

CHAPTER VIII

The Dawes Plan

Mr. Young's appointment to the Chairmanship of the Board of the General Electric Company made him a man to know about, to reckon with, not only in the business of the nation but of the world. The General Electric had a scanty world trade when he entered it in 1913. The war gave the opportunity to ^{expand} extend it. Back as far as 1916 Mr. Young had personally arranged to extend the influence of the company into those countries now shut off from Germany.

There was Russia. Her electrical inspiration had come from Germany up to the severing of relations with the central powers. There was a chance there for America. In 1916 Mr. Young arranged that Thomas Nelson Perkins of Boston go into Russia - it had to be through Siberia - to make contacts with the General Electric of Russia. This was done and it led to large and increasing relationship. Today the electrical interests of Russia come to the General Electric plant in Schenectady to seek counsel, plans. The General Electric at Schenectady has been their teacher in the building of turbines.

When the war was over the company ~~had~~ had to determine once for all, as a matter of policy, whether it should

remain a domestic concern with an incidental business in the foreign field or whether it ~~should~~ become a world institution in the interest of a diversified market. The company concluded that it would establish an inter-national company.

Its contacts with the world rapidly extended, thus in 1921 Mr. Young had gone with Mr. Swope to Japan in the interests of the General Electric.

Mr. Young's name was not unknown in world business when this extension was undertaken. The building of the Radio Corporation - his success in bringing France, England, Germany and United States together in a co-operative handling of South American radio interests, his work on arbitration in the International Chamber of Commerce had brought him wide acquaintance.

It was the war that ~~had made this for Owen Young and~~ *see memo*
~~it was the war which was to make him more than an international~~
~~business man - make of him an international counsellor of Nations~~
~~trusted in international affairs as in business affairs.~~ *gave him a place* *not unlike which he had achieved*

When Mr. Young came to the Chairmanship of the General Electric, the Commission having charge of the reparations which Germany should make to the allies for all damages done to their citizens - a Commission created by the Versailles Peace Conference - was about at its wits end. The first attempts to settle had failed.

Early in 1923 France and Belgium had sent armies into Germany's great industrial section - the Valley of the Ruhr -

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with international business and people
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business was - made of him an international figure. He was the first to see that the world was not a collection of isolated islands but a single entity. He was the first to see that the world was not a collection of isolated islands but a single entity.

in April 1922

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*will
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world
court*

to stay, their spokesman declared, until the bill was paid - the "bill" being about thirty two billion dollars, a sum fixed in 1921 by the Reparations Commission itself.

But the armies had been an even greater failure than the politicians ^{who} that preceded them. German workers adopted a policy of passive resistance - refusal to produce. It had come to a time when the German mark had no worth and people were saying, that only another war would make Germany pay. Men were asking one another if the twilight of civilization had been reached.

Although officially United States did not recognize the predicament of Europe there was no man of wisdom who did not know what the fall of Europe would mean to the United States. It is hard to exaggerate the apprehensions of the statesmen of the allied world in 1923.

Conference after conference had been called in these years. It is customary to speak of them all as having failed, but that is an opportunist's view. Out of each had come some small degree of a better understanding of the problem, even if it were but a suspicion that it was insoluble in the terms in which it was being stated. Trace these conferences one by one and you will find that each left some vestige of recognition of the co-operative sacrifice that was before the world if this economic war, after the war, was to be settled. The greatest

failure was in the refusal of the persons concerned to consider facts - visualize situations. These repeated conferences listed as failures did another important thing. They compelled the principals to consider the situation of other countries than their own, and gave them larger acquaintance and increasing confidence in the leaders of other nations. Slowly with the help of the League of Nations the representatives of the nations of the world were learning to talk together.

