

GERMANY'S IMPENDING FINANCIAL COLLAPSE

It has been assumed from the first that the end of the war might come, in advance of a military decision, through the economic and financial collapse of Germany. But so far the hope has never been quite abandoned by Germans themselves that they could in some fashion make the war pay for itself, and on that hope has been built the top-heavy edifice of German credit — of fiduciary bank notes with no assets behind them, and a war debt whose interest is being paid out of borrowed money. With the disappearance of the last vestige of German confidence, and that cannot be much longer delayed, will come the crash of the internal credit of Germany, its external credit having gone already. Germany staked everything on the serene belief that the war would be short, triumphant and profitable. Not only were her war costs to be paid by the crushed and helpless enemy, but her new career of commercial conquest was to be financed from the same source. Very early in the war Dr. Helfferich, when Secretary of the Imperial Treasury, said: "We do not desire to increase by taxation the heavy burden which war throws upon our people; Germany's enemies deserve to drag the leaden weight through the centuries to come." Germany's rulers continued, up to last year, to speculate upon victory and to plan the levy of heavy indemnities upon the people she was about to conquer. The indemnity to be imposed upon France was fixed at \$7,000,000,000 and in the annexionist petition of 352 German university professors in the beginning of 1917 there was a protest against hesitation, "from any false humanity," about burdening France as heavily as possible. It was cynically declared that to ease the burden imposed upon her she might call upon her ally across the Channel, and that if the latter refused to fulfill her duties as an ally financially, a secondary political result might be attained with which Germans could well be content. So, alike for the financiers, the merchants, the professors and the common people, there was but one slogan and that was the Emperor's proclamation of June, 1915: "The triumph of the greater Germany, which some day must dominate all Europe, is the single end for which we are fighting."

At the present date, the war debt of Germany considerably exceeds \$25,000,000,000, without reckoning the mass of inconvertible paper whose sole value consists in the official stamp. Nor does that take account of future expenditure, or the bill that will have to be paid for reparation. The "laden weight of billions" will have to be dragged about by the German people themselves, and with every day the war is prolonged the weight must keep on growing. Allowing only for interest and sinking fund on the various war loans, and the amount to be paid in pensions to the dependents of fallen soldiers and to disabled men, there is an extra annual charge already in sight for the German taxpayer of \$3,000,000,000. Before the war, the total annual revenue of the Imperial Government amounted to about \$850,000,000, and up to 1916 there was no new taxation at all. Then there was a feeble effort to contribute something to the colossal annual charges by putting on increased taxation to the extent of \$75,000,000. It was decided last year that this was not enough and an additional \$300,000,000 was imposed, making a total of \$375,000,000. It was intimated early this year that the Government was about to make a capital levy which was expected to bring in \$500,000,000. There has been no authentic news of any such collection, but even if it were made the total revenue would still be a long way below the interest obligations on the public debt. When, in 1913, the tax on capital to the extent of \$250,000,000 was imposed for strengthening the army, it was generally felt in Germany that the nation was taxed to the utmost limit. But unless she is to default to her own people and thus disable many of them from paying any taxes at all, a very different standard of measurement will have to be applied to the strength and endurance of the taxpayer. Now that Germany is coming face to face not only with a terrible burden of taxation, but also with a smash-up of her national credit, her outlook is black indeed.

The opinion has been expressed by Mr. Thomas W. Lamont and others that it is the business men of Germany who will force her rulers to sue for peace because of their final conviction that Germany, with her international trade gone, will be a bloodless, lifeless Germany. It was evident that in the matter of foreign trade Germany had to choose between two alternatives, neither of which was fruitful of much promise: She must either defeat the Allies and bend them to her will or, if defeated herself, must placate them so that they would presently resume commercial relations with her. The former

AUGUST FIRE LOSSES.

The losses by fire in Canada and the United States during the month of August, as compiled from the records of The New York Journal of Commerce, reach a total of \$31,476,650, again showing a very marked increase over the figures of last year which were \$21,751,100. The August record this year is one of the worst in the history of the country and brings the losses for the first eight months of 1918 up to the excessive total of \$200,036,285, as compared with \$180,515,875 for the same months in 1917 and \$159,535,220 in 1916.

STOP THE FIRE WASTE.

The fire loss of 217 cities, aggregating more than \$72,000,000 in 1917, according to a recent report of the United States census bureau, is food for serious thought.

Fire losses have a particular and vital interest to the industry and commerce of the nation in so far as they are actual destruction of wealth and wealth-production machinery. A firm may fail in business with heavy loss, but, in general, its loss has been somebody else's gain, even if only that of the small consumer of infinitesimal units. When a man loses on the stock market, somebody else has gained. The amount of wealth in the nation is not affected thereby. A certain portion of that wealth merely has changed hands. It still remains an asset to somebody.

But who gains when a building goes up in smoke? So much material organized for wealth production simply has ceased to exist. It leaves a void behind. It must be filled either by a tax on the owner, if he is not insured, or, if he is insured, by taxes on the insuring public generally in the form of premiums. The loss due to interrupted production, also is a loss which can never be made up.

Seventy-two millions does not seem much in these days, when we have become accustomed to measure national effort in terms of billions. But when it represents a total loss of producing power much greater than this, at a time when the producing power of the nation is being called on to the limit, it would appear worth while, merely as a war effort, to take some definite steps to reduce the fire waste.

