

## CHAPTER II

FEBRUARY—JUNE 1924

England's new Prime Minister—Stresemann on political future of Germany  
—Impressions of visit to London—American Ambassador on Reparation  
—Kühlmann's war reminiscences—The Kaiser at Doorn—Death of  
Czecho-Slovakian minister—The Prime Minister on present position  
—Stresemann and public opinion—The Crown Prince at Potsdam—  
—Stresemann's position endangered—Maltzan on Security.

ON December 6, 1923, the General Election resulted in the defeat of the Conservative Government by the combined vote of the Labour Socialists and Liberals. The following January Mr. Baldwin tendered his resignation to His Majesty the King and advised His Majesty to entrust Mr. MacDonald with the formation of the Labour Socialist Government.

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LONDON, *February 20, 1924.*—Arrived in London on Wednesday, February 13, and have seen a good many people since, including both old and new Ministers. The new Prime Minister, Ramsay MacDonald, makes an impression exactly opposite to that of a proletarian ruler. Nothing of force and vigour of the people—nothing muscular—but artistry and a certain languidness suggesting over-fatigue. They tell me that his policy, since he came into office, is not of the full-blooded type—great civility to Poincaré, profuse apologies about Lloyd George's indiscretions, and an extreme determination not to mar the development of events by premature action. The tendency is "Wait and see," dictated either by caution, or skill, or weariness.

THE ex-Ministers are resigned to their fate. They have taken their fall as philosophers and as Englishmen. One of them (Curzon) said to me: "The change is terribly complete. A few weeks ago I was the centre of affairs and knew everything—to-day, as an ex-Minister, I know nothing—none of the papers of the Foreign Office come to

me, and I get what scraps I can from the newspapers. A few weeks ago I thought I was swaying great destinies—to-day I know I am swaying nothing. But these sudden changes are common in English public life, and one must learn to bear with them."

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THE Foreign Office people appear delighted with their new Chief. He does not hustle them nearly so much as the Marquess; treats them with great courtesy, and is much inclined to fall in with their views. This impression may or may not be permanent, but for the moment they are gratified.

ALL accounts go to show that Curzon had a desperate time in fighting not only Poincaré in front but a good many of his own colleagues on the flank and rear. There was a vast amount of intrigue between certain journalists, and certain politicians, with a view to getting rid of Curzon, or alternately, of arranging something with Baldwin without Curzon's help or behind his back.

CURZON'S last action before leaving office, in making a strong stand regarding the Palatinate and the Rhineland railways, has attained full measure of success. He will probably receive no credit for it; people will say that the result was achieved more through the cooing of Ramsay than through the Ciceronian admonitions of his predecessor. But this will be unjust. The merit belongs to Curzon, aided not so much by Ramsay's politeness as by the impoliteness of the franc in falling from 90 to 105. The barometer of the success or failure of the Poincaré policy is the franc exchange. If it falls, Poincaré is amenable; if it rises, he reverts to type.

IN other words, he is as natural as he dare be, and his nature is not a conciliatory one. However, as this attitude is dictated by honest conviction and is supported by intense industry, by a stupendous power of work and by a supreme talent in legal controversy, it is quite incurable, and it will probably command the admiration of posterity.

