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General Smuts' Proposal: A Conference of the Powers

Should the new British Government adopt General Smuts' proposal and call a Conference of the Powers, with or without France, to deal as far as possible with Reparations, War debts, Germany's restoration, and Franco-German security? If France refuses to participate, or the United States will give no active help, would a Conference of some kind still be worth calling?*

THE PRESENT CRISIS.—Whatever the answer to these questions, it is certain that the British Labour Government will have to take some decisive action within the next few weeks. Mr. MacDonald and his party are deeply pledged to a more active and courageous foreign policy than Lord Curzon's, and in this Franco-German issue they will have much Liberal and some Conservative support. At the outset they will have to face the crucial question of the legality of the Ruhr invasion: for very soon the Reparations Commission, after contriving for a year to turn a blind eye on the whole destructive enterprise, will be compelled to deal with French claims for costs of their occupation, and then it will no longer be possible to ignore the declaration of a third British Government in succession that the invasion is illegal, no better than an act of war.

THE INJURY TO GERMANY.—In a few weeks, too, unless help comes from outside, the new Rentenmark currency, by which Germany has kept internal trade precariously alive, must collapse like the paper mark, and then extreme suffering would bring collapse of ordered Government. Already more than three million German workers are unemployed; and famine, as every witness testifies, is far advanced in all the large towns. In mid-November "The Times" wrote:—"The immediate prospect in Germany is widespread starvation of those who are least of all responsible for the disasters which have befallen Europe." And by now the trouble is worse. Truly, "if suffering were a communicable experience," the world would find means to make such torturing of a nation impossible.

FRANCE'S REAL OBJECT: "SECURITY" OR REPARATION?—The cruel injury to her neighbour can bring no permanent good to France; in the long run it can yield neither reparation nor security, only the same harvest as Germany's seizure of Alsace-Lorraine. To secure reparations: that, according to M. Poincaré, is still the real object of French policy, but it is impossible for anyone who knows the facts to accept this diplomatic lie. For years M. Poincaré has aimed consistently at the dismemberment of Germany. As long ago as 1917, as President of France, he was party to a secret agreement with Tsarist Russia, in which French peace plans were defined as including (besides the recovery of Alsace-Lorraine) the annexation of the Saar, and the complete severance from Germany of all German territory west of the Rhine, and its constitution as an autonomous neutral State to be occupied by

* Copies of Gen. Smuts' speech, of October 23, 1923, can be obtained from the Women's International League, 55 Gower Street, London, W.C.1. Price 2s. per 100. His letter to "The Times" appeared on November 15, 1923.

French troops till the complete fulfilment of the Treaty.* In the peace negotiations in 1919 this is what M. Poincaré strove for: in Marshal Foch's words, "the Rhine shall be the western frontier of the Germanic peoples." On this point the Conference nearly broke down, and M. Poincaré wanted to resign the Presidency rather than accept the compromise embodied in the Treaty. And now, as Premier, he continues to declare, despite the Treaty, that the fifteen years' period for the Rhineland occupation has *not yet begun*, and that, until the last farthing of an admittedly impossible debt has been paid, "France will not abandon the left bank of the Rhine."

The seizure of the Ruhr deprives Germany of 90 per cent. of her remaining coal, and more than half her steel and iron production; it enables France "utterly to disorganize the industry"† of the German capitalists of the Ruhr (who hold, among other things, the coke indispensable to the French), and it may compel them to come to terms with the French capitalists of Lorraine (who hold the iron ore indispensable to the Germans). But, in the long run, the German workers must be reckoned with; by oppression and hunger these may for a time be subdued; the Rhineland may even be forced to separate from Germany. But not for very long. The ancient Franco-German feud will not be settled so.

As for reparations, the policy of M. Poincaré and his predecessors is leading France straight towards bankruptcy. The occupation not only consumes by its cost the large sums already received from Germany;‡ it obviously destroys the capacity for further payments. For years now France's expenditure has been far in excess of her revenue, her internal debt has doubled *since* the war, and she is making no attempt to pay even the interest on her external debt. Yet, at the same time, she is spending millions on vast armies in Europe and Africa (already about a million African conscripts have been trained for European war); she has lent 800 million francs to Poland, Roumania, and Czecho-Slovakia for armaments made in France, and further loans are projected. The value of the franc is now lower than ever before, and, when the deceptive nature of the Budget is better realized, it is likely to fall still further.

THE INJURY TO EUROPE AND OURSELVES.—The injury cannot be confined to France and Germany: "You cannot have spotted prosperity." Till the Ruhr is evacuated, reparations cannot be resumed; but that is the least part of our case. Till real peace is restored, German credit, and therefore German trade, cannot recover, and that retards trade recovery throughout the world. Before the war we sent more to Germany than to any country save India, and received more from her than from any country save the United States. And we are suffering a still graver injury. Every week France extends the process of

* For text of this secret agreement see page 71, "The Secret Treaties," by F. Seymour Coombs. Union of Democratic Control, 2s.: or "Woodrow Wilson and the World Settlement," Vol. I, by R. Stannard Baker.

† *Vide* the Dariac Report, a secret report on Ruhr, Rhineland, and Saar, to the French Government in 1922. Published "Manchester Guardian." 1s.

‡ The figures of Germany's payments to the Allies in cash and kind require expert revision, some of the Allied valuations being undoubtedly much too low. The payments already officially acknowledged are:—

1. Acknowledged by Reparation Committee to January, 1923. £400 millions.
2. Payments since Ruhr invasion. (Statement in House of Commons, July 5, 1923.) £32 millions.
3. Acknowledged in respect of Armies of Occupation up to April 30, 1922. £170 millions.

militarising Europe, now by a treaty with Poland, now with Czecho-Slovakia, always against Germany. Every week the issue becomes clearer: either Europe will soon find means to bring French and Germans alike into "a peace based on law and justice," or else a yet greater massacre will smash this civilization.

