

THE ECONOMIC CLUB
OF NEW YORK
SIXTY-FOURTH MEETING.

THURSDAY EVENING, MARCH 29, 1933.

Subject for Discussion:
"THE RUHR AND REPARATIONS".

MR. WILLIAM CHURCH OSBORN: Gentlemen of the Economic Club, I have an important and, I hope, a pleasing announcement to make. It is with reference to the next dinner of the Club which will be held on the evening of Friday, April 27th. There will be but one speaker, who departs the next morning for England, and we will have the pleasure of listening to the closing address of Lord Robert Cecil (applause).

The subject for discussion tonight is one act of a great drama that began, perhaps, when the Roman legions entered the forests of Germany, and for all I know the contest between the Latin and the Teuton may have begun when the moving ice-cap drove the northern tribes on to the Mediterranean dwellers.

It is a great drama. The victors, moved by a sense of justice, by fear, and by need, are trying to impose their will as upon the vanquished, who are endeavoring to evade the responsibility for their own acts and are clasping their slipping greatness and, at the same time, are making an heroic and, I hope, a successful effort to establish themselves in a powerful and modern form of Government.

Look at the contrast between today and fifty years ago. Fifty years ago the war-made Republic of France was standing under the heel of the autocracy of Germany, and today that same Republic is trying to impose its will upon the war-made Republic of Germany, built upon the ruins of the autocracy which had its heel on the neck of France fifty years ago.

Now, there is a great game going on, and through it all runs a spirit of chaffering and huckstering that is like a comic figure in a tragedy. But it is a tragedy. It is a great drama. We are watching History behind the scenes weaving her tapestry in an heroic mold, and I hope that while the arguments of the eloquent speakers who come before you tonight are going on that you will listen to them with a realization that what you are hearing is a part of one of the great scenes, one of the

great occurrences of history of the modern world.

In fact, if you will permit me to quote for a moment, I think we may keep in mind tonight the invocation of Shakespeare in his "Henry V.":

"Oh, for a muse of fire that may attain the highest heights of invention; a kingdom for a stage, princes to act and monarchs to behold the swelling scene."

The first speaker tonight, as the order of exercises is not to be strictly followed, will be the Honorable Pierrepont B. Noyes, formerly United States Rhineland Commissioner. Mr. Noyes (applause).

HON. PIERREPONT B. NOYES: Ladies and Gentlemen, my interest in this subject, my interest in coming here to speak, takes a different turn than many with whom I talked. It is not a question of "Are you for France?" or "Are you not for France?" My interest in it centers in the United States, and when I say the United States, I class our prosperity and our happiness with that of the world.

My mind goes back to 1917. At that time the United States abandoned its traditional isolation, abandoned it and, as you will remember, went in with an intense enthusiasm to defeat the attack of German

militarism. After all allowances have been made for other motives it is a fact that alarm for our own safety and (to use President Wilson's much ridiculed phrase) for the safety of Democracy, moved the American people to join the Allies. For a moment the entire nation saw what a victory for continental Imperialism, that age-old enemy of Democracy, might mean to us. We spent billions of dollars and sent thousands of our sons to die for the cause. We helped to bind Germany hand and foot and then we coldly washed our hands of the results -- denied to ourselves any influence as to the use other nations might make of our joint victory. We did worse. We threw the weight of a sentimental sympathy behind the plans of France -- a nation which, even a superficial study of history reveals as having been during the past two hundred years, far and away the leading exponent of the cynical continental doctrine of national aggrandizement through war.

When the Peace Conference adjourned, the squalid struggle for national advantage which had begun in Paris was transferred to the Rhineland. As American member of the Interallied Rhineland Commission during 1919 and '20, I had a close-up view of the evolution

of French policy, more intimate, I believe, and more enlightening than any other American. I did not lose my sympathy for the hardships of France, nor my condemnation of the military policy of the former German Government, but after the United States showed its determination to abandon Europe, I saw fear turn France to military solutions and later, in the warm sunshine of military opportunity, I saw the re-birth of ambitious nationalism plainly revealed. I came home convinced that the peace of the world was again in as great danger as it was in 1914.

For three years American opinion has been kept in a fog partly by sentimental appeals to pity and the passions of the war, but even more by the cheap optimism of those who would shirk all international responsibility. The Ruhr invasion seems to have partially dissipated this fog. France has emerged before our eyes as sole inheritor of the allied victory, sole proprietor of all strategic and military advantages provided by the Treaty of Versailles, and what is more sinister, sole interpreter of the things which may be done under that Treaty.

Yet how many Americans realize that the tragedy we are today witnessing in Europe is the

Balkanization of the Continent by a military power which has in years gone by shared the political theories, ambitions and methods of the Hapsburgs and Hohenzollerns, and has alternated victory and defeat with their empires. By Balkanization I mean something real. The ambitious imperialists of the 18th and 19th Centuries, Kings, Emperors, Czars, Louis XIV., Frederick the Great and Napoleon developed a standard technique of aggression. Neighboring states were broken up as far as possible into small units and these were played against each other until a favorable combination seemed to mark the moment as propitious for using them and the incitement of their petty politics for attack on some hated rival.

In 1914 the United States had little interest in the Balkans. I doubt whether one percent of our hundred million inhabitants could have defined the boundaries of Serbia, or could have located on the map the town where an Austrian Arch-Duke was assassinated. Little did we know and less did we care what transpired in that far-off land, and yet by 1918 the conflagration ignited in the Balkans had spread to every corner of the globe. We learned then for the first time that we could not, and never can again, escape the consequences of intrigues in Russia, Austria, Turkey, Germany, France, England or

the Balkans. Those were the days of our splendid isolation. Those were the days we prospered and prayed God for peace, but never imagined we would have to sacrifice anything to maintain peace or to insure peace.

Today conditions are amazingly similar to those of 1914. England and the United States are again isolated. We choose to be spectators while France Balkanizes the continent of Europe and threatens the peace of the whole world. We thank God we are not mixed up in the "European mess". We are glad our troops are home and our diplomats immune from contamination. In spite of our hypocritical sentimentalism we have no more practical sympathy for devastated France than for the new devastation and misery now spreading like a pestilence amongst the unarmed peasants and workers of Germany.

The Ruhr is today the Serbia of Europe, the torch for another war. The Balkanization of the Ruhr and Rhineland is preparation of another Sarajevo. Poland, Belgium, and if possible, Italy, are expected to play the parts played by Austria, Bulgaria and Turkey in the last war. Our complacent neutrality is counted on just as the neutrality of Great Britain was counted on in 1914. We are deliberately leaving it to the Chauvinists of Europe to use our joint victory as the

starting point for another and more terrible war instead of for World Peace. With our heads in the sand like ostriches we are raising a generation of young men in an atmosphere of artificial peace and with a selfish theory of impossible isolation while the preparations for a war which will surely drag them to the slaughter, grows louder and louder across the Atlantic. We are doing this because we have not the courage as a Government to sacrifice what we must sacrifice if we are to insure the peace of the world. Our country is divided and our vision clouded because of this lack of courage on the part of the Government and lack of confidence on the part of the people. We remain spectators while two nations, France and Germany, gamble with our destiny and the peace of the world.

In fact, history shows that not only during the past two hundred years but throughout the past ten centuries, Germany or German states, invaded France as aggressors in seven cases, the years 940, 1289, 1543, 1792, 1815, 1870, and 1914, while during the same time, France has marched into Germany by way of military offensive and political aggression at least 14 times; 1643, 1644, 1646, 1670, 1673/4, 1688, 1693, 1704, 1742/3, 1757, 1762, 1805, 1806, 1809, 1814 and 1923, and

this does not include the cases where France only retaliated, nor the cases where Alsace and Lorraine were marched into as enemy countries. Until 1870 there is no great battle between French and Germans in French territory, while there are at least 12 world-famous battles between them in German territory. Until 1870 the German armies stayed in France for a few months all in all, while French troops were in Germany for well over twenty years. Until 1870 no part of France was devastated by German troops, while the number of open German towns burnt down, ransacked and plundered by the French goes into the hundreds.

Events are revealing French policy so fast that there will soon be little need of presenting evidence of its purposes. I will, however, devote a little time to the most convincing facts.