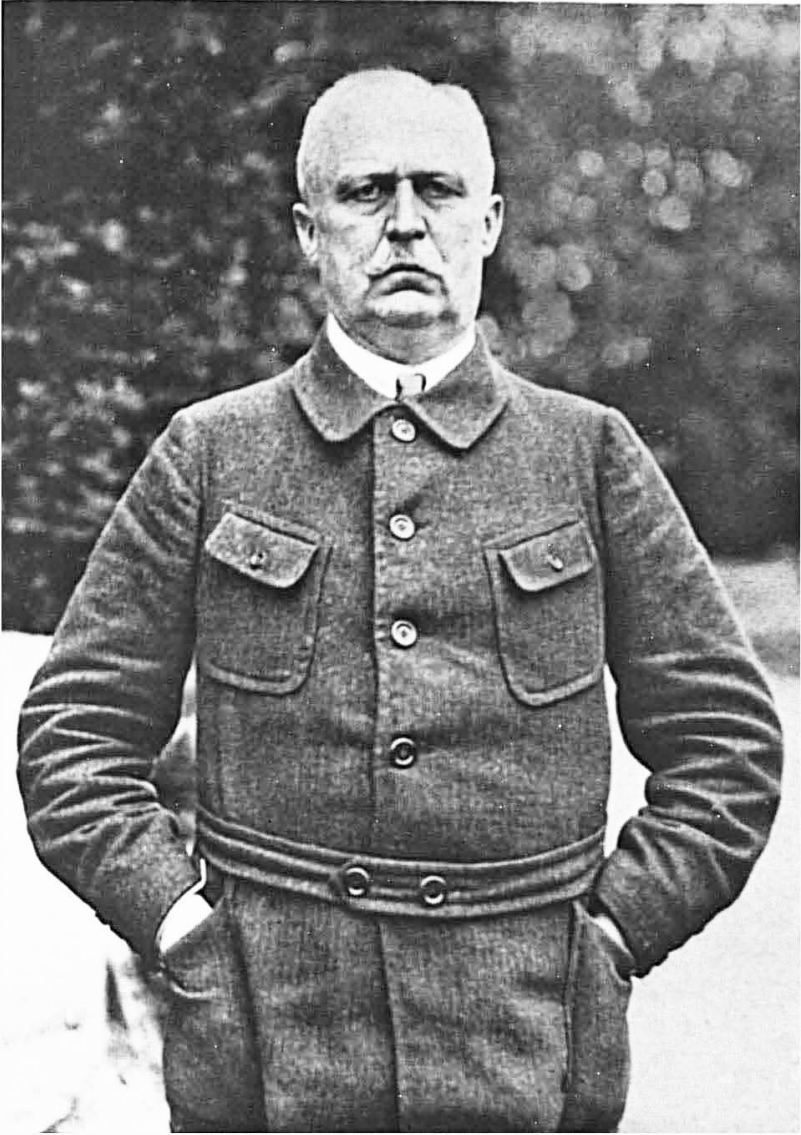
BERLIN, *March 4, 1924.*—A conversation with Stresemann to-day.

HE appeared much impressed by the revelations made in the Hitler-Ludendorff trial at Munich. It was clear from what emerged in court that the danger last November had been infinitely greater than the general public realised. He himself had always known that Germany had been within an ace of a serious and successful "putsch" from the Right, but official circles in Berlin had hitherto underrated the danger the country had gone through. It was fairly clear now that Kahr had himself contemplated measures against the Republic not less subversive than the schemes of Hitler and Ludendorff. It was also clear that Kahr had wide assurances of support from Northern Germany. The peril was the more acute in that the Berlin Government had only doubtful means of repression. The men of the Reichswehr were to a large extent partisans of the Right. The officers he considered more trustworthy from the point of view of the Republic than the men, and von Seeckt he considered quite trustworthy, but officers were not much good if the men were solidly opposed to them.

HE had always held that the clause of the Treaty of Versailles stipulating that recruits should be engaged for twelve years was a fatal error. It made the Army a caste, a kind of Prætorian guard divorced from and in opposition to the mass of the people. It would have been much better if the Army had been recruited on the old short-service basis.

STRESEMANN went on to give his views of the immediate political future. He considered that there was abundant evidence of a swing to the Right. The next elections must give the Right a considerable victory.

THE Social-Democratic Party had come absolutely to grief, and his own party—the Volkspartei—had not done much better.



GENERAL LUDENDORFF

*Photo Central News*

I ASKED the Minister what were the reasons for this change in opinion. In my judgment the present Government had to their credit considerable successes—they had brought about a marked improvement in currency conditions—they had obtained very favourable treatment regarding the 26 per cent.—in the Rhineland they had quashed the separatist movement—in the Palatinate a desperate attempt at secession had been foiled. How was it that the public did not recognise these achievements and reward them by an increase of confidence? The Minister replied: “There are two reasons. The first is, hatred of the Jews. The mass of the people are discontented because they find that they themselves are poor while the Jews are rich, and they ask, ‘Why has the Government allowed this?’ In the second place, the unpopularity of the Government is due to hatred of the French. The man in the street says, ‘Why has the Government allowed the French to bully Germany in such a way without replying in proper terms?’ While everyone, who could think, recognised that it was impossible for a Minister for Foreign Affairs to act in the manner suggested, or to repel French aggression in any other way than that which the Government has followed, those who did not think declared that the German Government had been too weak and too conciliatory.”

TURNING to the question of military control, Stresemann said that if the reports current in the Press regarding the new proposals of the English Government were correct, they would lead to considerable difficulty. Public opinion in Germany did not recognise any intermediate stage between the Commission of Control and Article 213 of the Treaty of Versailles—lawyers find in the Treaty no mention of the proposed Committee of Guarantee.

