

SCHACHT PROTESTS DEMANDS ON REICH

He Says It Is Self-Deception for
World to Think Additions to
Young Plan Can Be Met.

SCORES GERMAN CABINET

Reichsbank President Declares
Financial Reforms Have Not
Yet Been Tackled.

Wireless to THE NEW YORK TIMES.

BERLIN, Dec. 5.—The president of the Reichsbank, Dr. Hjalmar Schacht, issued an alarming statement tonight which was chiefly addressed to the government and in which he protests against the "twisting of the intentions of the Young plan and the endangering of its prospects." Dr. Schacht says the assumption under which he recommended acceptance of the Young plan were twofold.

The first was that all the powers concerned respected mutually the recommendations and rules contained in the Young plan, without reservations. The second was that Germany's financial and economic policy would be revised and adapted to enable Germany to bear the burdens of the Young plan.

Dr. Schacht adds that if nearly every creditor government now tries to squeeze out of Germany further financial payments and deliveries, in excess of the Young plan schedule, they violate the cooperation made obligatory by the plan.

Lists Demands on Reich.

Dr. Schacht goes on to name the new demands in detail. He refers to the demand for the renunciation of the 400,000,000 marks (about

\$96,000,000) difference caused by Germany having made payments under the Dawes plan up to Sept. 1, whereas the Young plan payments were to have begun as from April 21. He mentions the wish to raise the unprotected annuity and says Great Britain is asking Germany to renounce about 300,000,000 marks (about \$72,000,000) of sequestrated German property. The statement adds that Germany is asked to renounce her claims to property against Poland, provided by the German-Polish trade agreement. Further, it says the Paris subcommittee for the liquidation of the war expects Germany to renounce a number of financial rights. Finally, Dr. Schacht cites the German-Belgian mark agreement as imposing an additional payment.

Cabinet to Discuss Statement.

The president of the Reichsbank declares all these demands were opposed by the German experts in Paris, and he warns the German Government against disregarding the delegates' arguments. He says the Young plan does not provide that Germany must agree to such payments and renunciations without equal compensation.

In the second part of his statement

Dr. Schacht accuses the German Government of not having fulfilled his second assumption, and declares that neither budgetary nor financial reform has so far been tackled. Relief is only possible, he holds, if the expenditure of the Reich States and communities is curtailed.

Dr. Schacht says he refuses to be made responsible for the ratification of the Young plan if his views and assumptions are disregarded. He declares he considers the Hugenberg referendum a gross mistake.

As he recommended the acceptance of the Young plan, Dr. Schacht declares he does not wish to participate in its adulteration.

The statement concludes:

"It would be self-deception for the world to believe we are able to pay further millions or billions above the Young plan payments, or to renounce our justified claims. It also would be self-deception for the German people to believe that with an increase of the burdens it will be able to pay the Young plan annuities and the probable additional amounts. I will not help in the creation of such deception.

The Cabinet will discuss Dr. Schacht's statement tomorrow.