

# TIME

May 5, 1923

## The Ruhr

### *France May Grow Old On the Rhine*

Lord Curzon's speech in London a little more than a week ago advising Germany to make an offer to the French and Belgians has evidently had some effect in Germany. Chancellor Cuno announced that he is about to take an important step in connection with the reparations problem.

It is almost certain that the Curzon speech was a British diplomatic feeler intended to bring about an end to the Ruhr impasse, which is a great source of worry to British commercial interests. Strength is lent to this contention by Bonar Law, the British Prime Minister, taking a holiday. His voice was considerably weakened by a recent attack of laryngitis, but he has always taken an active part in cabinet affairs. It is inconceivable that he would leave London unless a plan having his approval as head of the Government had already been decided. The inference is that the Curzon speech was arranged by the Cabinet with the approval of the German Government. Curzon makes the gesture, Bonar Law travels happily away in search of health, Cuno confers with the industrialists and prepares his reparations offer.

The offer will be a round sum of 50,000,000,000 gold marks—about \$11,900,000,000. It will, however, take into consideration the amount already paid to the Allies—about \$1,428,000,000, and the British will, it is known, forego a claim to the major part of their share, which is about \$2,618,000,000. The net offer will be between seven and eight billion dollars, and it is considered likely that France and Belgium, with the concurrence of Italy, will accept this figure. There is still, however, a possibility that Cuno will open the negotiations with a small offer; but such an action will depend on whether the British Government can persuade the French to accept the fifty billion mark offer as a basis of settlement, or whether France will ask for the cessation of passive resistance before any offer can be considered. As a small offer would be unacceptable to the French and Bel-

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MARQUIS CURZON

*"Quit your fooling; come to terms!"*

gians, and the Germans know this, the larger amount, representing the maximum sum Germany will be able to pay, is sure to be brought forward sooner or later. The Germans would simply use the small offer, not as a *ballon d'essai*, but as a means of inaugurating direct negotiations.

Once matters are brought to the negotiation stage, it will not be solely a question of reparations and how they are to be paid. France has affirmed more than once that she wants solid guarantees against invasion by Germany. At Versailles the United States and Britain were to have made a treaty with her promising aid in the case of unprovoked attack by her Teuton neighbor. This treaty, as all the world knows, was never concluded, and France was left out in the cold to defend herself. She decided that the occupation of the Ruhr was the best way of doing it, for in no other way could she get the protection she needed. The main issue that will have to be solved when negotiations commence is the demilitarization of the Rhine and possibly the Ruhr. Unless this is guaranteed by an international treaty agreed to by Germany, it seems that France is destined to grow old in the Ruhr.

In the meantime Franco-Belgian policy in the Ruhr has become intensified. General Dégoutte issued an order confiscating supplies of coke throughout the occupied area, and at the same time made it known that further resistance would be treated as a criminal offense.

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### *A Ray of Sunshine in Europe*



ISMET PASHA

*He is a general in diplomacy and a diplomat in general*

Herr Cuno, German Chancellor, made his expected reparations offer of 30,000,000,000 gold marks (\$7,140,000,000). This amount is only the vanguard of the real German offer which will be 50,000,000,000 gold marks (\$11,900,000,000), representing the maximum amount Germany can pay.

The Germans, as well as the rest of the world, knew that a small offer would be unacceptable to the French and Belgians before they made it. Their sole aim was to create a *piéd à terre* for future discussion and settlement of the vexatious reparations problem. It cannot now be denied that a ray of sunshine has broken through the dark clouds overhanging Europe.

It must not be supposed, however, that the machinery, having been oiled, will move with marked rapidity. The outlook is favorable, but some time is sure to elapse before events shape themselves to the political mould.

News from Germany tends to corroborate the prognostication that Cuno will resign in the near future. This event is fairly generally recognized as an indispensable factor in the solution of the whole Ruhr and reparations question.

It must be borne in mind that the thirty billion offer is the direct outcome of the Stinnes proposals in

Italy. For the reason that the industrialists are anxious to bring about peace in the Ruhr, a Stinnes nominee will, in all probability, form a cabinet after the predicted fall of Herr Cuno has taken place. The Stinnes man is Herr Stresemann, political head of the People's Party, which is in reality controlled by the industrialists. It seems reasonable to suppose that Stresemann would receive support of the Socialist Party, who are known to favor an early settlement with France—particularly as no other party seems anxious to take the responsibility of forming a new government.