I POINTED out to the Minister that this Committee had been discussed on many occasions two years ago, and that it was generally recognised that an intermediate stage permitting the liquidation of the Commission of Control was advan-

tageous to Germany and constituted a reasonable compromise between extreme views.

IF the German Government wished to see the Commission of Control brought to an end, it was indispensable for them to adopt some practical solution, and not dig themselves in behind legal entanglements.

HAD the negotiations of two years ago been brought to a successful conclusion, the Commission of Control would—for better or worse—long since have disappeared. At the end of our conversation to-day Stresemann said to me—“Are people in London at all anxious about another war?” I said, “No—the general opinion is rather optimistic; people believe that the Reparation Sub-Commissions will propose some acceptable plan, and that progress towards a general settlement will shortly be made. No one contemplates the possibility of another war for many years.”

BERLIN, *March 5, 1924.*—The main impression of my visit to London is that people there do not sufficiently understand the radical change in the political and diplomatic position since 1914. While they are beginning to be alarmed at French preponderance in the air and French military hegemony in general, they retain their old fear of German military preponderance. They superimpose a new apprehension on the old one, scarcely realising that the two are incompatible and cannot both be true at the same time.

THE Prime Minister apparently regrets that there is not a freer interchange of thought between the Governments of Berlin and London. He complained that Sthamer is only able to reply as an official and avoids free discussion between man and man. I pointed out that in Berlin there was no reluctance to discuss with me with the greatest freedom, but that German approaches had hitherto been snubbed in London.

As regards the general position respecting Germany and

respecting reparation, R. M. was disposed to postpone everything until the experts had reported.

WHATEVER else R. M.'s policy may be, it is essentially Scotch—there is no danger of it being either simple or direct. The P.M. has the rare quality of giving consideration to the secondary effects of any action he may undertake. People usually forget these, the Germans always.

THE original impression created at the Foreign Office by the P.M., which was one of great rejoicing, is gradually giving way to apprehension. They are alarmed at his views regarding Lenin, namely, that his death was a great loss to the world. Moreover, they find their new Chief extremely firm on essentials in his discussions with Poincaré and with the French Ambassador. He has been particularly resolute regarding the Palatinate, demanding acts, not words—an attitude quite contrary to diplomatic tradition. Also on the question of Singapore he comes into conflict with the Foreign Office preconceptions. They want the establishment of a naval base. R. M., as the idealist, prefers to rely on the action of public opinion. Physical force is antiquated.

So the official honeymoon is pretty well over.

HOWEVER, the resentment of the F.O. against the haughty and inconsiderate Curzon is such that the devil himself would be welcome. C.'s misfortune is to have the lofty manners of a minor royalty without the incapacity with which they are normally associated. Everyone resents pretension accompanied by real ability. The justice of the claim makes its assertion intolerable.

BERLIN, *March 20, 1924.*—The American Ambassador came round to see me last night to discuss the position.

SINCE the visit of the Reparation Sub-Commissioners he has rather altered his line. Previously he was strongly opposed to any excessive demands on Germany and

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extremely critical of French action. Now he takes the line that Germany has got to accept whatever terms the Sub-Commission puts forward, since the only alternative to acceptance is complete disruption and permanent occupation of the Ruhr by France. He is inclined to adopt wholesale the proposals of the Sub-Commission, believing them to have been inspired by Young, who, in his turn, he believes to be verbally inspired by Providence. He declares that the Nationalists, while outwardly against compliance with excessive demands, are, at bottom, ready to comply with anything.

It is increasingly clear that idealistic America is an uncommon hard creditor. Perhaps Baldwin depraved them. America argues—if Germany does not pay France, France cannot pay America ; if the sanctity of financial obligations is violated, America's claims will be ignored. This is well enough. On the other hand, unless general pacification is brought about no one will pay anybody. America will neither receive her debts, nor will she profit by the revival of trade which pacification would bring.

I AM myself strongly in favour of falling in with American conceptions, provided that these conceptions possess any chance of workability. The desirability of working with America is dominant. Apart from the political side, the advantage of it can be measured by the amount of financial assistance America can give towards the restoration of business in Europe. If this assistance is large, Europe will put up with a good many erroneous conceptions. The question is—will it be large ?