In April and May 1920 I repeatedly cabled our State Department that two sinister purposes were developing in French political circles. First, a determination to separate the Rhineland from Germany, and second, to make use of Germany's failure to fulfill absolutely impossible reparation demands as excuse for invading and occupying the Ruhr. In a book published

in 1921, I again predicted that France would invade the Ruhr, and later, February, 1922, writing for a New York newspaper, I explained the military possibilities of a Ruhr invasion and stated -- "For two years I have predicted that the moment any Premier of France turned ever so little towards compromise, he would be broken and that M. Poincare would take his place, and that a French army would ultimately invade and occupy the Ruhr. My first prediction has now come true. Fulfillment of the second is I fear not far away." When at the Williams-town Conference last August I again made this prediction, even those who in general sympathized with my views were inclined to accept the French representative's public statement that his Government had no idea of invading the Ruhr.

I have not quoted these predictions to establish my reputation as a prophet, but to reinforce the interpretation I have put upon the French reparations policy and the future military plans which hinge on the Ruhr invasion.

I cannot in the time at my disposal give in detail the evidence which convinced me that France was determined to invade the Ruhr. The Dornen Rebellion in

1919, certain incidents connected with the Frankfort invasion in 1920, conversations with individuals, speeches in Parliament, the continual association of charges of German default with threats of invading the Ruhr, the coal negotiations in which I participated, when an agreement assuring from Germany all the coal France could take was arbitrarily blocked by M. Poincare, and finally the obstinate insistence of the French on ridiculous reparation demands -- these and many other incidents united in producing a conviction as to French policy, which has been amply confirmed by later events.

Tonight I shall confine myself to the last point -- i.e., the obstinacy with which the French Government, in spite of protest by all impartial financial authorities, has insisted on ridiculously impossible reparation demands. I shall further simplify discussion of this question by treating it only from the most general point of view, believing that such general examination will be conclusive as to fact, and will also prove that the French nationalists must have seen with equal clearness the impossibility of payment, and hence that in deliberately fixing a figure which Germany could not pay, they must have had other aims than the collection of money.

The payment of the indemnity by France in 1871 has often been compared with the German default. This billion dollar indemnity assessed against France by Germany equalled 4 percent of the estimated total wealth of the country. At that time it was feared this meant economic ruin for France. To pay any considerable part of it out of her capital was impossible. France paid it all within three years, but only by the use of her credit. A huge loan was floated of which more than one-half was subscribed by foreigners. M. Hanatoux writing thirty years later said that the operation was "so vastthe assistance, not only of the capital, but the credit and confidence of the whole world was not too much to ask." Not only was it impossible for France to pay her indemnity except through flotation of an enormous loan, but no part of this loan has ever been repaid by the Government of France. The operation was marvelous and did credit to France, but it should be recognized that in 1871 no one pretended that any such huge amount could be paid except by the utmost use of the nation's credit for generations to come.

Consider by comparison the present reparations demanded from Germany. After eighteen months of uncertainty,

which well nigh destroyed her credit, the amount was fixed at about \$56,000,000,000. and in 1921 reduced to \$33,000,000,000. Even this modified demand called for 40 percent of the estimated national wealth of Germany. Add to this the evident fact that no nation could ever pay a tithe of this amount except through the use of her credit and that every move of the Reparation Commission during the past four years has clearly tended to ruin German credit at home and abroad, and we certainly have ground for believing that the reparation demands have been throughout insincere and intentionally provocative.

Keeping in mind the prodigious effort required by France to pay 4 percent of her capital wealth, tell me whether any reasonable man in France thinks, or ever thought, that Germany could pay 40 percent of her wealth.

The refusal of M. Poincare to consider the German offer brought to Paris by Bergmann just before the Ruhr invasion is a reminder that during all these four years no bona fide attempt has been made to obtain from Germany an offer which could be made the basis for negotiations looking to voluntary agreement. I believe

all the world outside of France would like to see an experiment made along that line.

The solemn asseveration so often heard that Germany agreed to pay these sums and has broken her word is laughable. In the Treaty of Versailles Germany signed a blank check, and that with a pistol at her head.

I well remember the excitement in the Coblenz Bridgehead on June 22nd, 1919, the day before Germany must sign the Treaty or be invaded by the four allied armies. I drove out twenty miles beyond the Rhine, past a hundred thousand American soldiers in pup-tents, past endless artillery and ammunition trains, past the engineers and bridge-builders to the last sentinel. All was ready to "jump off" for Berlin in the morning "if Germany did not sign". Five hundred thousand soldiers, English, French, Belgian and American, ready and anxious to go forward spent that night sleeping on their arms. They expected to go. Speaker after speaker in the Reichstag had called it a sin to sign a treaty which every German knew could not be fulfilled, but on June 23rd, the alternatives were sign or suffer invasion along the whole Rhine front. And they signed.

If I appear as a harsh critic of French policy,

I am bound to say that I feel more critical and more condemnatory of the policy of the United States. Frankly, I regard the policy of our Washington administration as the outstanding cause of the world's present predicament. The paralysis of leadership in the United States seems likely to stand out in history as being chiefly responsible for the impending economic collapse of Europe and for bringing upon the world the misery of further wars.

If France has relapsed into militarism, it is only fair to recognize that her course was originally dictated by fear. The United States, on the other hand, by her abandonment of a war settlement, for which she was equally responsible, has become an accomplice in whatever crimes may be committed in the name of the Versailles Treaty; and for this abandonment we can claim no higher motive than selfishness. If a huge army and overpowering military position has brought to Frenchmen dreams of former military grandeur, the tradition of centuries offer explanation, if not excuse; while American treachery to the cause of world peace has violated every national tradition.

Recently in a public address I suggested that the United States appoint a committee of our ablest men to confer with Great Britain as to the possibility of

joint action in this emergency. Tonight, I would add to that proposal an intermediate step which the urgency of the situation seems to recommend.

The Government at Washington is apparently waiting for signs of leadership and substantial backing amongst the responsible people of the nation before initiating a more active international policy. I propose that the business men of the country, men big enough to be above suspicion of any other motives than the greatest good of the United States should form a militant committee to crystalize the sentiment of our people in favor of active participation in a European settlement.

I would have that committee before it tried to influence European Governments study what sacrifices the United States must make in the interest of a just settlement. After that they should, unless our Government undertakes the task first, seek an answer to that question which no one has been allowed to touch -- how much and by what means can Germany pay. I will say frankly that I do not believe it worth while to attempt any settlement of the European tangle or that permanent peace is possible until an equitable adjustments of debts is made between the rich nations and the poor.

I suspect that an honest study of the financial situation will show that a large part of the war debts owing to Great Britain and the United States must be cancelled and treated as part of the cost of a common war, if we hope to salvage peace and prosperity from the threatened ruin. I have always believed this.

The fact is that the world today needs a receiver, financial and otherwise. This receiver must be a nation or nations powerful enough and courageous enough to recognize facts, prescribe remedies and themselves make whatever sacrifices are necessary. Great Britain and the United States are today the only nations capable of undertaking this task. They alone have the financial and political strength. Their people would, I feel sure, when the necessity had been shown, be willing to make the necessary sacrifices.

If such a committee as I have suggested were appointed they would inevitably as business men begin by taking an inventory. They would probably find that Germany cannot pay further reparations now. Her ability to pay, which since the war has been a diminishing quantity, is now at the lowest point. It is practically nil and will remain so until the removal of threatened reprisals shall permit her credit to revive. The

attempt to force from her reparations by the aid of troops is removing the last chance that Germany will be able to pay for many years to come.

Again France was terribly devastated -- France should have more reparations if more can be obtained, but granting her need of financial assistance the attempt to force more money from a country which cannot now pay is ruining the world. There is the crux of our problem. Reparations, sanctions, treaties all belong to a discredited past. The threat of ruin and more war is the reality of the present.

I feel confident that the report of such a committee would place both the dangers and the requirements of the situation so clearly before the American people that our Government would feel authorized, nay obliged, to take action either alone or in cooperation with Great Britain.

I would have these two governments approach France and the other Allies first with a liberal proposition for a reduction and readjustment of Inter-Allied debts to a point which took full account of the disappointment in the matter of reparations. I would then advise France to withdraw her troops from the Ruhr

and the Rhineland as well. I would advise her to reduce her military forces to a point which would end the possibility of military solutions. I would urge that for the time being the past be buried as a past and that freed from excessive military burdens and threats of war all nations devote themselves to the problems of economic revival and the balancing of budgets.