France, seconded by an apparently concurring Belgium, refused point blank to entertain the German offer. It was clearly an impossible figure for her to accept, considering that her share would only amount to about \$3,700,000,000. Belgium, committed with France in the Ruhr struggle, had no alternative but to follow in her neighbor's footsteps and decline Germany's offer, although it is known that she is very strongly in favor of a definite settlement.

The French and Belgians in their reply to the German offer stated that "The German note from one end to the other is only a thinly veiled expression of systematic revolt against the Treaty of Versailles." They ask now for the cessation of passive resistance in the Ruhr before any negotiations can take place. They refused the thirty billion gold mark offer, stating that it was inadequate and lacking tangible guarantees.

From a semi-official source it is learnt that Poincaré, in conjunction with M. Theunis of Belgium, will have a Franco-Belgian counter reparations plan ready by May 15. He will then place it before the Chamber of Deputies and demand a vote of confidence on it.

The Franco-Belgian attitude presupposes the fifty billion gold mark offer from Germany. Great Britain will, it is known, surrender the major part of her claim against Germany. Thus France would net something between seven and eight billion dollars. With adequate guarantees for payment of this amount, it seems that France will be obliged to accept it, despite her present determined stand against reduction in any form.

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### *Diplomatic Undercurrents*

Aside from the outward manifestations in the Ruhr, the week's most important event in diplomatic circles was the British answer to the German note. It is evident that the British Government saw fit to seize a favorable opportunity to change its stand on the whole Ruhr question. Hitherto Great Britain has maintained an attitude of despairing neutrality upon a question which vitally affects her own interests; now she is determined to have her say in the ultimate peace offering that the Germans, sooner or later, are bound to make. The propitious moment arrived. France views with no inconsiderable alarm the position at Lausanne and more particularly in Syria, where both Turkish and French troops are glaring at each other with nothing between them except a frontier. The British are endeavoring to align themselves with Italy in forcing an issue in the Ruhr and in insisting upon full representation at a conference with the Germans. The blow is well timed, for France can hardly afford to risk a break with both Britain and Italy. As a corollary, it may be said that a Ruhr peace settlement is brought one step nearer to its realization.

The British and Italian notes advised Germany to make the substantial offer; that is, an offer of \$11,900,000,000 and "to indicate with greater precision the nature of the guarantees they are disposed to offer." They also expressed disappointment that Germany had shown a lack of effort in stimulating an early settlement.

Meanwhile it is certain that the French policy toward the Germans has been definitely modified. The Poincaré administration has gained and not lost prestige as a result of its more moderate attitude. In Paris it is officially admitted that the Mussolini - Jaspar - Stinnes negotiations in Italy and the Loucheur visit to Britain have had a far-reaching effect on French policy.

Apart from this there is a feeling in the French capital that the German propaganda for avoiding payment of reparations has failed, and that Germany can now be forced to make reasonable terms. There is no disposition on the part of the French Government to allow Germany to escape her just liabilities. Raymond Poincaré, speaking at Commercy,

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said: "We have known the Germans for nineteen hundred years, and we have never been able to notice much change in them. Whether they call themselves Germans, Ostrogoths or Visigoths; whether they enroll themselves beside the Huns in the armies of Attila or put themselves under the leadership of the Prussians; whether they trick us at Leipzig; whether they are defeated at Ligny or the conquerors at Waterloo; whether they surround us at Sedan or are crushed along the Marne; whether they falsify the Ems telegram in 1870 or violate Belgian neutrality in 1914, they are a people for whom war is for all time their national industry and for whom peace is only an armistice between wars. . . . We are in the Ruhr," continued M Poincaré. "So long as she (Germany) does not pay us she will not get us out!"

Germany will, no doubt, make a more substantial offer, but it is probable that a move in that direction will not be made until after the anticipated fall of Cuno. Herr Stresemann, who will in all probability succeed Cuno, is reported to be in communication with the great German industrialists, who are asked to place part of their resources at the disposal of the Reich to enable Germany to give tangible guarantees for the floating of an international gold loan.

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