TIMES have changed. Formerly it was said that any opinion formed by an American expert regarding problems in Europe had a strong "a priori" chance of being erroneous. The conditions were then too different. In America they had a rich country with a comparatively sparse population and a high natural return from the soil on a well-chosen investment. In Europe the population



was dense, the problems incomparably more complicated than in America, national animosities violent. The man accustomed to "swinging" big business in America used often to come to hopeless grief here. It was the same with Colonials. Look at Hughes at Versailles. Rhodes was another conspicuous example. To hear him talk on European or even Near East problems was like listening to a child. Conversely, European experts are just as wrong when advising on American or Canadian propositions. To-day Europe is so Americanised that the old differences are vanishing and American opinion will more often be justified. Most of the big successes of later years have been made by men with American ideas using American methods.

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BERLIN, *April 8, 1924.*—Kühlmann lunched here to-day and was exceptionally interesting regarding the War. He said that from the moment he left England in August 1914, he was convinced that Germany had hardly any chance of success. The odds against her were too great. It was impossible to fight an amphibious Power like England, supported by two great Continental Powers. If Russia could have been eliminated from the War before the entry of America there might have been hope, not of success, but of conversations which would have led to a tolerable peace. He had always been against the unlimited submarine warfare, knowing full well that it would bring America in. He had done his utmost to stop it, but it was impossible to make any impression upon Tirpitz. When you had beaten Tirpitz in argument and thought you had convinced him, he reverted to his old opinions the next day, and said to the Kaiser and to the members of the Government—"All that this fool Kühlmann has been saying is nonsense." KÜHLMANN fully confirms the great peril to the German combination with Turkey when the Dardanelles were attacked. He was almost Chargé d'Affaires at the time, as

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Wangenheim was in a weak state of health. On the day of the bombardment of the Dardanelles by the Fleet the German Embassy at Constantinople received a telegram from the Dardanelles early in the morning saying, "The British fleet is advancing and will endeavour to force a passage."

WANGENHEIM wanted to stay at the Embassy and wait for news. Kühlmann said, "There is no good in that—let us have a good lunch and go for a ride. When we come back at 3.30 we shall ascertain what the result is. If the fleet is through, we have already sent all our baggage and tents to the Asiatic side and we can slip across ourselves."

THEY had a good luncheon and went for their ride. When they got back at 3.30 the Military Attaché was on the roof of the Embassy taking in signals and waving a white flag. He at once informed them that the fleet had not got through. So the tents were not wanted on the Asiatic side. What had been said about Turkish ammunition being exhausted when the fleet retired was absolutely correct. There were only thirteen rounds left for each gun. The broad strategic conception of an attack on the Dardanelles was sound, but the attack ought to have been pushed with much more vigour.

PERHAPS an attack on Salonica would have been even better. The German front extended from Mesopotamia to the English Channel. The only policy for the Allies was to break through this somewhere. It did not matter where. Wherever and whenever it was broken, the whole strategical combination collapsed. This was proved by the break-up in 1918. Directly the Bulgarian front was broken the whole alliance collapsed. Kühlmann evidently thinks that this would have occurred sooner in the case of any break either at Salonica or the Dardanelles.

DISCUSSING the reasons of the German retreat in the autumn of 1918, he said: "It was the despairing outlook,

with no rift in the clouds, which broke us up psychologically. We could not hold out to our men any hope of fresh assistance or of favourable developments. When the English front was broken in March 1918, you were able to throw every single man into the line, because the Americans were behind you and fresh men were pouring into Europe. Every day their number increased. For us, later in the year, there was no such hope. Then again, our civil population was very badly fed, and that does not improve *morale*. There was no fodder for the horses, so that they could not gallop. Our artillery was unable to follow up and support a successful advance."

KÜHLMANN is nervous about the non-prolongation of the Micum contracts, and urges that £1,000,000 sterling should be found somehow, either by the German Government or by English Banks, to continue the deliveries to Micum for a month, during which the Experts' Report can be examined. He is convinced that Poincaré hates the Report, and will try to make troubled water to escape carrying it out.

I ASKED Kühlmann how it is that with wages in Germany so low and sale prices of finished articles so high, German industrials are not making large profits. He did not have any very clear answer, contenting himself with stating that in the steel industry, which he knows about, profits were extremely small. He referred constantly to the absence of capital in Germany, saying that investments had practically been blotted out by the inflation period.