In this respect the fire insurance companies might well learn a lesson from their brothers, the liability companies, which seem to have been quite successful not only in enforcing safety-first restrictions but in inducing policy holders to united efforts in promoting the safety-first idea through publicity methods.

If the fire insurance companies were to undertake a national campaign, based on the conservation of war production power, there is no doubt that a large proportion of the seventy-two-million-dollar loss could be prevented.—Philadelphia Public Ledger.

alternative is plainly out of the question and the other is already being contemplated with manifest disturbance of mind. There is no doubt that the vast majority of the Allied populations are all for punishing the disturbers of the world's peace in the way that will most effectually damage them. Nowhere is there recognized more clearly than in Germany the strength of the Allied sentiment which favors a trade boycott for a period of years, until suffering has brought about repentance, as just and fitting treatment to be meted out to the Central Powers. Under the most favorable auspices, even if the war stopped to-morrow, it would take Germany years to recover her lost trading position. For copper, cotton, wool and rubber she will have to go to countries with which she is now engaged in deadly struggle, and her stocks of these and other essentials of production have been depleted during the last three and one-half years to the point of exhaustion. In addition to this handicap in the matter of raw materials, which at the best can be but slowly overcome, there has been an absolute disorganization of all the mechanism of finance and of distribution which formed the instrument of her foreign trade. And yet, it is conceded that this trade will be more essential to the life of Germany after the war than it ever was before; it is the only life-belt that can save her from drowning. Thus, with the collapse of the military power of Germany on the western front there is impending an economical and financial collapse more ruinous still.—The New York Journal of Commerce.

U. S. EXPORT TRADE.

Exports of war materials from the United States during the fiscal year ended June 30 last, according to a compilation made by the N.Y. Journal of Commerce from Government figures available, reached a value of \$1,233,097,000, compared with \$2,127,940,000 during 1916-17 and \$1,329,458,000 during preceding fiscal year. The total value of such shipments during the four years ended June 30, embracing the war period, appears as \$5,125,498,000.

RAT FOOD COSTS \$200,000,000.

When Ellis Parker Butler wrote "Pigs Is Pigs," he had an idea that guinea pigs are prolific breeders. On the contrary, this little animal is so poor a breeder that the guinea pig market is decidedly bullish, and all sorts of experimental work cannot be done because the necessary guinea pigs cannot be had.

What the celebrated "detective" should have named his story was "Rats Is Rats." The common brown rat has six to ten litters a year and there are about ten rats to the litter. The females begin breeding when three to four months old.

The ordinary brown rat got into this country just about 150 years ago, and now they radiate from the Chicago stockyards to Maine on the east and to California on the west, and as far north and south as the land extends. The Chicago stockyards is the rat hub of America.

Bell says in the Year Book of the Department of Agriculture there are more rats than people in the United States and that the animal food bill for the rats is not less than \$200,000,000. Two hundred thousand farmers would be required to make food for the rats. They consume as much food as 5,000,000 acres of ground produces. Think of 200,000 men working 5,000,000 acres of ground to produce rat food.

On top of this rats spread infectious jaundice, a disease quite prevalent among soldiers in the trenches, and in all probability still more prevalent among civilians in this country. No doubt most of the cases of jaundice, catarrhal jaundice, mild fever with jaundice, and some cases of so-called bilious fever are due to rat-borne infection.

Rats are responsible for plague, both ordinary bubonic plague and pneumonic plague. They also cause a disease that is more prevalent than we think—namely: rat bit fever.

Both New Orleans and San Francisco have proven that rats can be eradicated. They are a danger, a nuisance, and a source of great waste, and yet we do not have to put up with them.

The best rat trap is the ordinary inexpensive snap or guillotine trap. The kind with metal bases is not efficient, since rats avoid it. The traps should be set on rat runs and at rat burrows. Dry oatmeal is a good bait. Place a few grains on the trigger and a few nearby. At least fifty snap traps should be set all the time on a badly infested farm.

A wire cage trap is good if properly baited and managed, but it does not compare with snap traps in efficiency. Rat terriers are effective. Cats are not. Strychnine is the safest rat poison, according to Bell. But the only satisfactory method in the long run is ratproofing.

Concrete and cement are the keys to the situation. When the federal and state governments co-operated to make sections of San Francisco and New Orleans ratproof, they did not waste much time with other methods. They caught as many rats as they could, but the great bulk of their effort consisted in tearing out rat infested basements and foundations and replacing woodwork with concrete. Concrete floors, concrete walls, and concrete pillars were built. Rat holes and cracks were filled up with concrete. Wooden walks were torn up and replaced with concrete. Provisions and grain were kept in wire covered cages. Tin barriers and tin collars were made use of in places.

In the fight on rats the natural enemies of the pest should be fostered. Snakes, hawks, owls, skunks, and weasels are great ratters, and, instead of being shot at, should be welcomed around the barn and should be unmolested in the field.

"As usual, I'm undecided about my vacation."

"Hesitating between mountains and seashore, eh?"

"No, between munition factory and farm."—Kansas City Journal.

A Colorado paper prints this bit of intelligence—George Bacon and Frank Eggs of Pine have started a restaurant at Shaffer's Crossing in the Platte Canon district. The firm is Bacon and Eggs.