In addition the United States should pledge itself to join the League of Nations on some basis and to assert all its influence towards assuring France just as large reparation payments as it is possible for Germany to make, while permitting her own economic recovery. I feel confident that if we showed a willingness to stand our share of the burden the French people would insist that their Government cooperate with us.

If not, then I say by all means use force. We have the means and these means are neither military nor political. Great Britain and the United States could, acting jointly, affect French credit and the value of the franc so seriously as to render the continuance of expensive military adventures impossible. If France in defiance of public opinion in England and America should still insist that having the military power to

force Germany and break her, she intended to do it without the assistance or approval of other nations, Great Britain and the United States should use their economic power in the interest of civilization to force France to desist.

This plan may sound one-sided and arbitrary, but as in a theatre panic, someone has to be arbitrary. Our theatre is on fire and France is jamming the door shut. We would like to be polite and friendly. We would grant her the first chance of exit, but in the interest of the women and children behind, who must otherwise burn, we demand that she let that door be opened. If in her panic France refuses, it becomes the duty of some man nearby to forcibly remove her and open the door to safety. Brutality at such a time is not a sign of unfriendliness. Nor does it imply undue tenderness toward Germany.

I firmly believe that if we who are happy and prosperous show a disposition to help financially and work for international security instead of coldly advising that France will be only too glad to withdraw from an adventure which already looks none too sure of success and work with the other nations for a new internationalism and World Peace.

Before I sit down I want to make a plea, both in

connection with what I have said and with what I am about to say, that the time has come to stop asking, "Are you for France or against her?" "Are you for the Ruhr or against it?" I believe every person is for France and they are for the rest of the world. I believe as time goes on those who are for the Ruhr will be able to say so without having it said that they are against France.

I think it is worth suggesting to those who feel that all investigations on this subject are assumptions that there is any part of this problem which is such that we have a right to discuss it unfavorably to France, I want to suggest to them, supposing that what I have said is true? Supposing it becomes a little more true and a little more probable that instead of trying to collect reparations France is trying to ruin Germany and if it is further true, which I believe, that this has given her an ambition such that somebody will have to stop her or that she is going on as Germany tried to do, supposing that is true? Will those who have been so quick to resent any talk unfavorable to France, will they in the end feel that they have been true friends of France, as true as those who criticized her?

I wonder if they will think that they have been even true Americans, because, after all, our first

business is to look at our own country and to say, "Is this something that is going to react on us and is going to react on the next generation? Something that we are bringing up a race of young men and young women to face, something that we will have to hand to them as a terrible legacy?" I think it is well worth thinking about (applause).

MR. OSBORN: I am sure that you will all agree with me in feeling a debt of gratitude to Mr. Noyes for his very able and interesting address, and especially for the fact that he has come before us with a constructive program.

The next speaker, who needs no introduction to this audience, you all know him, has spoken here before, the Honorable Martin W. Littleton, of the New York Bar.

HON. MARTIN W. LITTLETON: Mr. President, Ladies and Gentlemen; I am happy to come tonight to speak for the rights of France (applause).

I must express my profound admiration for the moderate and good-tempered tone and the courage and frankness of Mr. Noyes, and while I shall probably find myself in hearty disagreement with him at almost all

points (laughter and applause), I trust that he will take that disagreement, actual and definite as I expect it will be, in the same manner and the same spirit in which I have accepted his bold and fearless declaration of his own views.

The first challenge that he makes, and that has been made, is that France did not have a right to go into the Ruhr, and I propose to deal with that challenge first. I maintain that France was entitled by the distinct provisions of the Treaty and by the very words of its paragraph and by the united practice of the Allies themselves and their interpretation of the Treaty to do precisely what she is doing. I shall be unfortunate if I am driven out into the open field of discussion outside of the Treaty, because that will reach a territory where moderation would be difficult.

I depore only one thing in the speech of my friend, Mr. Noyes, and that is, that having said that France had no right to go into the Ruhr under the Treaty, he proceeded immediately to say that there was no treaty and that Germany was compelled to sign at the point of a pistol, and therefore, the Treaty was obtained by duress and is, therefore, void and of no effect. I shall insist that we measure the obligations, and the

duties and the responsibilities under the Treaty, and if any discussion is necessary outside of the Treaty, we are ready to engage in that also (laughter and applause).

The answer to the challenge just made is found in Sections 17 and 18, of Annex 2, of Article 244, of Part 8 of the Treaty. Section 17 provides: "In case of default by Germany in the payment of any obligation under this part of the present treaty, the Commission will forthwith give notice of such default to each of the interested Powers and may make such recommendations as to the action to be taken in consequence of such default as they may think necessary."

Section 18 provides: "The measures which the allied and associated powers shall have the right to take in case of a voluntary default by Germany, and which Germany agrees not to regard as acts of war, may include economic and financial prohibitions and reprisals and in general such other measures as the respective governments may determine to be necessary in the circumstances."

The language of the 18th paragraph in all of its text, as well as in its ordinary significance, imparts clearly the right, on the voluntary default of

Germany, of any of the respective governments to take such acts of financial and economic prohibitions and reprisals as in the circumstances may seem necessary to that government. Not only that, but it provides in the first part of the paragraph that Germany agrees not to regard such acts as an act of war. Economic prohibition, economic reprisals, the nature of these and the meaning of these and the significance of these are known and understood in International law and in treaties. Reprisal is the taking of the property of the contracting party for indemnity. That is the language and the meaning of it, and economic prohibition reaches and includes to embargoes and blockades, if necessary. And the very object of the paragraph which says, "And Germany agrees not to regard it as an act of war" indicates that the thing which was to be done was a thing which, if it were not provided that Germany would not regard it as an act of war, would ordinarily be treated as an act of war. It had, for its precise object and meaning the very thing which has been done by France.

Moreover, this has been interpreted not by France alone, but this provision of the treaty has been interpreted by the allied governments and their

representatives also. There was a time when England was just as hot in pursuit of the enforcement of these provisions of the treaty as France is. There was a time when the exigencies of politics in England demanded just as much ardor in the enforcement of these prohibitions as France has exhibited, and during that period and at the London conference on March 3rd, 1921, when Germany made her proposal to the Allied Commission, then sitting, Mr. Lloyd George answered by saying, "That it was so inadequate and so in defiance of the provisions of the Treaty and so out of accord with the demands and obligations of the Treaty, that it would not be accepted even as a basis of discussion."

And he proceeded to give notice, that is, the Commission proceeded under his direction and leadership to give notice, not only to give notice, but they proceeded to occupy the coal parts of the east bank of the Rhine near the Ruhr, and they notified Germany then, as early as March, 1921, that they would occupy the whole Ruhr district if she did not pay the 12,000,000,000 gold marks which had been due since May 12th, and which were then due.

So that construction had been placed by the Allied Commission upon the power under Section 18 of the

Treaty. But I go a little further than that. There was a time when England by herself undertook to take separate action with reference to reparation towards Germany, and the question was raised as to whether any separate government had a right, acting outside of and not in conjunction with its allies, to take separate action. This question was raised on the floor of the House of Commons and Mr. Austin Chamberlain, debating the question on October 28th, 1920, and explaining how Great Britain had taken, alone and apart, certain measures which were favorable to the Germans, said in that debate and on this subject: "As for the criticism bearing on the fact that His Majesty's Government took this invitation on its own responsibility, without having secured the cooperation of the Allied Governments, the text of paragraph 18 clearly leaves to the respective governments the care to determine what measures may be necessary. In accordance with this paragraph, in the opinion of His Majesty's Government, it was neither necessary nor desirable to try and share with the other Allies the responsibility for the decision which they took. They would have limited thus the liberty of action they themselves enjoyed under the Treaty,

and they would have given themselves the appearance of wanting to dictate to the other governments the measures which they thought should be taken under that paragraph."

I submit, therefore, that by the authority and the language of the Treaty itself, and by the authority and the action of the Allied Commission in March, 1921, and by the construction placed upon it by Mr. Austin Chamberlain in defending the separate act of England with reference to the same subject, it is now accepted as the authority under Section 18 that respective governments means that each of the governments, in case of a voluntary default, shall take such action as that government in the circumstances deems to be best, and France, in obedience to that provision, and in obedience to the construction which I have brought to your attention, and in obedience to the united precedent set by the Allied Commission, took such action as she deemed necessary under the circumstances and went into the Ruhr, and I believe her action is entirely justified by these authorities to which I have referred (applause).