HE had a trust income of £4,500 a year, which had absolutely disappeared. Personally he had other resources, but most investors had nothing to fall back on. The marvel was that they survived.

BERLIN, *April 9, 1924.*—The following story reaches me from Doorn.

THE Kaiser is much happier since his marriage. The new

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"Empress" is more like a private secretary than an Empress, but is a capable and well-read woman, who runs the household admirably and saves the Kaiser a great deal of correspondence. She is regarded as an intruder by the Imperial family, but takes this bad treatment with great tact.

THE Kaiser's attitude is, "How can the Germans expect England to treat them well when the Germans behave so badly to Queen Victoria's grandson?" He imagines that directly he is back in power the English attitude towards Germany will improve.

THE Kaiser retains the dynastic view of history, believing that all political acts proceed from personal relations between potentates. With the present generation of German royalties, this view will only leave them with life itself. Even outside royal circles, the Continental conception, and particularly the German conception of politics, is infinitely more dynastic than we are accustomed to in England. They attribute to King Edward VII a dominating influence upon English policy which would surprise the Prime Ministers of his reign.

BERLIN, *April 10, 1924.*—The death of Tusar, the Czecho-Slovakian Minister at Berlin, has deprived the Diplomatic Corps of the Minister who was most closely in touch with German official circles. Tusar was particularly close to the Socialists, both Majority and Independent, and was an intimate personal friend of the editorial staff of the *Vorwaerts*.

I WENT to see him and his wife the day before he died. When I came in she said: "Vlastimil is telephoning to Beneš, but will be here in a minute. For the last three days (i.e. since the *Tageblatt* published the alleged Military Treaty between Czecho-Slovakia and France) he has spent every night telephoning to Prague. I try to prevent his worrying, but it is no good. Beneš and he are on the

telephone the whole time." After talking for about ten minutes she got up and jestingly said: "I will go and see if Vlastimil is still alive—I hear no sound, and I don't know what he is doing." She went to the door of the next room and came back saying, "He looks so pale and ill that I am quite frightened, but he says he will come in two minutes." He came in looking very weary. Less than twenty-four hours afterwards he was dead.

PERSONALLY, I shall feel his loss severely as, of the Central European colleagues, he was the one with whom I discussed things most freely.

LONDON, *May 16, 1924.*—The Foreign Office are quite definite on the subject of Germany's attitude towards the Experts' Report. They hold that it would be a fatal mistake for Germany not to accept the Report as it stands. THE Prime Minister considers that any hesitation on the part of the German Government will react to their own detriment and consolidate opinion against them.

BERLIN, *May 25, 1924.*—Found Stresemann this morning depressed by the political situation and by the ingratitude of various political parties. There can be no question about the services he has rendered. Compared with conditions six months ago, currency has been stabilised; experts have produced a workable scheme for Reparation; Poincaré has fallen; the Ruhr is about to be restored economically to Germany. But individually Stresemann, who has been the principal agent in achieving these results, is unpopular. He is regarded as arbitrary and not a sound party man, so most of the political leaders would like to turn him out of office. It is a question whether his debating ability, which exceeds that of anybody else in the Reichstag, will enable him to keep his position.

PERSONALLY, I am convinced that no change would be for the better.

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THE idea of putting Tirpitz at the head of a German Government could only have occurred to a German National. Tirpitz made the gravest mistakes in policy both in the period before the War and during the War. He was the principal advocate of the German marine policy which rendered a conflict with England inevitable. During the War he was a strong advocate of a ruthless submarine development, having before the War been one of the last to recognise the utility of submarines.

If the Germans want to bring about a concentration hostile to them I do not think they could take a step more appropriate than putting Tirpitz in as Chancellor.

REGARDING the conduct of immediate negotiations, I am more than ever convinced that the most satisfactory method would be to obtain the signature of an overhead agreement between the Allies and Germany—all parties agreeing to adopt the Experts' Report and to carry it out integrally and rapidly. Once this signature has been obtained a new epoch will have been entered upon. Until it has been obtained the danger of a relapse to the old basis will subsist.

THE Germans constantly point out that so far the French Government have not given any formal adherence to the Experts' scheme. This is one danger. Another is that the Germans themselves are not formally committed to full execution.

THE Experts' Report has many merits. Among others this one—that it is regarded by the Americans as their child—they treat any criticism of it or any hesitation to apply it almost as an insult to the American flag.