In 1923 it was a new approach that was needed and it was an American ^{who} ~~that~~ made the ~~first~~ suggestion ^{The fear of there was} that led to this new approach. ^{Mr. Boyden} ~~the late~~ Roland W. Boyden of Boston, who had acted as an unofficial observer for the United States in various capacities in and after the war ^{Mr. Boyden} ~~had been~~ urging Secretary of State Hughes ^{early in the year 1922} ~~for many months~~ to suggest to the Reparations Commission ^{The} bringing together a committee of men of the highest business and financial authority in their respective countries and asking them to work out a plan for setting Germany on her economic feet. DWE

On December 29, 1922 ~~the~~ Secretary of State Hughes did make the suggestion at a meeting of the American Historical Association in New Haven, Conn. Nobody was to be bound by the recommendations this committee might make. Members would have no responsibility to their several ^{government} offices, that is to politics. They were to take the difficult question and work it out as they would a problem in big business which it certainly was. If they

H. Erving T. Bush then president of the N.Y.
 Chamber of Commerce carried on
 by ~~editors and advisors~~ ^{interviews} throughout the year a trial ~~work~~ ^{project}
 campaign against ~~un-American influences~~ ^{members of}
~~members of the staff~~ ^{the administration} ~~in the~~
 at Washington. Mr. Bush urged
 a ~~conference~~ ^{conference of business}
 men of various nations to be called ~~called~~ ^{called}
 by the American Govt. & initiated by the
 business men themselves. This ~~idea~~ ^{idea}
 that it can ~~can~~ ^{be} made ~~made~~ ^{made}
 Mr. Bush first brought the matter to
 the public in October of 1923. In an
 address widely ~~published~~ ^{published} ~~in the~~ ^{in the}
 an International Conference of World's
 Business Men. It is a plain business
 move said Mr. Bush. The right-chi
 See sleeping

did do that, might it not lead the ^{world} way out of the dangerous position in which she found herself?

It took a little time for the suggestion to soak in, to grow a strong enough public opinion in the various countries concerned to persuade the Reparations Commission that it dare propose to the world the appointment of what was called to begin with the Experts Committee. But it was finally agreed to and it was also decided to invite representatives of the United States, of course unofficial, to the committee.

Who was to go from the United States? The suggestion of course rested with Secretary Hughes. He was again unofficially to be the final authority in making the selection. He seems to have had no hesitation in naming the head of the delegation - General Dawes - well known in both Europe and in America for his supreme common sense as well as his driving energy. It was not alone for his abnormal energy and efficiency that General Dawes was liked in Europe. They liked his picturesque language and action. The administration liked him and America liked him for the same reasons so that his appointment to these who noted it was generally agreed to be admirable.

The Reparations Commission in calling the committee had divided the task it set for it into two parts. It was to devise a plan for stabilizing German currency and certainly that

was a crying need. It took a roll of marks almost too heavy to carry to buy a loaf of bread. The roll was bigger than the loaf - a billion paper marks to make a gold mark. It was also to devise a plan for balancing the German budget.

Since there were two objectives it was decided that there should be a ^{1st} second chairman to head each sub-committee. Who should the second be?

Now in the years of the war - in the making of the Radio Corporation and in carrying out various international business operations in which Mr. Young had been concerned, he had come into constant contact with the head of the department of Commerce, Herbert Hoover. He was well known, too, to Roland Boyden, with whom the suggestion of an Experts Committee ^{he} ~~had first originated~~, for Boyden was a member of the law firm to which Mr. Young's friend, Thomas Nelson Perkins, belonged. He knew the important business leaders in Boston who held Young so high. It was natural enough that he should have suggested Young as a "good man", so wherever the suggestion started it was recognized at once as excellent.

