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## Conditions in Central Europe

BY COMMISSIONER BRUNO FRIEDRICH.

CHAIRMAN ARSCOTT:—Gentlemen, we have as our guest today Commissioner Bruno Friedrich from Germany. I think we might well refer to him as an international leader of the Salvation Army. His first contact with the Army was forty-seven years ago when he took up work with them in Winnipeg. He was later appointed to Melbourne and subsequently also served in Jamaica and China. Following that, an important executive vacancy arose in India and he was chosen for that post. He has travelled a great deal during his forty seven years in the Army. In 1919 he was appointed to take command of the Salvation Army in Germany. He also spent considerable time in Hungary and Czecho-Slovakia. He is to speak to us today on, "Conditions in Central Europe." That is a very timely subject, having regard to the disturbed conditions in these countries, and one he is particularly well qualified to discuss, having in mind his long study of these countries during his service. I have now much pleasure in asking him to address you.

COMMISSIONER FRIEDRICH:—Mr. Chairman, gentlemen, you have done me the honor of asking me to address you on "Conditions in Central Europe." I am giving less of my personal opinion than facts that have come to my notice. I have spent the last twelve years in Central Europe. In 1921, I was sent to Germany as Chief Secretary and later as Commander of the Salvation Army forces of Czecho-Slovakia. After being in Austria, I returned to take charge of the work in Germany in 1929. I make that explanation in order to give you a background for my remarks. I have not prepared a regular address. I have

had to address various clubs who have invited me. I hope that I will say something that will be of interest to you, although much will be known to you.

Perhaps it will be best, in order to understand the conditions as they are today in these countries, to say a few words about pre-war conditions. Doubtless, most of you will remember, before the war, the German Empire and Austro-Hungarian Empire composed a solid *bloc* of one hundred and twenty million people. Commercial, industrial and other organizations were built up to supply the needs of the great *bloc*. You can readily understand what confusion there would be and what confusion there was after the war. New countries were opened up and this *bloc* was split into many small parts. Other portions were added which was neither wise nor just. For example, I take the Polish Corridor about eighty miles going through the east of Germany. The population was about 72% German. There was no reason to annex that portion except a desire to cripple the activity of Germany. This was one of the things that created strong feeling in the Reich. Another thing was the creation of the free City of Danzig, now crippled to a large extent, separated by the Corridor and another small Corridor between Danzig and East Prussia, extending a few miles on each side of the river. It was intended that the river should be boundary. You cannot travel to Germany from East Prussia without going through Poland. Many who own land near the rivers whose course is on Polish ground have great difficulties because, generally, they were guarded by Polish soldiers, and the stream that used to carry a great deal of traffic from Southern to Eastern Europe and up to the Baltic, is practically today a river without boats; and available means of communication are poor.

Another part that was taken was Upper Silesia which has been a part of Germany (Prussia really) for seven hundred years. Before the census was taken of the population, sixty per cent. voted for Germany and thirty-two per cent. for Poland. In spite of the undecided vote Upper Silesia was taken from Germany and added to Poland because there are rich coal and other facilities. I

mention these to state the cause for certain resentments that today, while not flaring up, are still smouldering among the population of Germany. These things are like open sores, like cutting the arm from the body and throwing it to one side. Besides, most of the new countries are not created according to the limit of population. The right of self-determination sounds very beautiful, but was not applied.

In Northern Hungary you have a population of fourteen and a half million people and six languages are spoken between six million people. Now, on account of the difference of interests, these six nationalities love each other like poison. In some cities there are three nationalities at every street corner and three languages over every shop. You have other countries. Jugo-Slavia is just as bad. Added to some of the older provinces is that conglomeration of languages and nationalities that you cannot unify. To some extent all the Baltic states, Latvia, Lithuania and others have great differences of language, although not quite so much as in the south. After the war, this great confusion was due to the countries created. Everyone wanted to create its own manufacturing concerns. In Czecho-Slovakia, for instance, the sugar-beet industry is very extensive, but you can buy beet-sugar cheaper in London than in Czecho-Slovakia because a bonus is given. Czecho-Slovakia is protected by high tariffs. That is the ruin of the economic life of Europe—high tariff walls.

The makers of the Treaty thought they would create buffer states and cripple the enemies. So I suppose it is natural, resentment should accentuate the feeling of these people. I am not commenting; I am just telling you what the people think.

