued by President von Hindenburg stressed the fact that the crisis was largely metaphysical and due to lack of public confidence.

At the suggestion of the French government, an important conference was held in Paris Saturday and Sunday, the chief participants from other nations being Chancellor Bruening and Foreign Minister Curtius of Germany, Foreign Secretary Henderson of England and Secretary Stimson of the United States. This was a preliminary to a conference in London called for July 20 by the British government. To represent the United States at the latter President Hoover designated Secretaries Stimson and Mellon. It was understood they would not concern themselves with matters of European politics, and Mr. Stimson already had explained that this government could not participate in a loan to Germany, that matter resting entirely with the federal reserve and private banks.

President Hoover kept in close touch with the German situation but it was the official view in Washington that Germany must help herself by strong measures and that in the matter of outside assistance Europe must take the lead. Mr. Hoover took the position that in bringing about the moratorium he had done all that he legitimately and properly could do.

France refuses to be abashed by the attacks on her apparent harshness toward Germany. She holds that her demands are fully justified and that they tend to promote the cause of world disarmament and to assure se-

curity for Europe in general and France in particular.

INVESTIGATION was ordered by Secretary of Commerce Lamont into charges made by Dr. Ray O. Hall that he had been dismissed from the department for protesting against falsification of the recently issued report on the "balance of international payments." Hall, who prepared most of the report, alleged figures were juggled and deletions made to suit "political expediency." He said particularly that a comment to the effect that impending tariff legislation possibly was in part responsible for merchandise imports holding up relatively well during the first half of the fiscal year 1930 had been omitted in the publication.

The point he had endeavored to bring out and which, he said, was omitted, was that, in anticipation of higher tariff rates later, foreign shippers had sent greater quantities of goods to this country during the first part of the fiscal year than otherwise would have been the case.



RAILWAY officials, shippers and other interested persons gathered in Washington for the hearings before the Interstate Commerce commission on the application of the railroads for an increase of 15 per cent in rates on all freight traffic. It is one of the biggest questions that Chairman Ezra Brainerd, Jr., and his fellow commissioners have had to handle for some time. There was no disposition to question the fact that the railroads are in a sad financial plight. The problem is to find the remedy. In the first five months of this year the class one railroads had a net railway operating income of \$188,387,587, or 2.10 per cent on their property investment, and 44 of the 171 roads operated at a loss, of which 14 were in the eastern, 6 in the southern, and 24 in the western district.

Conforming to the wish of President Hoover, that existing wage scales be maintained, the roads are seeking an increase of revenue in increased rates, but their executives have made it plain that if this is not granted, wages will have to come down. Many shippers have let the commission know that they favor the latter alternative, asserting that they cannot bear higher transportation charges. President Hoover has taken no part in the controversy, but Secretary of Agriculture Hyde has publicly asked the commission to take into consideration the fact that while the revenue of the railroads dropped 15 per cent last year, the revenue of the farmers dropped 20 per cent; that farm prices are down to pre-war levels, while freight rates are relatively high; that with many products taxes, manufacturing costs, and railroad rates can be passed on to the consumer, but that the farmer cannot pass his costs on.

In an effort to determine whether certain practices of the railroads are consistent with "economical and efficient management," the interstate commerce commission announced that it would conduct an investigation on its own motion into practices of carriers which affect their operating revenues and expenses.

Among the practices the commission is investigating are prices paid for railroad fuel and the handling of coal at tidewater ports, lake coal, private freight cars, the spotting of cars at industries and the construction and maintenance of sidings for shippers.

SOVIET Russia has taken another step in its return toward old-time ways. It has been decreed by the people's commissariat for agriculture that payment to workers on Russia's collective farms shall henceforth be made only on the basis of quality and quantity of work performed. The measure is designed to increase the "material interestedness" of the farmers and thus enlarge production.

Heretofore collective farmers have been paid partly in money from farm earnings and partly in produce, according to the size and needs of their families, many taking their share of produce at the outset of the harvest. These factors, combined with inadequate organization and management of farms, were cited in the decree as

responsible for a break in labor discipline and consequent losses from the harvest.

CHARLES G. EDWARDS, Democrat, representative in congress of the First Georgia district, died suddenly of cerebral hemorrhage in Atlanta. He was fifty-three years old and his home was in Savannah. Mr. Edwards' death restores to two the Republican majority in the house. He was the seventh member of that body to die since the election. The Republicans now have 215 members to 213 for the Democrats and one Farmer-Laborite. There are only six vacancies for that caused by the death of Aswell of Louisiana has been filled by the election of another Democrat, John Overton.

CAPTS. GEORGE ENDRES and Alexander Magyar of the Hungarian army made a remarkable non-stop flight from Harbor Grace, N. F., to within 14 miles of Budapest. That city was their goal but their fuel ran out just before it was reached.