THE American Ambassador here, who is in close touch with many German financial circles, is optimistic regarding a solution, saying that things will "iron out." He regards the hesitation of the Nationals to enter a coalition as inspired less by reluctance to accept the Experts' Report than by a desire to bargain about what places in the new

Government shall be reserved for their men. Stresemann takes the contrary view, and thinks that the Nationals want the Experts' Report put into force, but do not wish to assume the responsibility of signing it.

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BERLIN, *May 27, 1924.*—Maltzan this morning said that it was now certain that Stresemann would remain as Minister for Foreign Affairs in any new Central combination. He (M.) would be Secretary of State. He felt convinced that the Tirpitz idea would have to be abandoned, but he expressed surprise that more hostility to it had not been shown by the English Press. He attached importance to the memo. prepared by the Central parties, indicating their attitude of acceptance of the Experts' Report, and said that Ebert had decided only to entrust the formation of a Government to Hergt or Tirpitz if they agreed to the conditions laid down therein.

MALTZAN is much cooler towards the Russian alliance than he used to be. He has evidently found the Russians disagreeable to deal with during recent incidents.

BERLIN, *May 27, 1924.*—From a confidential source, I learn that the Crown Prince, who is now living at Potsdam, declined to be present at the unveiling of the monument to the Garde du Corps which was held at Potsdam on Saturday. The Crown Prince proposed, however, to attend the dinner which took place in the evening. His ex-comrades appear to have been offended by this attitude, and to have replied that if he did not attend the unveiling of the monument they saw no point in his being present at the dinner.

SPEAKING generally, the Crown Prince up to the present is behaving with rare discretion. He has attended one or two small dinners in the diplomatic circle in Berlin, but has taken no part in any large function. He is said to listen to counsels of moderation and reserve given him by the Wilhelmstrasse.

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BERLIN, *May 30, 1924.*—A desperate struggle is going on regarding the Ministry for Foreign Affairs. Marx and Ebert<sup>1</sup> remain faithful to Stresemann, and point out that if the foreign policy of the old Government is not to be changed, there can be no sense in changing the Minister. The Nationalists reply, that while to a certain extent they approve the policy, they would make themselves ridiculous if they joined a Government which contained Stresemann; their whole campaign had been based upon abuse of him. I MET Stresemann last night at dinner and found him full of bitterness; less confident than before of a successful issue. He said the ignorance of the German Nationals, particularly of the country party, regarding foreign policy was almost incredible. One could not discuss foreign policy with them, for they said they were totally indifferent to the opinion of foreign countries.

HE went on: "In other countries the successful conduct of foreign affairs brings about confidence in the Minister. Here it only produces envy. Of the members of the old Government, the only ones who are willingly accepted by the Nationals are those who are the least important. One of my old colleagues never understood what was going on either in the Cabinet or in his Department—he is the one they acclaim. Events like this which are now going on make one realise what Bismarck meant when he said, 'Ich habe die ganze Nacht gehasst.'"

I GATHERED that Stresemann's correspondent in Paris, who is a large industrial, keeps him in pretty close touch with the views of the group of the new Government. He telephoned yesterday to Stresemann saying that the appointment of Tirpitz or any pronounced Nationalist character in the German Government would not only render it impossible for Herriot to carry out the conciliatory policy he contemplated, but would gravely endanger the existence of the French Government, and possibly bring about the

<sup>1</sup> SEE vol. i, p. 304.



return of Poincaré. Stresemann replied: "There is no good in telling this to me, you had better telephone it to Ebert and to Marx."

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STRESEMANN said that there were two circumstances which fought against a reasonable policy in Germany. The first was that the Berlin Press had no sensible Christian organ. It was divided into two sections—the Nationalist section, which was Christian, but entirely ignorant of foreign affairs and nationalistic; the Democratic Press, i.e. the *Tageblatt*, the *Vossische*, and the *Uhr Abendblatt*, although very intelligent, aroused suspicion on account of their alleged racial colour and the accusation that they were controlled by Semitic influence.

MODERATE Christian views found no expression in the Berlin journals. It was somewhat better in the provinces. The second danger was the women's vote. The women in the Volkspartei were all monarchical, and throughout the country the tendency among them was to be either monarchical or communist—one ideal or the other. Women had no sense for "Realpolitik."