I might say a few words about Germany. I got there in 1921. Inflation had begun. The Mark that is ordinarily worth twenty-five cents had sunk to the point where you got eight hundred Marks for the American dollar. It sank rapidly and in a few months I bought an overcoat which cost one hundred and fifty thousand Marks, and in about eight months a suit of clothes cost three million

Marks. I had to pay three thousand Marks for a box of matches. In 1922 money sank so rapidly that when people got paid they spent it as quickly as possible to get some value. Men who came in to train in the officers' training home invested their money in boots, etc. When the people got their money they went to the shops but the shops, unfortunately, did not want to sell. To illustrate the point, there is the story of the shopkeeper who sold a keg of nails at three thousand per cent. profit in a short time and when he wanted to buy more nails he found his money would only buy a pound and, eventually, he found he had only enough to buy one nail and so he bought a rope and hanged himself.

What money we got at headquarters in Berlin, we used to buy foodstuffs, black flour, dried peas, rice and so on. The time came when we were paid salaries in food and clothing, because we could buy to better advantage. When we first came, even small children had suffered intensely, and during the nine months between the Armistice and the Peace Treaty, more died than during the four years of the War. There were in Germany at that time a great many children who suffered from the consequences of under-nourishment. Our leader, General Booth, very wisely sent millions of tins of milk to be distributed among the poor suffering children. Even in November, 1921, when we first came, everything was rationed out. We could not buy any coffee or sugar, flour, margarine and many other things, also coal on a cart. It was so many coals—so many briquets and a quarter a pound of margarine or sugar. In November, 1923, the milk was not obtainable, except for small children and mothers. During the stress of inflation a great many people died of starvation. Our officers went and visited families, formerly well-to-do people, too proud to seek help. Even an old man, one of the richest men in Berlin, was found in an attic starving. People told us about him and we sent officers and they found him starving and had to remove him. Another, a lady who used to help the Army very frequently—a she gave thirty and forty thousand Marks at a time, was found in an attic above a drug store. When we went to

her she said, "Here is some tulle. Bury me decently." That is sufficient to give you some understanding of the situation.

We had field kitchens—some of the old field kitchens of the Army, which we used. Each one had a capacity of two hundred gallons of food. We started with six and went into the hundreds. We had a hundred people who gave their services voluntarily and prepared the food. People, who had been visited by our officers and found deserving, came and got a food supply for a month.

That went on for three years and gradually things improved. In December, 1924, a billion paper Mark was worth a gold unit. Paper money was used as waste paper. It was wonderful how quickly things rectified themselves. Formerly everyone spent and, in a week, people began to save money and take care of money and spent very little. Of course, business had no more capital. Business had to start in the different countries, factories had to start and merchants had to stock their shops in borrowed money. It is very easy to borrow money, but difficult to pay capital payments. 1924, 1925 and 1926 were comparatively prosperous years in Germany. Everything went very nicely. But then when it became difficult to pay interest because of the laws enacted, dumping laws and higher tariffs, it became increasingly difficult to export German goods while Germany had to export indemnity payments to various countries. The pressure became acute and in 1927, factories closed, shops closed and houses were empty, until Germany could not pay any more and applied for a moratorium.

Now, when the moratorium was first applied for, a certain panic started in Germany. Many people thought a new period of inflation was coming. The banks were besieged. For two or three days the shops were besieged, policemen had to regulate the traffic and let in only a certain number at a time. People spent money to get some value and bought furniture, clothing, boots, victuals, etc. The Government, fortunately, closed the banks for a few days and guaranteed payments to the banks. That acted

like magic, and the banks opened again. No further drafts were made and many people brought money back to deposit in the banks. This was copied by Roosevelt later on.

However, Germany went from bad to worse and manufacturing concerns moved to other places. I come from a little town—my birthplace in Saxony, what they call the Saxon Manchester. One factory where they employed twelve thousand people closed in a day. People went away. Machines were sent away. The taxes on buildings were so great that they tore down the building to save the taxes. One factory went after another all over Germany. The greatest pressure was in 1932—the depression. Of course, the depression nowadays cannot be confined to any countries. We do not live to ourselves, as you know, others suffer and die with us.

Before I say anything of the present regime in Germany of which I know not very much, I will tell you of what I know of the causes which led to it. First there was the resentment as a result of the Treaty of Paris—the Polish Corridor and Upper Silesia—a strong resentment, still smouldering. It nearly died out when Premier Stresemann and Briand almost brought about a *reapprochement* between France and Germany. Stresemann died from over-work. That smouldering resentment sprang up during the occupation of the Rhineland. The invasion of the war district was the most disastrous chapter in history. The occupation armies of Britain and America left the best taste and memory behind everywhere. The British soldiers acted like gentlemen. The Germans and British fraternized, and the same with the Americans, and treated the people with generosity and goodwill and they were liked by the population. That could not be said of the French army of occupation. That was the second cause. The third cause was discouragement. The government changed and changed.