^{invited} Mr. Hughes asked Mr. Young to come and see him, ~~gave~~ ^{an invitation to sit on the Experts Committee} the invitation. Mr. Young was hesitant. He knew nothing about the Reparations question, or practically nothing, he told Mr. Hughes. Moreover he was a Democrat but Mr. Hughes being a wise man replied that these were probably as good recommendations

~~What~~ man known to the administration

~~It must~~ ^{should} be a j, one who had knowledge of
the world's business from actual ex-
perience, ~~if~~ ^{as} one who had a high
~~respect~~ ^{respect} for ~~feels~~ and respect for
men. President Coolidge, Secretary
of Commerce Hoover. Secretary Hughes,

all knew more or less of what even ~~any~~
had been doing in world business affairs -
had their impression of the kind of
man he was. Roland Hayden - ~~was~~
member of the law partner of
Jones's friend Thurman Nelson Perkins
may very well have suggested
Jones's name to the Secretary - ~~at~~
~~all events~~ ^{he} would have warmly
seconded it and Secretary Hughes
valued Roland Hayden's opinion in
international matters.

~~At all~~ ^{at all events}

only 172 B

as he could have. As indeed they were.

One of the chief troubles at the moment was that there were so many people, official and unofficial, who thought they knew all about reparations, had fixed ideas about handling the problem. Somebody that had no fixed idea but did have brains and experience in dealing with human beings was needed. Mr. Hughes believed Mr. Young to be such a man.

As for his being a Democrat - Mr. Hughes may have been glad to have th neutralized a little of his party's attitude towards European questions by ^{with} injecting something of the Young brand of Democracy.

So Mr. Young accepted, and so it was arranged with the Board of the General Electric that he be released for a limited time for public service.

It was on December 29, 1923 that the American Delegation to the Experts Committee sailed for Paris - a distinguished and interesting body of American citizens who officially at least were "simply that and nothing more." To these two Chairman, General Dawes and ^{his associate} Owen D. Young, had been added ~~a third~~ ^{American} Henry M. Robinson of Los Angeles whose valuable work throughout the war and in Paris in the making of the Peace treaty was well known to everybody. Mr. Robinson was going along to ^{take} ~~charge~~ ^{second} ~~on the~~ Committee ^{under the chairmanship of Sir Reginald} of a matter which was disturbing and irritating the allied world at the moment: the flight of capital.

Reginald

from Germany, where money had ceased to have value, to countries where it could ^{be} safely invested. To what extent had money fled, was being hoarded, what could be done to bring it back and put it into circulation in the country which so needed it?

The committee prepared to use the days of the voyage for study of the Reparations question. Secretary Hoover had given them ~~some~~ ^{still unofficially of course} trunkfuls of papers and sent with them, Alan Goldsmith, the chief of his European division to coach them, give them a background. They worked like boys at school - a session every morning - another in the afternoon. It amused them all that the room the Captain had given them for their instruction should have been the Children's Nursery of the ship!

Before the voyage was over Mr. Young had settled for himself and passed on to his associates his idea of the things that the committee should and should not do. They should wipe ^{from} their minds ~~of~~ all political views, ~~of~~ prejudices, remember that their approach was purely economic. They should remember that they had nothing whatever to do with the question of the responsibility of the war or the total amount Germany was to pay. These were questions outside of their province. Their business was twofold, ^{to} ~~to~~ devise plans by which Germany could balance her budget, ^{to} ~~to~~ stabilize her currency.

On two points General Dawes and Mr. Young were fully agreed. One was that nothing could hurt the allies more than a bankrupt and demoralized Germany. The second, that if they were ever to get pay from Germany they must allow her to earn it. ~~That they~~ must cease to be afraid of her earning it; that if Germany was to pay she must pay in goods, ^{and} ~~that~~ she did not raise marks in her fields but grain and fruits. ~~She did not~~ ^{but goods.} manufacture marks in her factories. Moreover, if the allies were to get their reparations they must take her goods - credit them to her account.

