

Geneva and Lausanne

Two Critical Conferences

by

WE may expect any time now to hear of some definite outcome from the two conferences of the Powers which are being held in Switzerland. One of them, the Disarmament Conference, has dragged on and off since the beginning of the year. It is being held at Geneva. The other, the Reparations Conference, was postponed from the beginning of the year, and was opened at Lausanne on Thursday last.

Lausanne and Geneva are two very beautiful towns on the shores of Lake Geneva, about 30 or 40 miles apart. Geneva, which is the capital of Switzerland, has a population of 140,000 (about the same as Wellington). Lausanne is only about half the size. Switzerland has always been regarded as a sort of neutral and international country. At the peace of 1815 its neutrality and inviolability were guaranteed by Britain, Austria, Prussia, Russia and Portugal, and the Swiss have managed with an army of only 40,000 men to preserve their neutrality ever since. It is in consequence the most appropriate that international gatherings should be held in Switzerland.

The two conferences which are now being held on Swiss soil are international in the larger sense. Even America is represented at the Disarmament Conference by observers. She is not represented at all at Lausanne, because America has no direct interest in reparations. She has never received or wanted to receive any payments for herself on account of her war expenditure.

THE Conference at Lausanne has been called as a last resource to try to get some alleviation of the heavy burden of War debts. What is called by Mr. Ramsay MacDonald "the financial inheritance of the War," and by Signor Mussolini "the tragic bookkeeping of War." I have outlined more than once the extent of those burdens. All of the nations among them are paying interest on thousands of millions of pounds lost in war destruction. No corresponding assets at all. Germany alone has to pay £75,000,000 a year to foreign nations in expiation of her part in the struggle.

In the economic depression consequent on the War this burden became so grave that a year ago Mr. Hoover (on behalf of America as the chief creditor) offered a whole year's respite from interest and principal payments, in the hope that conditions would improve. On the whole, they have not improved. Even Britain, with all her wealth, has since gone through a crisis of the gravest possible character; while America herself is in a depression such as she has never known before. As for Germany, the "Economist" said recently:

"She has accepted severe measures of self-discipline with comparatively little political violence and without a social upheaval, which is a strong testimony to the sanity of the German people; but it would



Dr. GUY H. SCHOLEFIELD
A 2YA Talk

All eyes are turned to Geneva and Lausanne, where conferences have been called as a last resource to try to find some solution to the grave crisis that faces the world. At Lausanne War debts are being discussed. The era of War debts and reparations is over; Germany cannot resume payments when the Hoover moratorium expires, and to force other nations will be to accentuate the problems now being faced.

be taking a very heavy risk to call upon them to face another winter without hope that things will mend."

Dr. Bruening, the late German Chancellor, said plainly that Germany could not resume payments, and the Basle Committee of experts has agreed that she is justified in postponing the conditional payments.

Hitherto the tenacity of France has prevented any revision of the reparations. Now even France has begun to realise that she cannot any longer depend upon the support of the other Powers in maintaining the reparations. A few weeks ago a new Government, led by M. Heriot, came into office, and it is generally understood to be inclined toward conciliation.

WITH France there are two main obstacles to the abandonment of her claims against Germany. In the first place, if the reparations cease she will have to provide out of her own funds for the balance of restoration in the devastated area. Secondly, she will have to pay out of her own pocket interest and principal of the War debts owing to Britain and America. Hitherto she has relied upon German payments to meet these demands. It is, therefore, very difficult for France to consent to the abandonment of reparations without an assurance that Britain and America will forgo what she owes them.

It is rather sad to see how unerringly one after another the financial responsibilities of the War come home to roost in the City of London. England has always been first and foremost in her sacrifices for the common good; and once more, in spite of her own financial difficulties, she has declared her willingness to make a new sacrifice. At the opening of the Lausanne Conference Mr. Ramsay MacDonald said the world was looking not only in need but with impatience to the results of the Conference. It was the essence of their task that they should act speedily, for an agreement reached quickly would have an effect 100 times

more beneficial than one painfully and imperfectly secured at the last moment of exhaustion.

What he meant by the "last moment" was that the Hoover year of respite is almost expired. When the Conference met—on June 16—there was just a month to go before the Hoover moratorium would end. The payments would be resumed normally on July 15; and it is common knowledge that more than one of the debtors is quite unable to make payment. To meet this danger France, Britain, Italy, Belgium and Japan met together (under the presidency of Mr. MacDonald) and agreed that no payments should be demanded while the Conference was in progress. America made no declaration. You will remember that Congress accepted the Hoover scheme some months ago with grave reservation. It distinctly said there should (Continued on page 21.)