

HITLER SEES PEACE 'BY COMMON SENSE'

Would Supplant League System With New One 'Based on Reason and Justice.'

SCHACHT ASKS GOOD-WILL

Urges Payment of Debts With Goods and the Leveling of Barriers to Trade.

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BERLIN, Aug. 6.—Chancellor Adolf Hitler believes that a general European war can be averted "by common sense," and he is also convinced that a new peace system "based on reason and justice" must supplant the League of Nations.

The Nazi leader gave his views on war and peace in written answers to questions presented to him by the North American Newspaper Alliance, which has submitted four identical questions to the heads of the governments of the United States, Great Britain, France, Russia, Italy and Japan.

Hitler answered two of the questions. Replies to the two others, bearing on world currency stabilization and the leveling of trade barriers, were given by Dr. Hjalmar Schacht, Minister of Economics and President of the Reichsbank. The questions and answers follow:

Question No. 1: "There is widespread fear of a major war, involving two or more world powers, breaking out in the next few years. Do you think war is inevitable, and, if so, why? How could it be avoided?"

Hitler's answer: "By common sense."

Hitler's Opinion on League

Question No. 2: "Do you think a system of international cooperation, guaranteeing peace for an indefinite period, can be erected through reforms in the existing League of Nations or must the League be scrapped in favor of some new system?"

Hitler's answer: "The old Geneva League system contributed only one-sidedly toward the vital functions of Europe and the world as a whole. A new system, based on reason and justice, is needed."

Question No. 3: "Granted that world stabilization of currencies is desirable, what steps should be taken to bring this about and how soon do you think it could be effected?"

Dr. Schacht's answer: "The currencies of the world cannot be stabilized by isolated monetary measures, inasmuch as they are in their last analysis nothing but the reflection of the world economic situation. For this reason, the stabilization of the currencies of the world must be preceded by the stabilization of economic relations among the nations—relations which were interrupted by the war and by reparations.

"The World War has been perpetuated by a system of diplomacy which aims at the permanent suppression of the defeated, and which seems to be based on the erroneous idea that injury inflicted on one group of nations necessarily spells an advantage for the other.

Prosperity for All Vital

"The fundamental law, however, of normal economic relations in the world rests on the principle that any one country can prosper only as long as other countries are prospering likewise.

"Let the world agree upon the inauguration of a spirit of friendly diplomacy. Make it possible to pay debts with merchandise and it will be found that economic relations will instantly recover.

"Let us agree upon a solution of the international debt problem, let us concur in scrapping the system of arbitrary currency manoeuvres as a means of economic competition, and you will find that artificial stabilization of currencies will no longer be required because currencies will then recover automatically."

Question No. 4: "Do you favor the leveling of trade barriers, in a spirit of international cooperation, and how do you think this can best be brought about?"

Dr. Schacht's answer: "All countries trying to build up a prosperous export trade are bound to realize that all exports to foreign countries can in the end be paid only by imports from these very countries. Hence the desire for universal removal of trade barriers which forms the concluding note in the speeches of political economists all over the world.

"Germany, too, has felt the extraordinary difficulties in interstate trade relations, the more so because, as a result of the paradoxical status created for her by the war, she has become an industrial and debtor nation simultaneously.

Asks Bigger Export Market

"Although we have succeeded by our own efforts in bringing about an economic revival internally, an increased market for German products in foreign countries remains an absolute necessity, if for no other reason than to render possible our foreign liabilities service and to continue the import of indispensable raw materials and finished products.

"Certainly no one in the world is dreaming today of a complete return to free trade. It seems just as certain, however, that a renaissance of international trade might be attained if throughout the world the excessive custom barriers could be leveled, as well as the prohibitive import quotas, and the protective administrative measures against imports substantially modified.

"No country need be afraid that a budget in which, heretofore, customs have figured prominently would be endangered by a sound reduction of tariffs and by similar modifications. Quite the contrary, all State budgets would profit considerably in their total revenues through the increased exchange of goods.

"This result can be achieved by agreements among the various governments, the aim of which should be the simultaneous leveling of trade barriers, taking into consideration, however, the most-favored-nation clauses. The revival of trade would furthermore be conditional upon making available an international circulating medium; that is, sufficient trade credits.

"The presupposition for all this, however, is mutual good-will."