

# Your Dollars And the War

## Key to Peace Plans' Worth Lies in Policy Toward Reich

By Sylvia F. Porter



The key to the ultimate success of Bretton Woods, Dumbarton Oaks, San Francisco and any other of our plans to achieve permanent economic and military peace will be our policy toward a defeated Germany and Japan—and in our mounting excitement over separate pieces of the peace pattern, let us not forget this critical issue.

While Secretary Morgenthau's scheme for turning postwar Germany into a predominantly agricultural nation is reported in the ascendancy in Washington, London and Moscow, it still is not "official United Nations policy."

While Bernard M. Baruch, elder statesman and adviser to two war Presidents, is scheduled to visit Prime Minister Churchill and Marshal Stalin in the next fortnight to confer on German reparations, this still will be in the sphere of "discussion," not "official policy."

Paradoxically enough, the nearer we get to victory in Europe, the less news we hear about United Nations' plans for postwar Germany.

We know there will be military control, of course; that there will be a prolonged period of occupation; that the Reich will be split into areas to be administered by England, the U. S., Russia and France.

But scarcely a whisper is heard about long-term policy—about control of Germany's industrial might, use of her labor in devastated countries, regulation of her exports, breaking up of the giant German estates, etc.

Yet, this lies at the heart of our hopes for peace.

And no matter how powerful our devices for maintaining world stability, a strong Germany, rebuilt with Allied assistance, could destroy them in the next generation.

**BARUCH'S EXPECTED TRIP** abroad, at the request of the President, will be tied in with this larger problem, informed sources state.

Baruch was chairman of the War Industries Board in the first World War, accompanied President Wilson to the Versailles Peace Conference and is acknowledged as an expert on German reparations.

And he is said to feel decisive-

**Dorothy Thompson has embarked on a three-month trip to England, France and other points in Europe. Miss Thompson, who is now traveling, will begin cabling her column from Europe on or about April 23.**

ly that such schemes as Bretton Woods and Dumbarton Oaks will operate successfully only if Germany is eliminated as an industrial competitor in the future world.

Starting with the attitude that Germany never again must be allowed to reach the status of a strong industrial nation, Baruch is reported to have outlined a general program for the Reich which closely resembles the so-called Morgenthau plan.

The Morgenthau plan includes provisions for eliminating Germany's war industries, removing her machinery to war-ravaged nations, controlling her exports, using her labor in such countries as Russia and France and cutting up her big estates.

This is the "hard peace" policy which is based on one fundamental—if Germany's economy is directed away from heavy industry after the war, she will be unable to threaten world stability and peace again.

If the White House approves Baruch's version of this policy, it is said, Baruch may submit his ideas to British and Russian officials. This would be prior to the world security conference in San Francisco Apr. 25.

**REPARATIONS ARE** crucial to Germany's future. If we demand major reparations in cash or in kind, for instance, the following must result:

(1) Either the United Nations must help rebuild Germany's industrial plants immediately, so she'll have the cash to pay.

(2) Or we must approve her production of goods on a "slave labor" cost basis and permit her export of these goods into markets in which we and other nations are competitors.

Obviously, the outcome of a heavy reparations policy must be a strong industrial Germany and a Germany able to compete on an advantageous cost level.

And, obviously, that outcome would be potentially dangerous to permanent peace and the United Nations' schemes for economic prosperity.

But if we work out our reparations policy in the framework of Germany's ability to pay on the basis of a drastically curtailed industrial setup, then the following must result:

(1) Germany will be directed toward agriculture, arising out of the use of the split-up Junker estates;

(2) And we will not be forced to compete with Germany's cheap labor production.

**STRIPPED OF** the obscurities of "power politics," the reparations problem seems simple. And the same may be said of other questions of export control, transfer of German labor, etc.

We have no united policy, however. And the reason is "the Soviet Union"—the desire of some groups in the U. S. and England to rebuild Germany and Japan in order to have strong industrial neighbors on both sides of a powerful Russia and to maintain the "balance of power."