It has been said, and I believe my friend, Mr. Noyes, on another occasion in discussing this provision,

said that he denied the right of France under Section 18 to go into the Ruhr because of another paragraph in the reparation branch of the Treaty. For fear this has reached you, and not because he urged it, lest it may be in your minds, I shall bring it to your attention briefly.

His contention was that in a previous paragraph of the Treaty, which I shall not take the trouble to read, but which I can quote, there are certain questions on which the Reparations Commission must be unanimous before it becomes effective. Those questions are embraced in a series of alphabetical subdivisions in another paragraph of the Treaty. They relate, first, to what kind of bonds shall be accepted if Germany shall give or offer bonds. They relate to other and kindred subjects and finally, in paragraph E, if I recall correctly, it is said that any question of interpretation of this Treaty shall and must be by unanimous decision of the Reparations Commission, and it was the contention of Mr. Noyes, and it may be urged by others, that because a question of interpretation of the Treaty required the unanimous determination, and because the vote on Germany's default at the Paris Conference was not unanimous in that England voted "No" on the question of her default, therefore, there being a lack of unanimity

on the question of Germany's default, there was that lack of unanimity on a question of determination which made it ineffective and improper for France to go in.

The difficulty with that position is this:

If the Commission had agreed that there was a question of interpretation and then had voted on the question of interpretation, unanimity would have been required under Section E, but the difficulty with it is that the only person who thinks that it was a question of interpretation was Mr. Noyes himself, and he is not a member of the Reparations Commission and, therefore, he cannot make it a question of interpretation (laughter). England did not suggest that it was a question of interpretation. Nobody in the Commission suggested that it was a question of interpretation, and it remained for him to suggest that because he thought it was a question of interpretation and therefore the vote must be unanimous, all of which means that any time any person outside of the Commission, although the Commission themselves do not agree that it is a question of interpretation, -- any time any person outside determines that it is a question of interpretation, then, being a question of interpretation, it must be unanimous; all of which further means that, of course, nothing could be

done under the Treaty, because anybody could raise that question of interpretation and everything would have to be unanimous. This is the only suggestion that I have seen in print which attempts to defend the position that France did not have the legal authority to go in.

And now, my friends, having established, at least, to my satisfaction, and I hope to yours (laughter and applause) that France was without question within the terms of the Treaty in going into the Ruhr, provided that there was a default, I shall call your attention briefly to the default on which she acted.

I do not intend to be led away from the subject by having it said that the capital wealth of France in 1870 was sufficient to justify the imposition of the burden which Germany put on her then, whereas, the capital wealth of Germany in 1918 was not sufficient to justify the burden which was put upon her. First off, let us find out, if we are acting under a Treaty, what was done under the Treaty, and what may be done under the Treaty later. I don't need to go far, I take it, to establish the default, but let me draw your attention to the second paragraph in this discarded treaty of which my friend has spoken. I fear, already, that Germany regards it as

part of a discarded treaty, just like my friend Mr. Noyes does, and that the Treaty is a matter which ought to be buried with the past, in their view. Article 231 of the Treaty says, "The governments of the Allied and Associated Powers declare, and Germany acknowledges, that she and her allies are responsible for all the losses and damages suffered by the governments of the Allied and Associated Powers and their peoples as a result of the war which was imposed upon them by Germany and her allies."

Now, if I am going to be met with the proposition that this does not mean anything at all, because Germany signed the Treaty unwillingly, I should hate to think of a postponement to that day in the future in which Germany would agree to sign any treaty willingly (laughter and applause). I had supposed that the Versailles Conference sat a considerable length of time as it was, but if it had sat until Germany got in a willing frame of mind to sign a treaty, we would have seen the ancient palace crumbled into dust and some archaeological discoverer digging for the tombs, as they have in Egypt (laughter and applause).

The next article of the Treaty admits that the resources of Germany are not sufficient to insure complete reparation. The most astounding thing about

that general argument is that Germany did such infinite damage to the soil and the industry and the homes and the buildings of France, that they all had to acknowledge that, of course, Germany never could pay for the damage she had done, and so they made that acknowledgment in the next paragraph, and then they provided that in order to enable the Allied and Associated Powers to begin immediately to reconstruct their industrial and economic life, while the amount of their claims is not definitely stated, Germany will pay before May 1st, 1921, either in cash or securities or merchandise 20,000,000,000 gold marks. When May 1st, 1921 arrived, what had Germany paid? This was the date of the London Conference. She had paid 3,700,000,000 in supplies, 3,836,000,000 in various services, a total of 7,483,000,000 instead of 20,000,000,000, or a deficit of 12,500,000,000 marks, or more than one-half.

Now, mark you, that was not all to be paid in gold. You cannot answer that by saying that Germany did not have the gold. It was to be paid partly in gold and partly in kind, or in property.

On May 5th, 1921, at the London Conference, the Reparation Commission prepared a schedule of payments.

It had already decided that Germany would pay not for the damages she had caused, but for the reparations which she could pay, an amount of 132,000,000,000 gold marks. This schedule of payments provided that Germany should pay each year, first, a fixed sum of 3,000,000,000 gold marks, plus an amount equivalent to 26 percent of her exports, or about 3,000,000,000 gold marks in the then state of her exports. But as early as December 14th following this, Germany declared through Dr. Wirth that this payment could not be met and would not be met, and the Chancellor announced that he realized that later maturities will present the same difficulties.

Mark you, on March 22nd, 1922, the Reparations Commission set aside the London schedule of payments, and instead of 3,000,000,000 gold marks which Germany was to pay, required her to pay in 1922 in cash 720,000,000 gold marks and in kind 1,450,000,000 gold marks, a reduction in cash payments of over 3,000,000,000 gold marks.

Up to January 1, 1923, what had France done? France had advanced 98,000,000,000 francs of her own money to pay for her own reparations of the devastated territory against the recovery of whatever reparations she would get out of Germany. Up to that date, Germany

should have paid, in accordance with article 236 of that schedule of payments for the armies of occupation, 27,000,000,000 francs, in round numbers, and she had actually paid 12,000,000,000, or a shortage of 12,000,000,000 francs.

During that period what was France doing in the ten departments of the north and west? What had she done? Her restoration of the north and west had been little short of marvelous. There were over four million people driven homeless from that territory. She had brought back nearly four million of her people. There had been destroyed in that territory 741,000 houses. Up to January, 1923, France had restored 557,000 of those houses. Germany had destroyed 6,575 public buildings, and there are some buildings that can never be reconstructed but, as a matter of fact, France had reconstructed these buildings up to 3,845 by January of this year. Germany had destroyed 27,900 industrial establishments, and up to January 1st, 1923, France had restored 19,000 of these.

I might go on with the figures as to what France had done but I give you the answer of the German Chancellor, after France had spent 98 billions, which she taxed at the rate of \$86 per capita out of her people.

While Germany was taxing her people \$15 per capita; while she had spent this colossal fortune in the restoration of her devastated territory, what happened? The German Chancellor answered by saying, and these were his words: "We have sacrificed the toil of generations. We have delivered machines and other materials, etc."

What did she sacrifice? Leave out the gold and take up the coal. She first promised in the Treaty to furnish 19 million tons of coal a year, less than 5 percent of the total production of Germany. It was reduced to 13 million tons a year afterwards, and she delivered 11 million tons a year, or 4 million tons of coal short. She was asked for nitrates for the manufacture of fertilizers and these she did not deliver. She was asked for wood, and these she did not deliver. She was asked for other labor, and an arrangement was proposed by which the labor of Germany could come in and work in the devastated regions, and these proposals were left unanswered and dismissed. Thus, her default at every point was established. Thus her default in property, in money and all kinds of property and all sums of money had been met by one default after another. I ask the question, what was France doing? What is France to do?

Let me tell you, my friends, and I wish to keep this within the compass of temper and moderation, but I don't wish to disguise or evade the facts, but the difficulty with Germany and her statesmen and her people who are under the leadership of these statesmen, at least, is this:

She began immediately after the war to launch a campaign to prove that she did not start the war, and another campaign to prove that she did not lose the war, and by each of these campaigns therefore to prove that she owed nobody any reparations, for if she did not start the war and if she did not lose the war, of course, she can treat the Treaty as a scrap of paper.