THE APPEAL TO PUBLIC OPINION.—What might the British Labour Government do? It will not use *force* to compel the French, that is certain. It has only the weapons of *bargaining* and of *public opinion*. It will have to consider how best to mobilize public opinion, in France and elsewhere, in support of a stable settlement, and also what we can rightly contribute towards that object. Suppose that the Government were to begin by some notable demonstration that we are not simply out for loot, that we really do care passionately about that "peace based on law and justice," and are ready to make some contribution to it ourselves. Suppose, for instance, that we were to renounce our own share of Reparations in respect of pensions and allowances.

It may be found more prudent to reserve this surrender as a bargaining weapon; but, on the other hand, as Mr. MacDonald and Mr. Asquith, among others, have long maintained, this part of the claim is really indefensible in view of the Armistice terms.

If we were to open negotiations with Russia and recognize her Government, if we ceded Greek Cyprus to Greece, or withdrew our troops from Cairo under conditions that would safeguard the Suez Canal, would not the act do something to rouse Liberal opinion and strengthen our appeal to the world's goodwill? This is not sentimentalism, it is simply reasonable strategy.

WOULD AMERICA JOIN A CONFERENCE?—Having thus prepared the way, the new Government might try afresh to enlist American co-operation in a Conference of the Powers. We should, of course, make every possible effort to secure this, asking not for abatement of European debts (that would be unavailing), not for the splendid generosity of American relief (that will allay but not cure the trouble), but simply for America's impartial vote authoritatively given. Yet it must be recognized that even this measure of help is not very probable. The responsibility of refusal would be heavy; but the Presidential election comes in a few months, and meanwhile the policy of isolation is not likely to be much modified unless a German collapse or an extreme crisis in the Reparations Commission makes action unavoidable.

WOULD FRANCE JOIN A CONFERENCE?—As for France, it seems safe to assume that, so long as M. Poincaré remains in power with the present Chamber, she will take no part in such a Conference if she can help it. A new crisis might change the position; but, as matters stand, M. Poincaré will surely point to the two Committees now about to meet in Paris under the Reparations Commission as representing the limit to which he is willing to go.* For a Conference of Governments

* Of these two Committees, on which the United States is unofficially represented, one has to inquire into Germany's financial position, the other into the flight of Capital from Germany. The first may achieve valuable results, by making expert recommendations and by giving publicity to the facts; like the abortive Committee of Bankers in 1922, it is likely to bring into prominence the impossibility of restoring Germany's credit, whilst invasion and menace and an impossible debt hang over her. The second Committee seems to have a hopeless task; for one thing, there is no means of compelling banks in, say, New York, in Amsterdam, or in South America, to disclose their clients' accounts. Neither Committee, being thus limited in scope and subjected to the Reparations Commission, can possibly replace a Conference of the Powers such as Gen. Smuts proposed.

would certainly raise issues which he is most anxious to leave in abeyance until after the French General Election in May, when he hopes to persuade his electorate that his policy has been a brilliant success.

A CONFERENCE OF THE POWERS?—If America came in, but France stood out, the Conference would still be worth holding. It could not by direct means eject the invaders from the Ruhr; but it could compel the world, including the French electorate, to face the fundamental issue between law and violence. (Yes, that is worth doing: there is such a thing as moral power, and Great Britain and America between them can wield great economic power as well.)

AN APPEAL TO THE LEAGUE OF NATIONS?—Lastly, what if America and France both refuse? One great advantage of having a Conference outside the League of Nations would be that the United States and Russia might be willing to join it; but, if there were no chance of inducing the United States to come in with her full weight, then there would only remain a choice between making the best of a Conference thus mutilated, or appealing to the League of Nations. If the Government should elect for reference to the League, they would presumably ask for a special meeting of the Assembly and, of course, for an invitation of membership to Germany. Such an appeal would not be without risks, for M. Poincaré has gone so far as to declare that he would regard direct reference of the Reparations problem to the League under Article XI as an unfriendly act; but it must be remembered that France has signed the Covenant as an integral part of the Treaty of Versailles, and that it expressly provides for reference to the League of such questions as have now arisen. It may be felt, in view of what the Governments have made of the League machine in the past four years, that there is little hope now of the League being able to deal really impartially with so great a dispute; that, instead of defeating the destructive policy of France, this League would more probably be led into the fatal course of sanctioning it. On the other hand, we may hope to see in 1924 a British Government prepared to use the League more wholeheartedly than in 1923 as the main instrument for securing international justice; and it seems clear that, unless someone has the courage to take risks in support of the Covenant, the hope of a wider League must founder, with much besides.

CONCLUSION.—Be that as it may, the object of this pamphlet is to urge the prompt calling of a Conference of the Powers interested in Reparations, Germany being, of course, included as an equal member, and every possible effort being made to secure full American support. The Committees meeting in Paris cannot satisfy the need.

We have no cause for self-righteousness, and our responsibility is heavy. Those who spoke for us—and for America—in 1919, less wise than Wellington after Waterloo, have helped to despoil the defeated and to leave them helpless at the mercy of their ancient enemies. Before it is too late let us make a supreme effort to retrieve the peace, not from self-interest alone, but for a compelling moral reason.

W. ARNOLD-FORSTER.

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