

Supplement to St. Croix Avis, 25th Aug. 1923.

TELEGRAMS.

ST. CROIX STATION.

Paris, Aug. 22nd.—The Government's reply to the recent British reparations note, made public at the Foreign Office this morning, maintains that the French operation in the Ruhr is absolutely legal. It offers to consider the easiest method of exacting payment from Germany when resistance has ceased and expresses a willingness to continue the recent discussions with Great Britain. The French position remains unchanged, according to the official summary of the reply issued in English at the Foreign Office, prior to the publication of the complete text. M. Poincaré, in the reply, claims priority for reparations over other war costs as represented by the inter-Allied debts. France never repudiated the debts she contracted during the war, either to England or America, in the interest of the common victory, the note asserts. France is also creditor of the other Allies for five or six billion gold marks, the summary continues, but there can be no doubt that in the minds of those who drafted the treaty, damages to persons and property were to be granted priority over war costs. Therefore, asks the note, is it to be supposed that such war costs which the allies agreed should rank after reparations, after pensions and after damages stipulated in the treaty, and which they do not claim from Germany, are now to be claimed by the Allies from each other before Germany has even begun to pay up. Referring specifically to the British demand for the payment of fourteen and one fifth billion gold marks, the summary continues. "We do not suppose that England intends to claim the sums owing her by the Allies before reparations are actually settled. She will certainly be the first to realize that in order to pay what she owes, France must previously have recovered her contributing power, have repaired her grievous losses and must be in a position to meet German competition with equal weapons. It is no doubt to England's interest that Germany shall recover. It certainly cannot be to her interest that France shall be diminished. The summary begins by describing the note" as a general and sympathetic statement of the position taken by France", containing "the elements of a practical solution". The synopsis asserts that France, "never dreamed of pursuing a selfish policy in the question of reparations, a question that cannot be solved without due regard to the whole European interests involved. Furthermore, she always took into consideration Great Britain's lamentable and persistent unemployment". The occupation of the Ruhr was made obligatory, in M. Poincaré's opinion, by what he calls the deliberate debasement of Germany's finances with the avowed intention of escaping payment of reparations. "Until the end of 1922", the reply to Great Britain ex-

plains, "Germany had not ceased to aggravate her financial situation. She did nothing to balance her budget. She maintained railroad rates lower than any where else. She increased the number of her functionaries and increased their pay. She remitted a large part of the taxes due from the most powerful manufacturers even granted them indemnities and subsidies. She has reconstructed her merchant fleet, which is now competing with the British in American waters and she has undertaken an immense programme of public works, such as France was obliged to postpone. M. Poincaré cites a previous decision of the Allies, to prove that the occupation of the Ruhr is legal. He mentions the rapid recovery of Austria as proof that Germany could have put her finances in order had she wished to do so. The programme, the Premier says, is simple, for she asked from the first two series of bonds 26 billions, in addition to enough from the bonds to pay the allied war debt. In the text of the note M. Poincaré, replying in numbered paragraphs to the communication of Marquis Curzon, frames his answer in a tone less sharp, but not less categorical, reaffirming the French resolution, a hundred times repeated, not to renounce one centime of her reparations claim, which is regarded as sacred and which does not resemble any other claim. He repeats the determination of France not to give up the pledges she holds until after complete payment of reparations have been made. Referring to the proposed reestimate of Germany's capacity to pay, the reply says. "We confess we are unable to understand what the British Government means by capacity of payment and present capacity of payment. Germany is equal to nothing by will of the Empire itself. All expert calculations are useless". The note then asks. "Does the British Cabinet want to suppress Germany's debt entirely, under the pretext that her capacity for payment has been provisionally annihilated". M. Poincaré replies very pointedly to Lord Curzon's intimation that Great Britain may soon be obliged to ask France to pay her war debts. He says France, has never repudiated her debts and never will, she is convinced that no British Government will ever apply to an ally the pressure that the London Cabinet does not find it possible to the former enemies of France". The Premier repeats the assurance that France will attenuate the occupation of the Ruhr if Germany ceases her resistance and that she will evacuate the Ruhr in proportion as payments are actually made. "France will not change her attitude on evacuation", the note asserts. "To ask her to do otherwise would be to justify the attitude of Germany, and in the words of Mr. Lloyd George's council in March 1921, it would be the victors who would pay the cost of defeat and the vanquished who would harvest the fruits of victory".