It makes no difference how you may judge of it. Back of it all that has been her real psychology. That has been the state of mind, and when another government has come in that proposes in good faith that she shall keep her obligations under the Treaty, that Governor or Government has been dismissed or assassinated, as in the case of Rathenau. And the real truth is, that while her military leaders retired behind the scenes, with Hindenberg and Ludendorff ever and anon showing themselves, and with the Kaiser ever and anon

exhibiting himself, and with the Crown Prince ever and anon being seen through the columns of the newspapers, the industrial magnates came to take their places, and they came and took the places of the military leaders and the Government of Germany has lived under the hatred and the subserviency of the industrial leaders since this war was ended, and they have been the ones who have manipulated Germany for the benefit of themselves, in the exploitation of the labor of Germany and in the building up of their deposits in foreign banks of gold all over the world (applause).

I am told that my time is about ended (cries of "Go on, go on"). I must obey the rules. I live up to my treaties and I obey them (applause).

In conclusion, let me say, my friends, I believe that we should not forget the past. I don't mean by that to harbor hatreds and persecutions of anybody, but I believe the war that was fought by the Allied Governments and by the allied peoples of the world was fought for the defense of a great civilization. I wish that Germany, if she intends to live a different life than she has lived in the past, and to be reconstructed and regenerated, shall come back to the traditions of her past and her noblest leaders and

scholars, but I don't believe that it is therefore our obligation, our duty, or that it is a wise policy, to nurse her back to life only to have her spring up again upon the civilization of the world, if she is unreconstructed and unregenerated, and I believe that France, having been left in the position that she now occupies, deserted by her promising Allies, and by her defaulting enemies, had nothing else to do but to act under the Treaty both for reparations and security, and I think that when we promised her, as we did, in the Anglo-Franco-American Alliance, that we would guarantee her against invasion, she had a right to rely upon it, but when we defaulted on that obligation and left her unprotected, and when Germany defaulted on paying for her devastated districts, France had a right, in the interest of reparations and security, to act for her own protection.

I believe she has acted for it, and I believe that, contrary to my friend upon the other side, when history is written, it will be found that France has taken action to protect herself and her unborn generations, and she will be vindicated in the light of that history, and all history will say that our friendship, both because of 100 years ago of hers, because of our

identity with civilization, because of the boys whose bones are lying out there in the soil of France, our own boys, our duty is to stand by France, and to stand by her to the end (applause).

MR. OSBORN: The next protagonist in this great discussion is a writer, a close student of the affairs of Europe at first hand, well known to most of you both personally and by his books. Mr. Herbert Adams Gibbons (applause).

MR. HERBERT ADAMS GIBBONS: Mr. President, Ladies and Gentlemen: It is very difficult for a poor student, who is not accustomed to public speaking, to get up on this platform following one of the leading members of the New York Bar who has vindicated, this evening, and very deservedly, the great reputation that he has as a pleader and as a maker of briefs (applause).

But I could not help thinking throughout the speech that you have just heard of the words that President Cleveland uttered upon a very famous occasion, and a very serious occasion in the history of this country, when he said that "It is a condition and not a theory that confronts us". In order that there may not be any misunderstanding at all in regard to my own very deep affection for France, I wish to state that I am proud to call myself one of "les amis de la premiere heure".

I was in Paris, living there at the time the war broke out in 1914, and on the first day of August, 1914, I arrived in Paris in the evening to answer the call of mobilization from my country home down in Finisterre. Throughout the World War and the Peace Conference I lived in France. I was with the French and the British Armies. I went through the campaign of Verdun in 1916, and it has been my inestimable privilege and honor to have observed the French during this entire period of the World War, to also have suffered with them actually in the flesh.

I had my home in Paris with my four small children there, and I don't want anyone to come up to me after what I am going to say tonight and tell me, "You don't understand." I do understand. I guess on at least 50 occasions I have carried my babies down to the cellar of my home on the Boulevard M. when the Gothas were over Paris, and I have lived there during those terrible days of the bombardment of the Great Bertha, that exploded at all hours of the day and night, and my wife and I did not know at each explosion sometimes just where our children were. I have had the harrowing experience of being in the Luxemburg gardens and having a shell burst there when my own babies were playing in the gardens.

Consequently, I feel very strongly upon this subject. I feel very strongly upon it as a friend of France, and I do not think that in the condition that confronts the world in 1923, that any argumenta ad hominem will affect the situation in which we are today.

The first fact that we have to recognize is simply this, in speaking of a condition and not a theory. As much time has elapsed since the Germans lay down their arms on the 11th of November, 1918 as during the whole period of that terrible World War. We secured the confession of defeat from Germany by the signing of a humiliating Armistice. We worked for months at Paris during the first half of 1919 in order to frame a Treaty. The Treaty of Versailles was then signed. It is now nearly four years since the Treaty was actually signed. Without going at all into a legalistic argument, or attempting to answer, although I believe I could build up a brief on the other side of this case, there are always two sides to even legal interpretations (laughter and applause),-- I shall simply state this as the first fact, that the victory over Germany was secured by a combination of countries. None knows better than I the dark days of 1917 and 1918 before it was announced that one million American soldiers were in France. There

were occasions there when our Allies had, as Marshal Haig said in his famous message to the American people, "Their backs against the wall", and when it was nip and tuck, and when it looked as though the victory was not going to be ours, and we were going to have to treat with Germany on the basis of what the French feared, and what they called un paix blanche, that is, a peace without victory, which seemed to be the language and the meaning of our former President, Woodrow Wilson, but that passed, and it passed because of the weight of the American intervention in the World War, first of all, the financial intervention on behalf of our Allies, and then finally a military intervention.

Germany was put in the position of not being able to continue the war owing to the fact that we had demonstrated our ability to transport troops to France effectively; one million there were, a second and a third and a fourth million and, please God, a fifth million, if necessary, in order to win that war. The forces against Germany were really the whole world, and it was that force which made possible the signing of the Treaty of Versailles. It was a treaty that was dictated by force. I am not going to enter into argument on the question of the pistol at the head, or

whether the signature is valid or not. I simply want to get down to the plain facts of the case, and that is that it was the combined force of the Allies that enabled us to impose the Treaty of Versailles upon Germany.

Now, who is naive enough to expect that a treaty imposed in that way could have been executed in any other way than by the continuation of the application of the same forces that won the World War and that was applied at the making and the signing of the Treaty, and the condition and not the theory that confronts us is simply this, that the strength that was applied against Germany in order to get her to sign that Treaty, was removed immediately after the signature of the Treaty. It has frittered away ever since, and today we find, four years after the Treaty is signed, nearly four years after the Treaty was signed, that we have not the unanimity of opinion and the harmony amongst the nations opposed to Germany in the World War that made possible the signing of the Treaty of Versailles. We have had enough experience in those four years to prove to us that the Treaty of Versailles had not succeeded in bringing peace to the world, and that the entire peace settlement that was made at Paris in those five treaties has ended only

in having a world that is more confused today than it was in 1919.

The problem, the condition that confronts us, is not, how are we going to punish Germany for bringing on the World War, with her responsibility for ravages committed during the war, but the question is simply this. What are we going to do in the year 1933? And if we review the four years that have passed since the World War, it must be in order to seek light and guidance to direct us at the present moment (applause).

Just before the United States declared war upon Germany, Professor Andler of the Sorbonne, made a very notable speech in Paris which was afterwards printed by the Association of International Conciliation, and I suppose most of you men in this room got those pamphlets that came out, those precious documents that came out from time to time, issued by that very admirable organization. This speech you received several years ago, and not in full. Professor Andler laid down the bases upon which France could believe that she had actually won the war. The principal one of those bases was that only the return of Germany to the state of modesty of spirit of 1848, only that could secure for France in the future

her untrammelled national existence. That may or may not be so. I do not take one side or the other. I do not say that France is not justified in feeling that her security is dependent upon the breaking up of the German Empire. I cannot and would not contest that at all for one minute. I don't want to enter into any criticism on that point. I believe it is perfectly futile to discuss here the bad faith of Germany. I think also at the same time that it is altogether irrelevant to discuss the feeling that France has in connection with having been, as it seems to her, robbed of victory. That is not the problem we have to face. We, in looking back over those past four years, should say to ourselves, "What ought we, as nations allied together in the World War, to have done that would have brought peace to the world and that would have brought reparations and security to France?" I think you will agree that this is the condition that is our great problem to discuss here. In discussing that problem, we have, first of all, to consider the attitude of the Allies as a whole towards Germany since the World War. I used my pen and my voice mostly in France throughout the World War in defense of the principles for which we

went into the war to cause to triumph, I believed in them firmly. I remained a Wilsonian after Mr. Wilson himself departed from his own principles. I am a Wilsonian today, and I think that there are many others who believe that those principles laid down during the war are the principles which would have brought about a durable peace among nations (applause).

