

CHANCES OF PEACE WITH STALIN: POINTS THAT FAVOR COMPROMISE

Reported from BERLIN, PARIS, LONDON
and WASHINGTON

Russia and the U. S. are in the midst of another showdown on peace. Odds favor a settlement, not war.

Peace terms are shifting closer to compromise. Russia is more interested in seeking peace, less interested in stalling.

Each side is out to get the best possible terms. But prospects for easing the tension of "cold war" are good.

New considerations are leading the United States and Russia to draw up fresh terms for peace in the "cold war." Developments not anticipated 10 months ago, when the efforts to find a peace settlement broke up in London, are leading the U. S. and Russia into another showdown.

Problem of Berlin now is minor. Russia is concerned by Western Europe's swift progress toward recovery, worried by U. S. plans to set up a West German government. Eastern Europe, bogging down for lack of capital equipment which Russia cannot supply, is looking westward for help.

Short-term odds, as a result, favor peace, not war. Envoys of the U. S., Great Britain and France, who went to see Premier Joseph Stalin about Berlin, came out with an answer that encouraged peace talk, not war talk.

Peace with Stalin—real peace—is not yet in sight. What is likely to come next is an easing of the "cold war," a start on the basic problems.

Shooting war is less likely now than it was a few weeks ago. But, if peace talks bog down this time, real war will be closer than at any time since World War II.

Tactics are changing. Russia now has more reason to seek peace, less reason to stall. It will take real prospect of peace to lead the U. S. to postpone the setting up of a West German government.

German problems must come first if the talking is to get anywhere. East-West deadlock revolves around Germany.

More trade between East and West already is becoming a possibility. The U. S. and Russia are co-operating within the United Nations on plans for expanding trade even in the midst of "cold war."

Other agreements between U. S. and Russia are likely to come in a rush, all of a sudden, if the barriers of distrust can be lowered. But real danger of war can come if the talking breaks down again.

For the present, however, both the U. S. and Russia are getting at the basic points on which business must be done if there is to be peace.

Russia and the U. S.

Acceptable terms for peace are not going to be found overnight. But a quick survey of the major issues shows that compromises are possible if both sides are willing to make sacrifices. Issue by issue, this is the outlook:

What Germany must pay to Russia in reparations is a basic issue in dispute. The U. S. may agree that Germany owes Russia as much as \$7,000,000,000 of the \$10,000,000,000 Russia is asking. Question is how Germany can pay.

Russia wants to take her reparations out of Germany's current production, collecting goods as they come out of the factory. This would mean that much of the \$1,000,000,000 that American taxpayers are spending each year on Germany would go to produce goods for reparations to Russia. The U. S. will not accept this scheme.

But Russia has gone ahead to collect what she can from Germany on her own since May, 1946, when the Western powers quit delivering to Russia, as reparations, goods from their zones of Germany. By the end of 1947, the Russians had taken an estimated \$5,750,000,000 worth of goods and machinery in war booty and reparations out of East Germany in addition to the \$3,100,000,000 cost of Russian occupation. By now, Russia may have collected as much as half the reparations she claims. Job will be to get the Russians to admit it.

The U. S. wants Russia to wait for reparations until Germany is in a position to pay and until Western Europe has less need of Germany's output. Russia, mindful of the way Germany escaped her war debts after World War I, wants payment now, not later.

Way out of the reparations problem may involve a U. S. loan of \$1,000,000,000 to Russia. The loan would be an advance to Russia on reparations account, to be liquidated when Germany starts paying. But a start must be made on a German settlement before the U. S. Government can consider such a loan.

Control of the Ruhr, industrial heart of Western Europe, is a second issue. Control can be shared with Russia, but not to the extent that Moscow desires. Russia wants to be in a position to block shipments of Ruhr coal, iron and steel to countries she considers unfriendly. In addition, Russia wants to help German Communists organize Ruhr workers. But the U. S. and Britain are aware of Russia's aims. They fear that France, in a four-power control of the Ruhr, might side with Russia, in an effort to get for herself a larger share of German production as reparations. This probably would mean a chronic deadlock.

As a result, the Western powers are likely to offer Russia a share in control of the Ruhr, but will also invite other interested powers to join in the management. Russia will get no veto on what is to be done in the Ruhr; real control will remain in the hands of the Western

Russia and the U. S.

powers.

Germany's future organization is a third issue. Best possibility is a compromise providing a weak central government in Berlin. Chances are that the question of a German government, as well as the problem of how long Germany is to be occupied, will be put aside until the four powers see how their other agreements, if any, work out.

Russia proposes that all Germans vote for a parliament that would be permitted to create a strong central government in Berlin. Then the occupation forces would withdraw, leaving the Germans to run their own affairs. Catch is that such a plan would enable Russia to make a united Germany into another Russian satellite.

Elections held in the Eastern zone of occupation, even if Russian troops were removed, would be completely controlled by the Russian-organized police forces, all in the hands of German Communists. A solid one third or more of the German parliament would be pro-Russian Communists, while West German deputies would be divided among several parties. No such plan is acceptable to the U. S., Britain and France.

Western ideas of Germany's future vary widely. The U. S. favors a federation of German states that would encourage private enterprise. Britain leans toward a centralized German government that would socialize major industries. France wants Germany kept as weak as possible, preferably divided into a dozen small states with no central government at all. Probable compromise is a weak central government with most of the power remaining in the individual states.

Policing of Germany is a major issue, too. Russia proposes that the armies of occupation leave the country. But Russia and her ally, Poland, are close to Berlin and would be in a good position to put pressure on a German government there. Western powers, therefore, are not likely to agree to ending the occupation in the immediate future. But the four powers may agree to keep only token forces inside Germany.

Stopgap solutions for relatively minor problems in Germany will come quickly if the U. S. and Russia set out seriously to seek peace. Russia, for example, can ease the Berlin crisis in a moment, without surrendering the right to blockade Berlin again in the future, simply by letting token shipments of supplies reach the city by rail, road or canal. And the Western powers can ease the money crisis in Berlin, where most Western currency has already gone into hoarded savings, by issuing no more Western money there.