Joseph Lebriz and Marcel Doret, two famous French aviators, set out on a non-stop flight from Paris to Tokyo, hoping to make the 6,000 miles in 62 hours. They were making good progress when they were forced down in Siberia 310 miles from Irkutsk. The plane was ruined and Lebriz was slightly injured.

THREE independent investigators, after a tour of the Pennsylvania-Ohio coal fields, where the miners are on strike, declared that "the people of Pittsburgh are entirely unappreciative of the gravity of the situation. If they do not awaken soon they will shortly find themselves faced with a civil strife unparalleled in the coal industry."

The investigators were Dr. Colston E. Warne of Amherst college, Dr. William L. Nunn of New York university and Mauritz Helgrin, associate editor of the publication The Nation.

CHILE has a new cabinet headed by Pedro Blanquer who, besides being premier, is minister of finance. Blanquer was formerly finance and public works minister, as well as director of the state railways. He is regarded as an efficient technical man and it is believed in Santiago that he can find the remedy for the precarious state of Chilean finances.

ONE more report from the Wickersham commission has been made public. It deals with methods of criminal procedure, and an interesting paragraph denounces as "shocking to one's sense of justice" the laws under which the famous Mooney-Billings case was conducted. The commission cites the case arising from the 1918 preparedness day bombing in San Francisco as one in which motions for a new trial "were held inadequate to prevent injustice." It makes no direct recommendation, however, that the case be reopened.

In the body of its report, signed by ten of the eleven members, the commission concludes that blame should be laid at the door of "incompetent, or politics-ridden judges" for much of the general complaint against this country's criminal procedure.

Monte M. Lemann, New Orleans lawyer who declined to sign the commission's prohibition report, likewise refused to sign this document. He charges that the report was made without sufficient research to back up the conclusions reached.

VIRTUALLY the father of the army air service, Brig. Gen. Benjamin D. Foulois, will next December, reap the reward of his long and earnest labors. The War department announced his promotion to succeed Maj. Gen. James E. Fehet as chief of the army air corps, effective December 20, when General Fehet's term expires. Foulois will then become a major general. He was one of the pioneers in the development of aviation through association with the Wright brothers. He flew the first airplane and the first dirigible balloon purchased for the army, and in 1910, when the appropriation for the air service was only \$150, he contributed \$300 from his own pay to make up a deficit. He organized the first flying unit the army ever had. As assistant chief of the corps he supervised the gigantic air maneuvers along the Atlantic coast last May.



Gen. Foulois

ALBERT B. FALL, former secretary of the Interior, was ordered by the Department of Justice to be committed to the New Mexico penitentiary to serve out the term to which he was sentenced on his conviction in the Elk Hills bribery case. In order that Fall, because of incipient tuberculosis, might serve his term in the Southwest, his sentence of a year in jail was changed to a year and a day by Justice Jennings Bailey of the District of Columbia Supreme court.

Across Afghanistan



Motor Car of Trans-Asia Expedition.

(Prepared by the National Geographic Society, Washington, D. C.)

TRAVELING along a route made famous by Alexander the Great twenty-two and a half centuries ago, the Trans-Asia expedition has just crossed isolated Afghanistan from west to east. The expedition, with which the National Geographic Society is co-operating, found the caravan tracks in poor condition for wheeled vehicles in many places; but even the worst stretches were traversed with relative ease by the special cars equipped with a tanklike band drive in place of rear wheels.

The three major stops in Afghanistan were made at Herat, metropolis of the western part of the kingdom; Kandahar, in the south; and Kabul, the capital, in the east.

To locate distant Herat on the world map an American may start in known territory at Knoxville, Tenn. A line drawn due east will almost bisect Herat, seventy miles from the western Afghan border.

No one knows how long Herat has been dominating the broad plain in which it is situated. Remains of buildings strewn over the plain nearby were ancient to the ancients. Alexander the Great is credited with the building of the Herat walls. If that is a fact, Herat is at least two thousand two hundred and fifty years old.

A sort of hub for caravan routes leading to many parts of central Asia, and one of the so-called doorways to India by land, Herat has been a tempting "plum" for rulers of nearby countries and imperial strategists of the eastern hemisphere bent upon annexing portions of southern Asia to their domains.

Herat Often Besieged and Taken.

As a result its 25-foot walls surmounted by 150 towers, have withstood many sieges, but it also has often fallen before attack. In the Thirteenth century Genghis Khan and his horde of Mongols swept down upon the city, leaving only a half hundred of its hundreds of thousands of inhabitants alive; and these survived only because they feigned death. One hundred and fifty years later Tamerlane, no less merciless, nearly duplicated the annihilation.

