

THE REPARATION PROBLEM

The following is a brief statement of the major developments in the German reparation problem from the signing of the armistice to the application of the plans originated by the two committees of experts appointed by the Reparations Commission on November 30, 1923:

November 11, 1918: Armistice concluded.—Germany to make reparations for damage done; to evacuate all invaded territories and the left bank of the Rhine; to turn over specified military, naval, and other equipment.

December 13, 1918: Trier conference.—Negotiations begun for return of confiscated property of allied nationals.

May 29, 1919.—Germany offers to pay reparations to the extent of 100,000,000,000 gold marks. (See Appendix VIII.)

June 28, 1919: Treaty of Versailles signed.—Article 231 of the treaty states: "The Allied and Associated Governments affirm and Germany accepts the responsibility of Germany and her allies for causing all the loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Germany and her allies."

The Allies recognized that German resources would be inadequate to make complete reparation for all such loss and damage, but (art. 232) "Germany undertakes that she will make compensation for all damage done to the civilian population of the Allied and Associated Powers and to their property during the period of belligerency of each as an Allied or Associated Power against Germany by such aggression by land, by sea, and from the air, and, in general, all damage as defined in Annex I hereto." In addition, Germany undertakes, "as a consequence of the violation of the treaty of 1839, to make reimbursement of all sums which Belgium has borrowed from the Allied and Associated Governments up to November, 11, 1918, together with interest at the rate of 5 per cent per annum on such sums."

Article 233 provides that "the amount of the above damage for which compensation is to be made by Germany shall be determined by an Inter-Allied Commission, to be called the Reparation Commission and constituted in the form and with the powers set forth hereunder and in Annexes II to VII, inclusive hereto."

Article 235: "In order to enable the Allied and Associated Powers to proceed at once to the restoration of their industrial and economic life, pending the full determination of their claims, Germany shall pay in such installments and in such manner (whether in gold, commodities, ships, securities, or otherwise) as the Reparation Commission may fix, during 1919, 1920, and the first four months of 1921, the equivalent of 20,000,000,000 gold marks."

Article 236: "Germany further agrees to the direct application of her economic resources to reparation as specified in Annexes III, IV, V, and VI, relating, respectively, to merchant shipping, to physical restoration, to coal and derivatives of coal, and to dyestuffs and other chemical products; provided always that the value of the property transferred and any services rendered by her under these Annexes, assessed in the manner therein prescribed, shall be credited to her toward liquidation of her obligations under the above Articles."

Article 237: "The successive instalments, including the above sum, paid over by Germany in satisfaction of the above claims will be divided by the Allied and Associated Governments in proportions which have been determined upon by them in advance on a basis of general equity and of the rights of each."