

WHY WE OCCUPY THE RUHR

BY RAYMOND POINCARÉ

[We print below the significant paragraphs of the speech delivered in the Chamber on December 16 by the Premier, during the debate upon Reparations.]

From *Le Temps*, December 17

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You will recall that the Reparations Commission went to Berlin some weeks ago. It has not obtained anything. On November 13, Wirth's Cabinet sent the Commission a note which the new Chancellor, Cuno, has accepted as his own. It may be summarized in very few words: We can do nothing until we have placed our currency on a stable footing; to stabilize our currency we must have a reduction or — as they say by way of euphemism — a revision and a definite statement of the amount that we owe. We demand that we be freed for a period of three or four years from all deliveries in kind and all payments of money for which we are at present held. We will make an exception for the devastated regions, subject to one condition: that we shall not be called upon to pay more than we can raise by ordinary taxes and internal loans — which means practically nothing. Finally, we demand the calling of an international financial conference to ascertain what sum is necessary to put Europe and Germany on their feet — that is to say, how much banking credit can be placed at the disposal of Germany.

This was what Germany told us on November 13. We were therefore faced with the question of revising, or, in other words, of overturning and abolishing the scheme of payments agreed upon in May 1921. We were asked to grant a moratorium of three or four

years. In return Germany did not promise to carry out a single one of the reforms that the Reparations Commission asked her for: to stop padding her government expenses, to collect all the taxes due her from her citizens, and to correct the inaccuracies in the statistics showing her foreign-trade balance.

The first condition laid down by Germany was that her debts should be scaled down to some definite figure. This is a favorite proposal with many financiers on both sides of the Atlantic. But this places France in a most unhappy situation. By the end of this year she will have advanced one hundred billion francs against her bill on Germany, and she has collected scarcely anything on that bill. It will be impossible for her to continue this policy longer, without receiving substantial payments.

Furthermore, during the long course of the war France incurred heavy debts in the common cause, toward America and toward England. These debts have not been paid. I cannot tell you their exact amount, but they are approximately the equivalent of thirteen billion gold marks due the United States, and ten billion gold marks due England. On the other hand, Belgium, Russia, Serbia, Rumania, and other Allied countries owe us five or six billion marks. In the aggregate, England is the creditor of France, Italy, and other countries to the amount of

twenty-three billion marks, and the United States is the creditor of Europe to the extent of forty-one billion marks. If we add together all the sums due the various creditor nations of Europe, we find they total about seventy-two billion gold marks.

Are we justified in making any comparison between this war debt and the debt of Germany to the Allies? Certainly they have nothing in common. Our war debts were contracted by certain Allies toward other Allies, in order to win our common victory. They represent purchases of arms, ammunition, war materials, and food for troops who fought shoulder to shoulder. They represent practically the whole cost of the war, a collective cost. When the Allies were thus assisting each other, they were all in a critical situation. They might hope — they had the right to hope — that the day would come when these war costs that they thus shared among themselves would be shifted to the shoulders of vanquished Germany.

But what happened when we signed the Peace Treaty? [The Premier read paragraphs 231 and 232 of that treaty.] You see the victorious nations renounced their claim against Germany for the total amount of their losses and expenses — speaking generally, for the cost of the war. They limited themselves to claiming merely compensation for injury done to private persons and property. What does that mean? It means that these injuries to persons and property constitute in the minds of the Allies a claim taking priority to war expenses. Well, then, are these war costs, which it was agreed stood second to Reparations, and which were not demanded of Germany, to be collected by the Allies from each other even before Germany has paid a cent? In other words, are friends to be treated worse than the enemies of yesterday?

That would certainly seem to be the strangest and most intolerable injustice.

So, gentlemen, we have always said to our creditor Allies: 'We have no intention of disputing our debt. We recognize that debt. But in neither justice nor fact can we pay that debt until we have received what Germany owes us.'

However, we have not wished to stop with a mere negative declaration. As early as last June and July I informed the two Chambers that we were ready to transfer to England and the United States in payment of our debts a corresponding share of what Germany owes us, in the form of such German obligations as the Reparations Commission may later authorize. . . .

Coming to the question of rehabilitating Germany's finances, the neutral experts that the German Government recently consulted are in full agreement with the Reparations Commission. The Chamber will recall that these experts divided into two groups — some presented findings more indulgent for Germany, others presented findings more severe. The first group consisted of Messrs. Brandt, Cassel, Jenks, and Keynes. The second was composed of Messrs. Wissering, Dubois, and Kamenka. But both groups were equally emphatic as to the need of a serious effort by Germany to better her condition.