The Committee's first work on reaching Paris was to meet first those for whom they were working - the Reparations Committee: - Its President, Sir John Bradbury of Great Britain - Louis Barthou of France - Signor Raggi of Italy - Leon Delacroix of Belgium; - Second, those with whom they were to work - the members of their own Committee, as fast as they appeared - Sir Josiah Stamp and Sir Robert Kindersley of England, Jean Parmentier and Dr. Edgar Allix of France, Emile Francqui and Baron Houtart of Belgium, Dr. Alberto Pirelli and Professor Flora of Italy.

~~The~~ ^{all} first meetings with ~~those with~~ ^{men} ~~whom he is~~ to be associated in working out a problem are ~~always~~ ^{common} of first importance to Mr. Young. Before he begins a negotiation he wants to know ~~his~~ ^{each other man}

who is a party to it.

man - the way his mind works, slow or fast, sure or uncertain, whether his intuitions are alive or atrophied, his prejudices mixed or unmixed with tolerance, his sympathies cold or warm, and he has been so long working with men of all kinds that he quickly appraises, ^{sure} has a rule to tell him what he can and cannot expect, where he must be wary and where he can rely. Fortunately

Mr. Young at once "took to" the man on the Reparations Commission, ^{the Experts,} most important to the Committee the one with whom they were to have most to do, ^{it was} the President, Sir John Bradbury of Great Britain, ^{the President.}

The work of the Committee began on January 14, 1924.

General Dawes as Chairman - and it was General Dawes who ^{wrote a} manner of doubt - ^{Why} Mr. Young has always insisted, sold the Experts Committee to the listening world. He did it in a speech at the first meeting, ^{if by the violence of its delivery} which quite justified the popular name by which he was known in both Europe and America - a name earned in the war, "Hell and Maria Dawes."

Mr. Young has often told the story of asking Sir John Bradbury, with whom he was already sufficiently intimate to walk out arm and arm, ^{with Sir John Bradbury} from the meeting with him & has often told the story of asking

"Sir John, what did you think of the general's speech?"

"Mr. Young," said Sir John, "I never in my life saw such an exhibit of violence with so little harm done."

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whether his intentions are alive or atrophied... his prejudices
mixed or mixed with tolerance & his sympathies cold or warm...
and he has been so long working with men of all kinds that he
naturally expects, has a right to expect that he can and cannot
expect, where he must be wary and where he can rely. Fortunately
Mr. Young at once "looked up" and one of the secretaries of the
most important to the Committee and one with whom we
have most to do, the Secretary of the
British...

by the ~~words~~ ~~of~~ ~~the~~ ~~man~~
A actually heeded new life into a ^{high} ~~dead~~ ~~man~~
cupless world. A settlement could be
made must be made, he told them
in terms everyone understood & ~~they~~
~~set~~ After my return to America
he said of their speech that spoke of
this speech. In their judgment it
turned the tide of the world's thinking on
the reparations question: - see also
after that speech there was no question of the
name of the committee & of the settlement: it was the
D. Carr - the D. Plan.
"They will" said Mr. Dawson "the steel get either galvanized
or galvanized. It's run the risk of the galvanized" p

After that speech the Experts Committee was the Dawes Committee and so it will go down in the annals of the Period of Reconstruction.

And so the Commission started its work. A pretty problem they had. Obviously before Germany could pay anything she must have something to pay with. As things were now she had nothing since her money was worth nothing. Could it be given a value - stabilized? Not unless her budget was balanced, that is her receipts made to take care of her expenditures with a balance for her debtors. But if this was to be done she must not only economize, she must earn more, produce more. But she had nothing to produce with. Her currency had no value. To restore the credit of this currency, that is to stabilize the mark, her credit must be restored. But how could credit be restored? If it could be shown that she could by proper sacrifices, economies, and by fresh efforts balance her budget then credit would revive. Those Germans that were scurrying to get their money out of the country might bring it back - foreign nations might be willing to float

a loan. But if she was to do this she must have all her resources to work with and at that moment the bulk of her resources, her major supplies of raw materials, her greatest industrial plants, those of the Ruhr Valley, were in the hands of the armies of France and Belgium ^{and} which experience had shown ^{they} could not force the inhabitants to work. They would produce only when the ~~armies~~ ^{garrison} were removed - when they were industrially free.