The first thing that we ought to have done, if it were possible to do so, was to give a fair trial to the new form of government that was established in Germany after the World War. That was the first thing that was imposed upon us as a sensible people, unless we wanted to keep the world in economic chaos, and in the position of an armed camp. Force goes only so far. There must be some alternative to force.

Now, when the German Government was overthrown just before the Armistice, and when a new German Government came into existence and endeavored to form a new one out of the old militaristic autocracy that we despised so much and that Germany had had ever since the war of 1870, it would seem to me to be the part of wise statesmanship, looking far ahead, to see if it were possible to establish and give authority to some form of government in Germany that would recognize her defeat

and that would make possible the payment of reparations for the damages done during the war, and the first question that we have to discuss is whether we have done that. I believe we have not done that and I believe that we have not done that from personal observation covering this period of four years since the war, and from the record as it stands.

We must realize that Germany lost the war and was left virtually alone among nations; that she changed her form of government at the end of the World War with the object of trying to evade the responsibilities of the war. Over and over again that has happened. France did it in 1815 and 1870. Other nations, defeated in war, have done it. That new government was formed at a moment of tremendous confusion; Germany was already greatly demoralized, and it was through that demoralization that she confessed her defeat on account of the blockade of her coasts. That blockade we maintained during the entire period of the Peace Conference and anyone who traveled in Germany and was in Germany in the Spring of 1919 will endorse the statement that was telegraphed to the Peace Conference in April, 1919, that the British Army at Cologne, seeing the sufferings

of the people there, would not stand any longer for the continuation of the food blockade, and a certain amount of foodstuffs were allowed to enter Germany before the Treaty of Versailles was actually signed.

The demoralization was, first of all, due to hunger, and secondly, to the fact that prisoners of war were retained. There was no reciprocity in the exchange of prisoners of war. Then, after the Treaty was signed, just as she had to contend with it in the new government during the period of the negotiations, there was in Germany an effort made on the part of the Center to prevent, by an appeal to the instinct of order and of property of the German people, the lapsing into one or the other of two alternatives that Germany had before her at that time.

One alternative was the extreme of mad nationalism and defiance. There was a party in Germany, and it comprised very many of the noted men of the class that we despise so much in that country that had brought on the World War and that had dominated Germany during the war that wished to simply say to the Allies, "We won't sign any Treaty of Peace. We won't try to get back into a normal condition. Let the Allies come into Berlin, take the country and run it." There were many men in Germany

That were like rats scurrying to cover after the scheme had failed. As you know they tried at one time, during the Capuch regime in Berlin, a coup d'etat to overthrow the existing government and to bring Germany back into her old position of defiant nationalism and defiance of all the rest of the world that would have meant the ruin of Germany. All the sensible men in Germany saw that.

The other extreme was the Communist extreme, and there were many people of the working class, the laboring class, and advanced radical elements that were conspiring after the World War to bring about Bolshevism into Germany, and that appeal was a very strong appeal. There were several insurrections; you may remember, during the Peace Conference that there was one led by Liebknecht and Rosa Luxemburg that had to be put down. When that danger was past there was another one, an insurrection in the Ruhr Valley, in Bavaria and other parts of Germany and the moderate elements had to work very, very hard in order to prevent Germany from going into one extreme, of Bolshevism, and the other extreme, defiant nationalism.

Those parties never had a full majority in Germany. If we study the Parliamentary history of

Germany from 1918 to the present day, we will come to the conclusion that at no time since the World War has Germany possessed a really stable government. I think this statement cannot be gainsaid, and there has been no time when Germany has possessed a stable government; there has been no time when the government in Berlin has had the authority or the physical force necessary to bring the nation into line.

You know every country in the world, that is, those we call civilized countries, are ruled really by the property classes in combination with and using as instruments the bourgeois class of that country, ^{if} and/we wanted to see whether it would have been possible for Germany under the conditions existing since the war to have formed a government that could have even begun to pay reparations on the basis of the Treaty of Versailles, we ought to have considered conditions of those two classes, the capitalistic class and the bourgeois class, in that country.

It is easy enough for us to say, "Here is the amount that was put down for indemnity. You have got to pay so much." But don't we have to go beyond that if we are talking of a condition and not a theory? And

try impartially looking at the thing from a proper point of view and try to find out and judge whether the Government that existed in Germany since the war has been a government that could have, even if it would -- I don't say it would; I don't say Germany would not have welched if it could -- in the circumstances, have carried out the obligations of the Treaty of Versailles.

Now, we have had the word -- this is an economic club, I believe, I am speaking to this evening-- we have had the word of the economists of the world, including French economists, that the reparations as set forth in that schedule of May, 1921, when 132 billion gold marks were put against Germany, in addition to 12 billion gold marks for physical destruction of public properties, making 144 billions and in addition to that 26 percent of all the exports of the country, we have to ask ourselves, even if Germany had had a stable government could she, under those circumstances, have paid that money? Now, the people in Germany that rule the country, that guide its destinies, are people of the class that are represented here this evening, this type of people that I have before me tonight. If you go to Germany today and go through the country with an

open mind, an absolutely open mind, and study the living conditions under which the class that we belong to has been in Germany since the war, I think you will agree with me that no country, no matter what her guilt had been could have fulfilled the terms that were laid down on May 1st, 1921; first of all, for two years the indemnity was not fixed at all, not knowing what it was going to be; and then, after it was fixed, take up the burden and endeavor to collect it that was declared by the principal economists of the world over, I say, including French economists, as being absolutely impossible to perform.

Conditions grew worse and worse in Germany with each succeeding government. The Germans always said, "Yes, we are going to try to pay these reparations." The best men in Germany, one after the other, have endeavored to form a government; they have gotten the principal public men of the country, but at no time has there been any Cabinet that has had the moral authority, the physical force of arms, to begin the payment of reparations.

But then, in 1933, when the Cuno Cabinet came into power, backed by the great industrialists of

Germany, I believe that they felt, perhaps not from any high moral principle, but merely from the bare and practical necessity of getting Germany on its feet, I believe those men sincerely wanted to pay reparations up to the full ability of Germany to do so, but by that time the situation had gotten so thoroughly out of hand in France and elsewhere in the Allied world, that it was impossible to get them together and to discuss on any reasonable basis the terms upon which Germany could pay an indemnity.

I want to repeat that I don't want it misunderstood, that I am not holding a brief for Germany. I am not saying the Germans would have paid had they been given a chance to do so, but I merely say that studying the history of Germany for the past four years, that Germany could not have paid or could not have begun the payment of an indemnity on the basis of 132 billion gold marks with 26 percent exports after that, and I believe in making that statement that there is not an economist in any country in the world, even in France today, that will deny the truth of the statement I am making.

In other words, we put Germany up against an absolutely impossible proposition. What could we have

done? We could have adopted a very different attitude towards Germany. We could have adopted an attitude of support in these moderate center parties in the formation of a government, of viewing the problem as an economic problem, of having as our experts not statesmen, to bandy different advantages back and forth in different parts of the world, but bankers and financiers, the type of men who are here this evening, called together into consultation and stating, "Let us look at this problem in this way. We will take Germany as she is circumstanced today, not as in 1917, after the war. We will view this thing not as a theory of reparations, but as a condition. We will say to ourselves, 'What can the German Government, under these circumstances pay, and how can she pay it?' We should have viewed the assets that Germany had. We should have looked into the question of surplus. We should have decided how much that surplus was that Germany was earning, and then we should have discussed the point as to how much of that surplus could be literally detached in the form of payment from Germany to another country, and then we should have said that Germany can pay, and that Germany must pay, and we would have confronted her with that, and there would not have been

a single person tonight who would have dared to come before the Economic Club and defend Germany, if that had been done (applause).