REVERTING to the characteristics of the German people, Stresemann said that all leading German statesmen met with more opposition and envy than would be the case in any other country. After the 1870 war, in which Bismarck had rendered incredible service to the Fatherland, a campaign was started by a certain newspaper against him on account of his close relations with Bleichroeder. He was accused of having made money through Bleichroeder's speculations. Bismarck replied to these attacks by saying that no decent member of society would take in a newspaper which lowered itself by such libellous writing. The result was that the Empress Augusta at once took a subscription for fifty copies of the paper. Bismarck always had difficulties with Court circles; even more with the Empress Augusta than with the Empress Frederick. One day one of the Court Chamberlains omitted to bow to him as he

was on his way to an audience with the Emperor. Thereupon Bismarck exclaimed: "It is disagreeable to frequent a house where the servants are insolent." After this he was treated with greater civility.

DISCUSSING the resignation of Bismarck, Stresemann said that when Bismarck became convinced that the Emperor wanted to get rid of him, he arranged to have two articles published, one in the *Pester Lloyd*, and the other in the *Hamburger Nachrichten*. The writers stated that the Chancellor would have to retire if he did not obtain greater support from the Throne. Bismarck expected that there would be an outburst of indignation from public opinion, but nothing of the kind occurred. On the contrary, people said: "It is about time the old man retired." Bismarck had completely miscalculated the warmth of the gratitude felt by the German people.

THE popular tide only turned in the Chancellor's favour some time after he had resigned. Bismarck's last years, when the public understood how greatly his guidance was needed, were probably the happiest of his whole career. So long as he was in office, he had nothing but trouble and opposition.

WHEN M. Herriot became Prime Minister—June 15, 1924—the two main points of his foreign policy were: the speedy execution of the Dawes Report and the continuance of the Ruhr pledges until the functioning of the guarantees provided for by the Report.

M. HERRIOT visited England on June 22, 1924, and spent the week-end at Chequers with Mr. Ramsay MacDonald. The outcome of this visit was that a "moral pact" of co-operation, proposed by M. Herriot, was accepted by Mr. MacDonald, the chief features of the "General Agreement" being as follows:

(1) IMMEDIATE putting into effect of the Dawes plan when the Reparation Commission had reported on the acceptance of the draft laws, etc.

(2) As soon as the organisations under the plan had begun to function, re-establishment of Germany's economic unity

and the consequent withdrawal of the system of productive pledges.

(3) SUMMONING of a conference on July 16 in London to deal only with the putting into force of the Dawes plan.

IMMEDIATELY on his return from England, M. Herriot visited Brussels, where he consulted with M. Theunis on the measures necessary to put the plan into effect, the conversion of the policy of pledges into guarantees under the Dawes plan, and the renewal of the M.I.C.U.M.<sup>1</sup> contracts, pending a final settlement of the reparation problem. The Belgians, however, did not appear to be too pleased at the idea of renouncing the military occupation before the effective coming into force of the Dawes guarantees.

FRENCH opinion was alarmed at the result of M. Herriot's visit to England, doubtless considering that he had gone too far to meet the British point of view. The French Senate adopted such a threatening attitude that Mr. Ramsay MacDonald paid a hurried visit to Paris on July 8 in order to confer again with the French Prime Minister.

THE events leading up to this "incident" were fully set out in a White Book, published on July 8, which dealt with the following points :

*Limitation of the "ordre du jour"*

(a) IN a telegram of June 23 to the British Ambassador in Rome, it was pointed out that the coming Conference would be limited to a discussion of the Dawes report, and that the question of security and inter-Allied debts would not be raised. The principal task of the Conference would be to agree upon an instrument which would bind both the Allies and Germany. In order, however, to avoid the appearance of changing the Treaty of Versailles, such an instrument should take the form of a protocol. Further, it was the opinion of His Majesty's Government that some date should be fixed by which Germany would have carried out all the necessary measures, and that some later date (perhaps after two weeks) should be specified when all economic and fiscal sanctions should be removed. As regards sanctions in case of Germany's default, it was the opinion of His Majesty's Government that it should not be left to the Reparation

<sup>1</sup> M.I.C.U.M. This was Mission Interalliée de Contrôle des Usines et des Mines. An agreement between M.I.C.U.M. and the German Government had been signed on November 23, 1923, regarding payments by the mines of certain coal taxes and sums towards reparation. See vol. ii, p. 286.

Commission to determine such cases, but preferably to some body like the Finance Committee of the League of Nations.