It was this argument which the Americans had to sell to their colleagues. If they could do that then a way must be found to master each of the problems ~~involved~~ in the argument implied: One of the first was the question of Germany's co-operation. Unless she saw the plan as practical and desirable it would not succeed. Would she consent to undertake it if she could be assured of the necessary outside financial help? ^K would she make the economies ^X pledge the incomes of her railroads ^X her customs ^X submit to the supervision of her accounts by an agent of the Reparations Committee ^X allow a bank to be set up to handle the moneys - all necessary if the credit was to be extended which would give their marks value and lead to balancing their budget.

Second, and always the argument came back to the Ruhr. Would the French and Belgians withdraw from the Ruhr, give the Germans the freedom experience had proved they

must have if they were to produce? However you looked at it the crux of their plan was the Ruhr, but I doubt if anybody at least among the Americans - not Owen Young I am sure - said Ruhr in the opening weeks of the negotiations. They let the logic of the plan do its own work - *the logic that in the end it was a choice* ~~force it on the French~~ that they must choose between reparations and occupation.

Late in January the Committee went to Berlin to talk the plan over with men of influence, ~~that~~ statesmen, leaders in industry, the press, to sound out public opinion.

What could be expected of the industrialists of Germany?

Under what conditions would they co-operate? It fell to Mr.

Young to hold the conferences with the various leaders of German industry. He could talk their language, *of* understood the methods

of big business, could visualize their manufacturing, financing, marketing. *business - deal in* He met them on their own grounds and he met them

without awe as the head of one of the greatest of American

industries whose record they knew as one of supreme success. *remarkable*

H. S. 110 It was not always easy going.

"I am not convinced," one great industrial leader said to him after long discussion, "not convinced."

"Ah," said Mr. Young, "it is not for me to convince you, but for you to convince me since the Committee will make its report, whatever the attitude towards that report of any man or group of men."

It was an example of finality in decision quietly spoken but with quality of iron in it, which everyone who deals with Owen Young recognizes that he can use when persuasion fails.

One experience that came to Owen Young while in Germany sounding out opinions on the Dawes Plan has effected his feeling and thinking ever since. His particular problem on the Committee was the stabilizing of the currency.

"I had always thought of money and currency and credit," he told an audience after his return, "as a mechanism of finance impersonal in its operations."

Now they suddenly became to him something moral - social - he saw them in terms of human beings.

"When I was in Germany in February of 1924," he told his hearers, "the currency of Germany was depreciating so rapidly that the industries paid their wages daily, and sometimes indeed twice a day. Standing with the lines of employees was another line of wives and mothers waiting for the marks. The wife grabbed the paper from her husband's hand and rushed to the nearest provision store to spend it quickly before the rapid depreciation had cut its purchasing power in two."

unions
union *Herr Grasse* *Chairman of the syndicate of German Trade*
union "When the representatives of labor in Germany appeared before the Dawes Committee, I put to them this question:- "What can this Committee do for German labor?" I expected the answer

to be some one of the slogans of labor, an eight-hour day, old age or disability pensions, insurance against unemployment, something of that kind. Much to my surprise the answer came promptly.

"What your Committee must do for German labor is to give us a stable currency. Do you know, ^{Herr Grassmann} "they said," "that for many months it has been impossible for a wage earner in Germany to perform any of his moral obligations?"

"Knowing that a child was coming to the family at a certain time, there was no way by which the husband, through effort or sacrifice or savings, could guarantee his wife a doctor and a nurse when that event arrived. One knowing that his mother was stricken with a fatal disease could not by any extra effort or sacrifice or saving be in a position to insure her a decent burial on her death. ~~And so he said:~~

"Your Committee must, just as a basic human thing, give us a stable currency and thereby insure to the worker that his wages will have the same purchasing power when he wants to spend them as they had when he earned them."