The first experts said: The stabilization of the mark must be brought about in the first instance by the efforts of Germany herself and with her own resources, through the vigorous action of her Government. Germany should have her own policy of reconstruction. Such a policy may involve certain risks, but it is the only path to pursue.

The other experts said: It is necessary to enforce the strictest economy in public expenditures, to reduce the number of employees in government

offices and government services, and gradually to abolish direct or indirect subventions for keeping down the cost of food.

It is perfectly evident that without these reforms and without the organization of some instrument of control, any attempt to stabilize the mark will be illusory. It will be more harmful than beneficial, and will precipitate the formidable crisis that now threatens Germany. This control ought to be exercised by the Reparations Commission and the Committee upon Guaranties. It goes without saying that this Commission and this Committee would not take the place of the German administrative authorities. They would not assume any responsibility that they should not assume. But they should have powers of investigation that would enable them to unmask trickery and prevent fraud; and the right to veto lavish and wasteful appropriations and new issues of paper money.

Coming to the next point, gentlemen, the Germans demanded a new moratorium. What should our reply be to this?

In this case, likewise, it is well to review a little recent history. The fact is that ever since January, 1922, Germany has been enjoying a moratorium. She has not been paying, as we know to our sorrow, what she should pay under the London agreement. On March 21, the Reparations Commission concluded that Germany ought to pay this year seven hundred and twenty million marks in gold, and one billion, four hundred and fifty million marks in goods, or a total of two billion, one hundred and seventy million gold marks.

Of the seven hundred and twenty million gold marks only four hundred and fifty millions have been paid, and the two hundred and seventy million which should have been paid beginning

August 15 have been converted, as you know, into six months' notes.

The deliveries in kind were to be divided this way: nine hundred and fifty millions for France and five hundred millions for the other Allies. Unhappily, they are far from reaching this figure.

That is where we stand at the close of 1922. . . .

Well, then, finding ourselves faced with this prospect of a total or partial failure in the payments due us, we have stated to Parliament and to the country: If Germany will not pay up, the Treaty of Versailles affords us a remedy. Article 248 gives the Allies a priority claim against all the property and resources of the German Empire and the German States. Is this article to remain a dead letter?

Certainly not. Its meaning is very clear. All the national wealth of Germany, and all the wealth of the Federal States that compose the Commonwealth, can be seized by the creditors of the Commonwealth. I know quite well that the English word does not correspond exactly with the French word. In English the Treaty reads 'a first charge,' and not 'a mortgage.' But France has taken the position that the French text shall be decisive, and, so far as I am concerned, I shall stick to the French text. Furthermore, international law as well as civil law recognizes the elementary principle that all the property of a debtor is everywhere and under all conditions security for the creditor.

France is not seeking, and has not sought, and will never seek remedies primarily military. She does not design to punish Germany or impose punitive sanctions. She simply wishes her money in the full measure that it can be collected . . . and believes that she should lay hands upon German property where that property really is. . . .

IN AUGUST

BY R. C. E.

[*Cambridge Review*]

WHEN she leant back and smiled at me
 A reason in her eyes I found,
 Why Helen's smile sent ships to sea,
 And why Leander drowned.

AS THE POTTER TURNS HIS WHEEL

BY E. KUSKOVA

From *Sovremennya Zapiski*, September

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AN anecdote has it that one morning a novice Red Guard, posted at the door of Lenin's bedroom, saw that it was time to awaken the Chief but was in a deep perplexity as to how to address him. Fifteen minutes before seven he began to rehearse different titles, whispering:

'Get up, your Excellency! — no, that certainly won't do. Mister Lenin? . . . No. Your nobility? . . . No! How can he be "Your nobility" if he says he is a proletarian. Comrade! — the devil he is a comrade of mine! Your . . . Heavenly Father! It's seven o'clock.'

The fellow lost his head. He still could think of no suitable way to address Lenin; but it was time to knock

at the door and to address him in some way or other. Suddenly the words of the 'International' dawned upon the ready-made Communist, and he roared, faithful and enthusiastic:

'Arise, accursed, stigmatized! . . .

An anecdote like this used to supply a day's merriment for our whole cell.

The inmates of the Cheka prison are, without exception, utterly innocent of plotting either revolution or counter-revolution. They are the plainest, most ordinary kind of citizens, with no interest whatever in politics. The prison of 1921-1922 no longer holds anti-Bolshevik conspirators. Such movements are now ripening in regions inaccessible to the Cheka. But the Government mill must have something to grind, so