The Persians frequently took Herat and remained in control for many years at a time. Today Persian blood flows in the veins of about one-half of the Heratis. In 1837, some 35,000 Persians set out to take Herat. After a siege of ten months, the Heratis, with the help of British forces, defeated the Persians. Herat then became an independent city, but in 1861 a quarrel between the rulers of Herat and Afghanistan resulted in the city's passing of the latter.

Despite frequent revolts and attacks, Herat continues to rank with the great cities of central Asia. Frequent rebuilding of the city within the walls has brought little change to its people and daily life. No railroad approaches nearer than 80 miles; the telegraph key has never clicked within the city's walls. Unsightly ancient graveyards outside the walls have been put in order, new defense works have been built, and a new extension of the city with broad streets flanked by modern shops is rising outside of the north wall; but the original moat, 45 feet wide and 16 feet deep, still is there today as it was centuries ago.

Inside the walls Heratis live in low mud and sun-dried brick buildings as did their ancestors. The streets are mere passageways. They are playgrounds for children and stages for debate by bewhiskered, befurbered men.

Hard Route to Kandahar.

South and east of Herat the expedition encountered difficult terrain over which few motor cars have passed. Many swift streams had to be forded and three mountain ranges crossed. The only major river encountered, the Helmand, had to be crossed by means of an ancient ferry. The transfer of the 21 cars, trailers and trucks across the Helmand consumed two days.

To Kandahar, important trade center of southern Afghanistan, caravan roads converge from several gateways into Persia from Turkestan, from Herat and Kabul in Afghanistan, and from Baluchistan and India. Geog-

raphy has given it trade value for two millenniums.

The town lies on a level plain between two rivers, the Tarnak and Arghandib. To the north and northeast lie barren hills, but south and west of the city the plain is irrigated by numerous canals and is highly productive and thickly settled. This irrigated land about Kandahar is one of the best fruit growing regions of the Middle East. Peaches, apricots, grapes, figs, melons, and pomegranates grow to perfection. Fruits, both fresh and dried, make up prominent items in the city's exports.

A ditch and a mud-brick wall extending for more than three miles surround Kandahar. Outside the east gate is a large caravansary where are often to be found huge stores of wool and other products destined for India.

Kandahar shows its trade importance and the cosmopolitan character of its 31,000 inhabitants in its bazaars. Hindu, Afghan, Persian, and Baluchi merchants handle goods from Europe, Central Asia, Turkestan, and India. The Hindu merchants predominate and are shipping agents as well. Their outgoing caravans carry, in addition to wool and dried fruits, evil-smelling asafoetida for the drug trade, indifferent tobacco, madder for the outside world's paint tubes and dye vats, silk, and cleverly carved prayer beads for devout Moslems from Java to Morocco.

East and north of Kandahar better roads were encountered than those of eastern Afghanistan, and the expedition had little difficulty in reaching Kabul. It found that the ambitious modern capital city which former King Amanullah had almost completed on the outskirts of Kabul before his visit to the United States in 1928, is now deserted. Governmental activities, as during past centuries, are carried on in old Kabul.

Kabul Big and Busy.

Kabul is one of the three of the least known capitals in the world today. The others are Lhasa, capital of Tibet, and Riad, capital of the newly recognized country, Nedj, in central Arabia.

Kabul granted the Trans-Asia expedition permission to enter, but customarily it hangs out no "welcome" signs to visitors, distinguished or otherwise. The Afghan capital, like the rest of the Asian monarchy of which it is the largest city, asks little from the outside world, and would like the attitude reciprocated.

Yet Kabul is far from crude or primitive. It has electric lights from a hydroelectric power plant, telephones, many automobiles but few roads, machine shops, munitions works, and factories for making soap, shoes, and cloth, all built under English supervision. Its tanneries, established through the co-operation of outside experts, are sources of especial pride.

Kabul itself is a busy city of about 100,000 people. One can only guess at the population because the single effort at a census failed before the innate exclusiveness of the Afghan. Rather than tell their names and ages so many Kabul residents either left the city or hid away that business was disrupted and the census was abandoned.

Kabul's flat-roof dwellings rise in sweeping tiers from the banks of the Kabul river to sun-parched foothills, 7,000 feet above the sea, higher than the peak of Mt. Mitchell, loftiest of the Appalachian chain. The peaks of the Hindu Kush, three times as high, jut into the skyline not far away. Hence its winters are cold and its summers mild.

Piano players and phonographs give the ear an inkling of the home life of Afghanistan's capital—a home life which is screened from the eye by interminable mud walls. Probably nowhere in the East is the seclusion of women more complete than in Kabul. The extent of man's walls is the barometer of his social station.

When a western idea finally reaches the Kabul home the impact often leaves a strange anticlimax. The story is told of one wealthy Kabulian who would have nothing less than a grand piano in his home. After many months it arrived, but minus a bench for the player. "That's all right," said the purchaser. "I'm accustomed to sitting on the floor. Saw off its legs!"