Since that day ^{anyway} ~~he has~~ seen bank rates "bristling with moral problems."

The Committee returned to Paris there to spend some two months more in so shaping all the factors essential to their two objectives, that is, stable currency, ~~/~~ a balanced budget.

On every point they must convince each other, ^{of} a long nerve wracking process, particularly when it must be done in four languages, and when the interests and prejudices of the persons to be convinced so often conflicted.

Mr. Young described what was going on to his friends of St. Lawrence University at the annual dinner of the Board of Trustees of which he was President; They would like to know, ^{they had} how he and his colleagues were getting on.

"Let me suggest," he radioed, "you call on our distinguished President Doctor Sykes, who has imagination and discriminating language adequate to describe a class at St. Lawrence composed of the classes in economics, French, German, ^{Mathematics} and English, all consolidated. Let the main subject be economics. Let alternate sentences be stated in different languages and then translated into each of the other languages. After three sentences let each student speaking in a different language give his impression of what has been said and let that be translated. After sixty days of this let an examination be given in economics and see what you get. Even let it be understood that there is no moral or other objection to the students filling not only their cuffs, but shirt sleeves with all needed aids. Such is the work of this committee, but its spirit is undaunted and its confidence is yet unshaken."

They had reason for confidence. Each week convinced them that they were coming surely if slowly to a rounded logical Plan and that they were securing adherents to it. It would not satisfy anybody perfectly perhaps but it would be accepted by every member of the committee. Why? Mr. Young answered the question by a Van Hornesville story.

The story of a cow trade with one of his neighbors.

9/ They had dickered over the price - came to no conclusion - Mr. Young finally named a figure - the buyer said nothing - talked of other matters and finally rose to go.

"But hold on," said Mr. Young, "how about that cow?"

"Well, Owen she's too dear to take and too cheap to leave." yet -

The story applied even to the evacuation of the Ruhr. The French agreed because they could not afford to block the experiment - "too dear to take and too cheap to leave." It yet ✓ applied even to the most difficult of all decisions, the one left until the last. How much must Germany pay each year the Dawes Plan was in operation? It was finally settled - a very great sum - two hundred and fifty million dollars the first year.

But the Germans had no choice. Again it was, "too dear to take, too cheap to leave."

~~It was on April 9th that the report on which Sir~~

~~Sir~~ Josiah Stamp and Mr. Young had sweated in an effort - successful -

to make elaborate statistics, technical economic arguments *at the reports*
~~as~~ ^{but} simple and understandable ^{in an English} as good English, could make them

was ready to submit to the Reparations Commission

The Dawes Committee ^{had} finished its work; Mr. Young *see 36, 1st*
 could go home and did. But only to be called back in the *body*
 summer. The Reparations Commission had promptly accepted the
 report and it was now for the governments concerned to decide
 whether they would accept its terms and its machinery. The
 premiers of the governments concerned came to London in July -
 chief among them MacDonald of England, Herriot of France, Marx
 of Germany, Theunis of Belgium.

But they needed the help of a framer of the Plan and ✓
 all agreed Mr. Young was the man. So the summer found him in
 London coaching more or less distracted statesmen. It was a
 grilling business but he found a relief - he always does - at
 Spencer's the famous London dealer in rare books and prints.
 Spencer has a reputation of being none too patient with visitors.
 They know so little of his treasures. But in Mr. Young he found
 some one who loved them for themselves, moreover understood
 how to find out for himself where an item stood, had patience
 to follow a quest. Spencer's became his retreat from the
 "impossible problems." A table was given him in a quiet corner.
 There he sat for hours - "on his back" - pipe at hand - losing
 himself - recuperating for the next tussel with the perspiring
 premiers.

As per the spirit of General Durr's word held
in his letter of 11th March.