But that has not been done. Now, I am persuaded -- and in this I am in full agreement from my own personal observations during the latter years of the war in France when the question began coming up as to the terms of peace; my observation during the Peace Conference, what I have seen in the Rhineland, and what I have seen in Germany since the World War, and all the diplomatic moves that have been made from the very beginning down to the Conference of January 6th, 1923, in which the French and British split and differed -- I say, I am in full agreement with Mr. Noyes in believing that this problem of reparations is not an economic problem, but is a political problem. I have too much faith from my 12 years of living among the French people, too high a regard for the lucidity of mind and the common sense of their leaders, to believe that they could have thought for a moment that by the handling of the situation in the way they did since the World War, that they ever could have gotten any reparations out of her. It was a question of the

golden goose, the goose laying the golden egg. You cannot force the goose to lay those golden eggs. What were you going to do? Were you going to follow the policy that would risk killing the goose and then not getting eggs at all, or were you going to follow the policy to fatten up the goose so that she could lay golden eggs? Those were the twopolicies that were before France, and France chose the policy of killing the goose.

You could make out a very good brief, not along the lines, perhaps, of the brief that has been made out on this problem, but along the lines of political manoeuvres for France since the World War.

I could devote a whole half hour and show you how much the security of France depended upon the breaking up of the German Empire, from the French point of view, knowing well enough that the things in this world of importance are not the things that are, but the things that the people think are (applause).

But this, my friends, we have not before us tonight. What we have before us is the question of 1923. It is not whether France shall go into the Ruhr or not go into the Ruhr; whether it was a wise thing

for France to go into the Ruhr or not; whether she was justified by the language of the Treaty of Versailles to go into the Ruhr or not. France today is in the Ruhr. She is there, actually there. She has been there for over two months, and I have had the opportunity to see recently the report that was drawn up by a very eminent French economist, and endorsed by the Sorbonne. That man, as a result of the French occupation of the Ruhr during the last three weeks of January and the four weeks of February, said, that after the first seven weeks of occupation, it looked as if France was not going to get anything in the way of reparations out of the Ruhr, and at the conclusion of the report the doubt was expressed as to whether France ever would make both ends meet in the Ruhr in the way of reparations.

Mr. Littleton has very eloquently said, and I fully agree with him, because I was in the devastated regions dodging shells for four years and I have been there since, and have seen the admirable work done by the French themselves in the Northern and Western Departments; as I say, I am in full and complete sympathy with getting those 85 millions, -- not 98 millions, according to the report that came out

yesterday,-- that have been spent by France in building up her devastated regions.

I am in sympathy with getting the money out of Germany, and I believe that obligation rests entirely on Germany, and that Germany should pay all that it is possible for her to pay, but I believe that common sense should prevail, if it is an economic problem, and that the way should be pointed out as to how much we can get in the way of reparations, and the way has been pointed out very clearly. I say the way has been pointed out by Sir John Bradbury, who represented the City of London so notably for very many years, and who has been head of the Reparations Commission representing the British, and in the report that was made at the time Bonar Law had to differ from Poincare, there was laid down the absolutely essential four years of moratorium, and following after that the payment; first, the stabilization of the mark, and the granting of a loan to Germany to put Germany on her feet, not through any sentimentality at all, but as the Japanese Ambassador very clearly said, and very well said before the Conference, "In order that Germany can pay" (applause).

Now, if Germany could have paid in those four

years a certain amount, that amount should have been fixed by an impartial commission of bankers. But I could pick out of this room here tonight, twenty men, right out of my audience, whose verdict I would accept unquestioningly as to whether Germany would have been able to pay this sum of money that was fixed during those years, or not.

Our own representative on the Reparations Commission, you must not forget that, although Mr. Littleton did not touch upon this, but Mr. Boyden, our representative, speaking on these default figures which were given for the last year, and which were the cause of the declaration of the involuntary default, said -- and he certainly did not hold any brief for Germany, -- "I am surprised not that Germany has not fulfilled her amounts of coal and wood and other deliveries during the year 1932. What Surprises me is that Germany did so well." He said that very openly in the Reparations Commission at the time of the final sessions.

I want to simply point out to you, that although Mr. Littleton has spoken of the Allies, Allies this and Allies that, that in regard to the present situation in the Ruhr Valley, the Entente Alliance no longer exists, and if you want proof of that you have only to read the

"London Times," or evening journals, that are published in the City of London, the "Manchester Guardian", the "Spectator" among weekly papers, the "Sunday Observer",-- take any number of English papers giving different points of view, and you will see that in regard to the Ruhr Valley today that the Entente no longer exists.

I maintain, and this is my conclusion, that France is in a perilous position, a very perilous position. She has got into a position that she cannot extricate herself from by her own efforts. I do not share the optimism of Mr. Littleton on the last point that he made in his speech tonight. I believe it is quite possible the Germans will give, not all, but they will give something, and they will give in the same way, hopelessly, as they did in 1923. But the great question is: How is France to get reparations and security?

There are two ways. The first of them is this: We must go back. We people of the United States of America must go back to the time of the Treaty that was laid down before the American Senate, and we have got to take that separate pact that was given at that time, the Anglo-American pact, guaranteeing France against renewal of German aggression, and then, having

assumed that obligation, to back up our obligation as we should. No lip service to France, but a real service to France, and that is the ratification of that pact and the saying to France, "We will guarantee your security"(applause).

And last of all, after we have done that in conjunction with England, we have got to devise some scheme by means of our great bankers, such as Mr. Morgan, who was ready to give to France back in June, 1932, millions of dollars, and, in addition to that, if Germany can have her frontiers secured, if she is given a good, fair chance to pay these reparations then, if we are going in with an International loan, a stabilized mark, which will make possible the payments of reparations, in that way we shall find security for France and we shall have reparations for France, and I, for one, can see no other way in which it can be done (applause).

MR. OSBORN: I begin to believe that my invocation, "A kingdom for a stage and prices to act", is coming quite true. The next speaker is well known, again, to all of you, and needs no introduction, Dr. Stephen S. Wise (applause).

DR. STEPHEN S. WISE: Mr. Chairman, Gentlemen:

I wish I were as fortunate as the University teacher who had just taken his seat. He claims that Mr. Littleton drew a brief and presented a brief tonight, but Dr. Gibbons goes him one better. He says, "I could draw up a brief on all sides of the question" (laughter).

Now, I confess, ladies and gentlemen, that I cannot draw up a brief, neither on one side nor on the other. I have merely something to say out of the depths of the convictions of an American citizen who is neither pro-French or pro-German, nor anti-German or anti-French, but American all the time (applause).

I do not agree that we ought to say to ourselves that, after all, this is 1923, and that what happened before does not matter. What happened before 1923, including 1914 and 1870, matters a great deal. We cannot judge this great question merely upon the basis of the viewpoint of March 29th, 1923. I remind you that in 1914, in August and September, and for four years thereafter, when some of us took our place on the side of the English and French and Belgians, long before America entered into the war, we were told that, "You must not judge Germany too harshly. After all, the Austrian rape of Serbia is but a link in a chain of events. Germany did

not will to go into Belgium, but she was driven into Belgium by a concatenation of circumstances." Very well, Germany did not cause the war. But the Austrian invasion of Serbia and the German rape of Belgium were the occasions and the first symptoms of war.

Now, I ask tonight that we try to be as just to our friends as to our enemies (applause). I ask tonight that if we were bidden in 1914, "respice", "Look behind thee," then, that tonight we have the right to ask that the occupation of the Ruhr be not judged as if it were a thing that stood alone.

No, it is but another link in a long sequence of events, and so it must be understood. The thing that I mean to say tonight is, there is a real difference in the attitude of America, or there ought to be, to France in 1923 from the attitude of America to Germany, Austria and France in 1914. In 1914 we did not know Europe. In 1914 we did not know what war was or what it would mean. What seemed to be the absurd figures of Jean de Block of 1898, proved, after all, to be an absurd estimate of events as they ultimately came to pass. Now, we know Europe, Now we know war, and now we know what America can and ought to do in relation

to that war, and my primary thesis tonight is this: Having stood by the side of France during the war on moral grounds, we have forfeited as a people, we have forfeited as a nation, the right to pass judgment upon the conduct of France in Germany today. And I mean to show you why.

What have we done in and for France, and what have we left undone? Now, I am not going back to the election of 1920, though I wish I might. If I did, I should point out to you that nothing more deplorable ever came to pass in American History than the seeming, though not, real division of the American nation with regard to the support of the President of the United States, acting in behalf of the American people in a foreign land, for America and for world peace, and I mean tonight to make an assertion that will seem strange to some of you, but Dr. Gibbons knows that in 1918 and 1919 he deplored the thing, he grieved over the thing then, as I do tonight and have ever since, the thing that came to pass, namely, the tragedy of the President of the United States undone, betrayed, while acting on behalf of the American people, by partisanship and by partisan malignity.