Finally when they got a good man like Dr. Bruening, he did very well, but did not have the gift of speech and was misunderstood. When things were going a little better, the few mistakes he made sent Germany into a worse

depression. He made an attempt at unification with Austria but it was resented. After Bruening had to go, two or three other Chancellors made promises that were never fulfilled. Things went from bad to worse. There were four, five, seven million unemployed.

Then came Hitler. Hitler is a man of great magnetic properties. He could speak and even influence his worst enemy. He holds interest and can sway a crowd in fifteen minutes. He, himself, is a very clean man. He does not smoke or drink and he is a vegetarian, if that is any special quality. There is no scandal attached to his name. He is not a man of great knowledge. He has tried to educate himself. He is an intense patriot. He is an Austrian. Of course, Austrians are Germans. He has done many things with which this civilized world does not agree nor do I. He came into power just after I left Germany. I have seen him and heard him. I can only say this resentment arising out of unemployment and the fear of further complication drove the population on the side of Hitler. There are many on the side of Hitler who wear the Swastika out of fear lest they be sent to concentration camps.

Might I say a few words about Austria. Austria was once a country of fifty-four million people and now it has six million, the capital, Vienna, having two million or a third. Textiles, flax, glass—all these things have gone. Czecho-Slovakia has them. The best part of Austria has gone. The City of Vienna has nothing much to support itself. It has been bankrupt about three times. The Socialists of Austria are Redder than those of Germany and the Socialists of Germany are like the Labor Party of Britain. The City of Vienna is the richest City in possession of property in spite of its poverty.

That happened in this way, with the overthrow of the government the Socialists taxed property very heavily and taxed capital. Sixty per cent. of rent paid and certain taxes were used to build property on vacant land. A great portion of Vienna is owned by Socialists without funds. They had their plans to make a holding of Socialists. The Karl Marx Building, that was shelled in the rebellion, was a great building that extends as far as from Queen Street

to the Bay. It was a wonderful building with all modern arrangements and community kitchens and community halls. I found in the last uprising, Socialists who had taken any part had been imprisoned. When I was on a convention tour and visited the City in 1924, the grass was growing in the streets and in the parks. The whole City was dilapidated, nothing had been repaired. A gentleman asked me what I thought of Vienna. I said that it was like an old lady I used to know, but she wants new clothing. The new Vienna does attract tourists and there is a certain prosperity, apparent in the City; but there is poverty outside, where ten thousand people have erected little hovels in which to live. They rake up the refuse to find coal. I found a man, woman and two children without a home in the cold Winter, when it was snowing. We took them and gave them shelter. It was my good fortune to get a warehouse and lease it for ten years where we could house poor families. In two weeks we got this place full. I am not a politician and I do not want to make any political remark, but I was informed when I was there and by letters from private correspondents that there are behind Dolfuss, who is not a very great man in stature or otherwise, certain influence, at work which hope through this revolution, some foreign intervention would be brought about against Germany who has no idea of going to war with Austria or anybody else.

The Salvation Army had the opportunity of saving the Hungarian Admiral Hardy's life. Hungary is still a monarchy—a kingdom without a King. One day in our meetings at Budapest a man came to the penitent form. We talked to him and found out that he had been chosen by a group of anarchists to kill the Regent. He made this confession. We told him of the seriousness of it and he came again next morning and gave himself up to the police. So this plot was discovered and measures were taken to protect the Admiral.

Now the Bolsheviks have been very strong in Hungary and they are still very active there. For instance, one day it was discovered that a consignment of Bibles which had been dispatched for sale, contained Bolshevistic propa-

ganda. The headings of the chapters would be the same. After the first verse or two the others would contain propaganda. That is an indication of some of the efforts that are made to distribute propaganda of this kind.

What about the future? My own personal opinion, from observations which I have heard from others on the subject and from influential people, is that there is no fear of any European war among the powers for a year or two. In the first place, they are too poor and have no money and those who have money fear that there are combinations that would work against them disastrously. You see startling headlines and find the context had no justification for these headlines. Of course, there are newspapers who have scare headlines to make things interesting for their readers.

I hope in my rambling remarks I have said something which has been of interest to you.

MR. ARSCOTT:—Commissioner Friedrich, you have given us very acute observations on the Central European countries. We read a great deal in the newspapers of the disturbances in these countries, but it is impossible to have the same intimate understanding of a subject by reading as by hearing it discussed by one already on the ground. We are deeply grateful to you for an address of absorbing interest. On behalf of the Club, I extend to you warmest thanks.