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"impossible problem". A table was given him in a quiet corner.
There he sat for hours - "on his back" - eyes at hand - looking
himself - "rejuvenating" for the next season with the perceiving
premise.

recruit to the army of poor worshippers
 ✓ ~~Spencer~~ considers that corner of his shop sacred.

"Do you see that desk?" he once asked an American customer.

"Yes, what of it?"

"There," Spencer answered impressively, "at that desk, in that chair, the greatest living man has sat nine hours a day for two weeks at a time."

"And who is he?" the visitor asked.

"Owen D. Young," Spencer replied.

The acceptance of the Plan by the premiers on August 30th carried with it the necessity of setting up the machinery in Germany and putting it into operation.

Mr. Young was the man to do it, so to Berlin he went - *ad interim*
 Agent General he was called - and there a new bank created for handling the results of Germany's accounts and taxes, the moneys loaned by foreign governments, the payment of reparations, *the* by sending *of* material and workmen to do this or that piece of work in France, Belgium, elsewhere, the value being charged to their debt; all this complicated machinery was set in motion by Owen Young and two months later taken over by a young American *who* had made a name for himself in the Treasury Department of the United States in and after the war - S. Parker Gilbert. *only 32 in 1924*

But before Mr. Young left Germany Germany had over a billion of gold marks to her credit. Her first payment on

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August 30th carried with it the necessity of setting up the

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Mr. Young was the man to be seen in Berlin in 1917.

Agent General he was called - a man who had been chosen for

handling the results of Germany's economic collapse - two months

loaned by foreign governments - the largest of them - the

by sending material and workers to be sent to that place of work

in France, Belgium, elsewhere, the value being charged to their

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Mr. Parker
a lawyer by profession had gone back
to practice after serving for 6 years (the U.S.). The last
thing he recalled was in 1924 was a fiscal
problem as difficult as that set forth in the dollar
plan but he finally agreed to take on the
burden, in part, could be set up knowing it to
be in firm hands.

reparations had been made and the French and Belgium armies had begun to march out of the Ruhr.

Mr. Young was again in America. He came back resolved to say nothing of what he had been doing, but that resolve was soon battered down by demands which courtesy and gratitude required him to consider.

"Here I stand a defaulter on my own resolve," he said in his first public speech discussing the Dawes Plan. But having begun he continued and in the next few months made a series of formal and informal speeches so thoughtful, far-seeing, so free from prejudice and dogmatism, that every sober observer of the International tangle recognized that here was a man who had been studying the solutions from the point of view of the human beings concerned as well as from that of interminable statistics.

He talked not so much - indeed very little - of machinery created, rarely quoted a figure, but with every speech the meaning of the thing grew on his hearers.

"The Dawes Plan was ^{final} no solution of the Reparations Problem," he said. "It was an 'intermediate experiment' from which he expected everybody to learn something. It depended on Germany's will to make it succeed, but no less on the will of the nations concerned to help her make it succeed. She must

produce; they must accept what she produced.✓

Already great loans had been made here and elsewhere to help reestablish her credit. "They should not be overdone." he warned. Caution spoken in December of 1924 means more now than it did then, and it shows as do so many other of Mr. Young's remarks at this time how surely he was putting his finger on the possible dangers in the Plan.

"A steady, firm, and conservative policy is better for Europe and for us because after all we must remember that the ravages of ten years of economic and social demoralization cannot be repaired overnight. The surest rehabilitation of Germany will be a slow and steady and healthful growth. There should be no encouragement for her to react from this great depression into an unhealthy boom."

Again and again did he come back to the necessity, if the Plan was to work, of the world's buying Germany's goods.✓
"We may debate political participation in the affairs of the world as we will, but we must participate in its business, and business, like science, knows no political boundaries and in its dictionary there is no such word as isolation."