*Great Britain's Five Points*

(b) IN the view of His Majesty's Government, the protocol should deal with the following points :

- (1) ACCEPTANCE of Dawes report by the Allied Governments.
- (2) GERMANY to fulfil all measures of execution by a certain date.
- (3) Two weeks later all economic and fiscal sanctions to be lifted.
- (4) ALLIED Governments to undertake not to apply sanctions except in cases of flagrant failure, and such cases to be examined, not by the Reparation Commission, but by some independent body, inasmuch as the obligations that Germany would undertake under the new scheme went beyond the provisions laid down in the Treaty.
- (5) ALL difficulties in interpretation to be sent to arbitration.

*Invitation to Germany—a revised "ordre du jour"*

(c) WHEN the Inter-Allied Conference had agreed, Germany would then be invited to a Conference.

ON July 8-9, 1924, a decision was reached in Paris, which fixed the proceedings at the Conference to be called in London on July 16, 1924.

BERLIN, *June 6, 1924.*—The following is the position. THE Reichstag has adjourned until June 24, so that the field is clear for negotiations during the next three weeks. IF the Herriot Government comes into power in France, Ramsay MacDonald will have a marvellous opportunity to clear up the Reparation question and, with it, many of the other questions which have retarded the pacification of Europe. So far as the German Government are concerned, they are prepared to negotiate not only on Reparation, but on Security, Micum contracts and Military Control. It may be held that it is wiser to restrict discussion to the single point of carrying out the Dawes Report. This, however, is by no means certainly true. I have always myself inclined to the opinion that the key to a general solution is an agreement regarding Security.

If this problem is solved everything else follows. A frontier line guarded by an international gendarmerie under the League of Nations is a solution for which a great deal of support could be obtained here. The Ruhr invasion has had one beneficial effect, namely, to convince the Germans that, under present military circumstances, they require international protection more than France does. I AM deeply convinced of the need for rapidity in the negotiations. The present German Ministry is certainly more disposed to enter upon a sensible agreement than any of its probable successors. Its authority will not last long if it does not achieve some definite result in the direction of pacification. It has therefore every inducement to negotiate rapidly. Stresemann is certainly the boldest negotiator likely to be available in Germany, and the one most inclined to take risks in order to obtain a general understanding.

THERE is therefore every reason why the Allied Powers should endeavour to utilise the present opportunity to come to a general settlement. As I have said before, it may be wise to restrict this to Reparation, but personally I should incline to the bolder course, and endeavour to settle all the outstanding questions. The whole may be greater, but not more difficult than a part.

BERLIN, *June* 8, 1924.—The day after the ministerial victory in the Reichstag I telephoned to Stresemann for an interview, as I was anxious to discuss with him the possibility of rapid negotiations not only regarding acceptance and execution of the Experts' Report, but also regarding other matters—notably, Security. I found, however, that Stresemann had bolted to the Harz for three days' rest after his very severe struggle of the last three weeks.

I THEREFORE talked the matter over with Maltzan, and put it to him that it might be expedient to endeavour to reach a settlement regarding Security as well as regarding

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Reparation. I underlined that this was merely my personal idea—I did not advocate the course, but merely suggested it as a subject for consideration. We discussed the matter for some time, Maltzan being rather inclined to think that any settlement of Security would afford the opposition too good a ground of attack on the Ministry. I upheld the view that a satisfactory settlement of Security for Germany, carrying with it a rapid evacuation of German territory now occupied by Allied troops, would constitute a trump card for the Government which achieved it.

At the end Maltzan said he would talk the matter over with Stresemann and Schubert.

BERLIN, *June 8, 1924.*—I hear from Paris that Painlevé is in favour of obtaining Security for France by the establishment of a line of international gendarmerie along the Franco-German frontier. If this story is true, I am fairly confident that the German Government might be brought to accept it. Once Security is established on a bilateral basis, minor questions, such as military control, the Rhineland status, and the entry of Germany into the League of Nations, solve themselves.

BERLIN, *June 16, 1924.*—I am raising again the question of Security, and have written to London that it is by no means impossible to obtain for France real Security over and above that contained in the Treaty of Versailles. My conviction is that Germany is prepared to give serious guarantees provided they do not affect the sovereignty of the Reich in the Rhineland, and provided they are exchanged as between independent sovereign States. It goes without saying that no arrangement would be accepted here which involved the extension of the periods fixed for the occupation of the Rhineland. The strongest inducement to German public opinion to accept a watertight security agreement would be the curtailment of the Rhineland occupation.



CARL VON SCHUBERT

*Photo E. Bieber, Berlin*