I saw the thing done. I will tell you tonight that whilst the thing was happening one of the five French peace commissioners besought one of the five representatives of America at Paris to stem the tide, if he could, of a cabled vilification of President Wilson from America, because it was said by this representative of France to one of the great representatives of America, "How can I make any concession to your President as long as every day your President is vilified by the American press?" Some day, gentlemen, that thing will be made clear. This is not the time to dwell upon it, but I point out merely this, that from the very beginning America did not do what it ought to have done and could have done because France and England and, above all, Germany, were led to believe that the President of the United States did not represent the American people.

Now, I am not a native American. I am only a foreign-born American, but I say to you that if President Harding should go to France or to England; and I did not vote for President Harding, -- he would have from me the same unlimited loyalty that I gave to Wilson for eight years (applause), for, after all, the president of

the United States is the President of all the American people.

Then the President returned to America and America went back, not to normalcy, but to sub-normalcy (applause), I mean in 1918 and 1919, before the successor of President Wilson was elected.

What I have said thus far may seem irrelevant to you, but I would point out to you in the previous words that, after all, France was not in the position of England nor of these United States when the war ended. After all, we gave some money; we invested, rather, than gave it. We spent some money in the course of the war and we gave some men. England gave much money and many men. France gave very much money, and the most men, viewing her population, and she gave herself (applause).

America was untouched by the war, save for the one-twentieth of one percent of the sons of America who were slain. The soil of England was virtually untouched and unravaged by war. But, after all, as you know, gentlemen, for most of you must have seen it, the loveliest parts of France were utterly ravaged, utterly broken by the years of war.

Now, France was entitled, beyond England and beyond America to two things, as you see, as all of us

are agreed tonight, for we are agreed in much, France was entitled first to reparations and next to security. Reparations were the immediate need and security was the permanent need, and the thing that it ought not be necessary to say in America in 1923 is this, that France had so served and France had so sacrificed from August, 1914 to the 11th day of November, 1918, that France was entitled to the right, the right to security as long as her Allies could assure France that right (applause).

Now, remember, security was to come in two ways, and of one of the ways all of the gentlemen who have gone before me have spoken, through the pact of England, France and America, the pact of England, America and France that, in the case -- I think I quote literally, -- that in the case of wanton and unprovoked aggression on the part of Germany, England and America should go to the defense of France.

That covenant, unfortunately, was not accepted. That covenant was rejected, and I am going to add -- not because I happen to be a partisan on the wrong side, because I believe I am not a partisan, I am an American first and a Democrat second, -- that that pact would have been ratified if it had been presented to the United

States Senate by a member of the Republican Party as, unhappily, it was urged upon the Senate by the leader of the Democratic Party (applause). America was ready, all America was ready in 1919 to stand by France, to defend France against unprovoked aggression, for America knew and knows the moment we underwrite France as against aggression on the part of Germany, there will be no aggression; there will be no renewal of invasion.

I heard thousands of Germans say in the last four years, "If we had known, if we had known in 1914, if only Sir Edward Grey had told us that England is going to the defense of France, then there would have been no war." Now, let us capitalize that admission as we ought to have done and say to Germany, "Very well, now you know it; the moment you unprovokedly invade France, in that moment shall we spring to the defense of France." Two things would have happened. There would have been and there could have been no aggression on the part of Germany. There would have been no need for the tragedy of the great military establishment which France has found it necessary to build up during the last four years.

Now, there was another mode of securing France, a mode proposed not by President Wilson, but proposed

chiefly, in my judgment, by one American and two Englishmen; the American, Chief Justice Taft, the former President of the United States, and by two Englishmen, Lord Robert Cecil, that great Englishman, whom America is delighted to welcome to this land, Lord Robert Cecil, and General Jan Smuts. Smuts and Cecil, not former President Wilson, drafted the League of Nations proposal. When we came to Europe in December of 1918 the Smuts proposals were already in type and, as you know, the League of Nations very closely follows those Smuts proposals.

But, again, the League of Nations was denied; that is to say, there is some sort of League of Nations, not a real League of Nations. There will be no League of Nations until America becomes a part thereof. I am not pleading for the League of Nations tonight. It is not my business. My business is to deal with France in the Ruhr. But there will be no League of Nations worthy of the name until America becomes a member thereof.

Now, what about reparations? Well, the trouble is that the magnanimity and the generosity of the Armistice period were misunderstood. I mean by that that, after all, just because there was a desire to be forgiving and magnanimous towards Germany and the Central Powers on the part of France, England and the United

States, it was not expected that there was to be a general amnesty, a general amnesty with regard to Germany, and that there was to be, or that there were to be, no reparations, nor was it ever designed that reparations were to be punitive or exemplary.

I want to remind you men of affairs that, after all, we talk about reparations and we speak of reparations as if the reparations owing to France were in repayment of money owing to France from Germany for moneys borrowed. After all, France did not lend Germany money. If France did lend money France might say what we are saying to our debtors, "We will never take a penny from Great Britain of the five billions that Great Britain owes us. We will never attempt to collect a penny of the three billions owing by France" when, in truth, we have stipulated and we are adhering to the bond that every dollar owing by Great Britain to us, Britain that fought with us, Britain that fought for us, every dollar that Great Britain owes us must be repaid to us with interest.

Of course, we are not invading England any more than England invades us or invaded us, but we are not, as far as I know, able to produce any paper remitting one

penny of the indebtedness owing by our Ally, Great Britain, to us. Now, there is something more to be said about reparations. The reparations are in partial, and only in partial -- remember that, gentlemen -- restoration of the land and the houses and the industries grievously, woefully, hurt and damaged by the German armies and by the German forces, and then, perhaps the admission may be made -- France demands reparations because France needs reparations, and anyone who knows something about 1870 or 1914 must side with France, for he knows that the payment of reparations to France may postpone for some years the day of the resurrection of Germany, the might martial power.

Why, you ask me, is France afraid of Germany? Let me tell you what I felt in Europe during the three months I spent there last year. In Austria there is despair. In Hungary there is reaction. In England there is disenchantment. In Germany there is bitterness. In France I found only fear, and fear, and fear. France, in my judgment, is not in the Ruhr today in order to destroy or to dismember Germany, but because, having lived through 1870 and 1871, through 1914 to 1918, she is fearful of Germany, she is fearful that perhaps for the third time that tragedy may come to pass, and-

we ought to try to understand France. This is all I am asking. As we were bidden through those long bitter years to try to understand indefensible Germany, today let us try to understand, even if we cannot justify, defensible and explicable France. That is all I ask tonight (applause).

And then there is one more thing to be said. I may be asked tonight, as I close, "But, Dr. Wise, you are a teacher of religion. You are a teacher of morals. Do you really feel that you are prepared to justify the occupation of the Ruhr?" I answer, "I regret it. I regret the occupation of the Ruhr for the sake of Germany. I regret it for the sake of imperilled world peace. I regret it for the sake of France which came to believe that there is no other way out. But instead of regretting the decision and action of France, however much we may sympathize with the people of Germany, this is the thing I lay upon your hearts, "Let us, as a people, not in austere and condescending fashion, express our disapproval of France, but in man-like and American fashion to make possible the ending of the Ruhr occupation through the only means that are just and equitable; from the foes of France reparations just and adequate;

from the friends of France, England and America, security, security, security. The foes of France owe her reparations. We, the friends of France, owe her and we shall yet grant her security.

Remember, I do not justify the occupation of the Ruhr. I regret it. I deplore it. I sorrow over it. But I regret infinitely more the inaction of my own country which makes that occupation explicable to us, and from the viewpoint of France inevitable until that better, nobler day dawns in American life and history when, after all, we shall cease to be obsessed by the fear of commitments with regard to France and with respect to International obligations; when we shall look to Europe and, seeing our opportunities, shall accept them, not as grievous and intolerable liabilities, but as challenging and glorious opportunities.

That is the American way. That is the way to end the French occupation of the Ruhr. That is the way to bring a just and ordered and abiding peace to France, and England, and Belgium and the United States of America, and to Germany and Austria as well (applause).

- - - - -