Speaking at Yale College in June of 1925 - the occasion was the conferring on him of the degree of LL.D - he effectively illustrated his notion of the inevitable consequences of economic isolation. *Edw.*

"The dinosaur," said Mr. Young, "was an animal of tremendous bulk, small brain and limited locomotion. It lived on the food supply within its restricted reach and grew so large that nature exhausted her engineering resources in an endeavor to create a frame that would hold its body. The dinosaur grew until it could no longer stand alone and then it helplessly floated off into the water for support. Its policy of isolation and its consequent helplessness were both complete.

"Small mammals, I am told, then appeared on the scene, more intelligent, more daring and moving with greater freedom. The dinosaur was their enemy and being unable to meet the great monster in open battle, the clever little mammal, through the processes of time, eliminated the great dinosaur. He did it by breaking the dinosaur's eggs."

That illustration today has the quality of a prophecy as well as of a warning and as a warning ^{NO} it was never so pertinent. 2
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But deeper than his caution went his efforts to arouse America to a realization of the spirit in which she must ^{view} the world's problems, her problems, as she would certainly one day know if she did not then.

Nothing had more deeply impressed Mr. Young's colleagues on the Dawes Committee, as well as the scores of leaders in the

various countries concerned, than his efforts to understand their needs, their views, and their feelings and the endless patience with which he sought to satisfy needs, adjust conflicting views, soothe wounds and soften angers.

It was the understanding of the other fellow's *point of*
view ~~patience in dealing with him~~ that he now preached as the greatest contribution to the future safety of the world. And as a basis of this understanding was a full knowledge of all the facts involved on both sides.

In a talk that he gave at John Hopkins University, speaking there for the proposed Walter Hines Page School of International Relations, he had said that the Congress of the United States had passed an immigration law which had offended the pride and dignity of a great nation in the Pacific, and it had done this without careful study, without many facts, without strength in either act or word, without politeness. Naturally he was criticised. And at the first opportunity he answered in a thought provoking speech given at St. Lawrence which he called, "Can A Democracy Face All the Facts."

"I have been criticised," Mr. Young told his St. Lawrence audience, "for my statement at Johns Hopkins that the American Congress did not face the facts in dealing with the immigration problem with Japan. I have been furnished with a complete statement of the facts before Congress on that important

issue. It is most interesting to note that all the facts relate to the interest of America alone. There was not a fact relating to the problems of Japan. There was no consideration given to the fact, which undoubtedly it is, that there is a vast and increasing population bottled in that Island Empire with small natural resources, and that as a result, the problems of Japan will become not only the problems of that empire alone, but the problems of the world.

"I am not saying that the question of Japanese immigration was decided wrong. I am merely saying that it was decided with the consciousness on the part of Japan that we had only selfishly taken account of our own problems and given no consideration to hers.

"If I were to use a crude illustration, it would be of a man coming home at night and on being informed by his wife that she had accepted an invitation out to dinner, he had said:

"Well, the facts are that I am tired, there is wood in the grate, there is food on the table, there is a pipe at hand and tobacco in my pouch, and in the light of these facts I decide that I stay at home and smoke before the fire."

"I venture the statement that before the evening was over he would find that there were other facts in the problem of which he had not taken account. And rightly so. There can be no peace which takes account of the facts on one side only. I do not

care whether it is in the simplest human relations, or whether it relates to the settlement of problems between nations, the principles are all the same. If anything, it is more important that we understand the facts affecting the other fellow and his point of view than it is that we understand our own.

"So I plead for careful study of all the facts affecting any question. I ask for wide vision and sympathetic treatment. In foreign affairs I ask that this great nation, so rich in blessings of all kinds, should set the example of vision and sympathy for the world. To the extent which we exercise our power, whether it be the power of ships at sea, the power of an army, actual or potential, the power of finance, the power of moral leadership, whether it be any of these, I ask that we exercise them all with due regard and full knowledge of the position of the other fellow, and with sympathy for this problem, with consideration for his feelings, and in fairness always in fairness - to him as well as to ourselves."