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Laval 1931 : a diplomatic study

Sebastian Volcker

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LAVAL 1931, A DIPLOMATIC STUDY

by

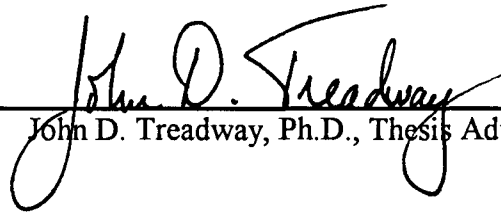
SEBASTIAN VOLCKER

Masters of Arts in Diplomatic History, University of Richmond, May 1998.

Thesis Director: JOHN D. TREADWAY, Ph. D.

This thesis sheds light on a hitherto neglected chapter in the life of Pierre Laval, one of France's most controversial political figures in the twentieth century. Widely remembered as Vice-Premier (Vice-Président du Conseil des Ministres) of the Vichy government during World War II, Laval is less known as the premier (Président du Conseil des Ministres) who attempted to solve the grave financial and diplomatic dilemmas dividing France, Great Britain, the United States, and Germany in 1931. In that year, he engaged in one last grand diplomatic effort, before Adolf Hitler came to power, traveling to London, Berlin and Washington, D.C., in order to solve the issues of the international war debt, the world economic crisis, and the rise of nationalism Germany.

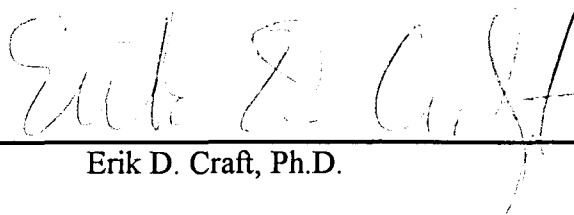
I certify that I have read this thesis and find that in scope and quality, it satisfies the requirements for the degree of Master of Arts.

A handwritten signature in cursive script that reads "John D. Treadway". The signature is written in black ink and is positioned above a horizontal line.

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A handwritten signature in cursive script that reads "Hugh West". The signature is written in black ink and is positioned above a horizontal line.

Hugh A. West, Ph.D.

A handwritten signature in cursive script that reads "Erik D. Craft". The signature is written in black ink and is positioned above a horizontal line.

Erik D. Craft, Ph.D.

LAVAL 1931
A DIPLOMATIC STUDY
BY
SEBASTIAN VÖLCKER
B.A. Longwood College, 1989

A Thesis
Submitted to the Graduate Faculty
of the University of Richmond
in Candidacy
for the degree of
MASTER OF ARTS
in
History

May 1998
Richmond, Virginia

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— 7 NOVEMBRE 1931 —

PRIX du NUMÉRO : 5 fr.
ÉTRANGER : Le prix de France
majoré des frais de port.

L'ILLUSTRATION



LE SALUT DU PRÉSIDENT LAVAL A LA VILLE DE NEW YORK

AVEC CE NUMÉRO "LA PETITE ILLUSTRATION" CONTENANT
NOTRE NOUVEAU ROMAN : « BONNE-ÉTOILE »

de notre auteur : LE
par HENRI LAVÉDAN
et (200 pages illustrées)

15, RUE SAINT-GEORGES, PARIS (2^e)

Voir le tarif des abonnements au verso

Pierre Laval in New York

L'Illustration, 7 November 1931

To my Grandmother:

Margaretha Eva Havelaar Smidt van Gelder
1911-1992

From Paris to London, from London to Berlin, from Berlin to Washington is a pilgrimage among the capitals which differs from the traditional methods of diplomacy. This must be accounted for by the fact that new duties are imposed upon those responsible for government as a result of the crisis which unsettles the world and undermines the morale of nations.

Pierre Laval, New York, 1931¹

¹ "Address of the President of the Council of Ministers of France," *Press Releases*, 4 July - 26 December 1931, *weekly issues nos. 92-117A* (Washington: Government Printing Office, 1931), 355-357.

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Acknowledgments

I should like to express my gratitude to all the persons who have encouraged or assisted me over the long period it took to write this thesis, including the librarians and staff members I have met or corresponded with at the Bibliothèque Nationale; Archives Nationales; Archives Diplomatiques du Ministère des Affaires Etrangères; BDIC at Nanterre; Alderman, Clemens and Law Libraries at the University of Virginia; Library of Congress; National Archives; Hoover Institution on Peace, War and Revolution; Green Library at Stanford University; Herbert Hoover Presidential Library (Iowa), and, especially, the helpful and affable staff at the Boatright Library at the University of Richmond. I am grateful to the University of Richmond for the Graduate Research grant so generously bestowed upon me. I am especially grateful to my chief sponsor: my father, Johan A. Völcker van Soelen.

I am thankful to the following for sharing with me their recollections of the times of Laval: Monsieur le Comte René de Chambrun; Monsieur Clément Boussard, former Sous-Préfet, Gaulliste of the first hour and résistant; Madame Jacqueline Boussard résistante; Monsieur Pierre Daubin; Madame Odile Gautier Mellerio; and my grandmother Madame Havelaar Smidt van Gelder. I would like to thank my mother Margaretha E. Völcker van Soelen Havelaar for the introductions as well as Madame Violette Cointreau who made it possible for me to meet Monsieur de Chambrun.

I would like to thank the faculty of the History department at the University of Richmond for creating such a "user friendly" study atmosphere -- J. Martin Ryle, John Gordon, and Hugh West in particular. I am extremely grateful to my readers, Professors West and Erik Craft (of the Business School), who spontaneously and very generously agreed to give of their personal time. My thanks also go out to the always cheerful Susan Breeden, former keystone of the Graduate School and leveler of administrative bumps. And of course I owe greatly to Professor John D. Treadway, my thesis director, who inspired this thesis and showed treasures of patience and steadfast support.

Over the too long a time it took me to complete my thesis my friends have helped me in ways they probably do not suspect. I thank them all, especially Olivier Droopy, Eric Sanders, John Schlesinger, Steve and Keri Wertz, and Derk Wilbrenninck. Thanks to my brother, Jean Völcker, especially supportive since the death of my grandmother. My love to my wonderful wife, Deidre Schubert. My special thanks to my parents for their unending support and unwarranted admiration.

Preface

In choosing to study a controversial historical figure such as Pierre Laval -- Vice-Premier (Vice-Président du Conseil des Ministres) of the Vichy government during World War II -- one exposes oneself to a great deal of academic probing, eyebrow raising and even hostility. This would be of no consequence if it did not challenge one's historical objectivity. In my defense, my writing this thesis has nothing to do with political affiliations nor sympathies. I have no invested interest in glorifying nor for that matter in degrading Pierre Laval.

In all honesty this thesis originated in jest over a moustache I once bore. My professor of diplomatic history, John David Treadway, jokingly remarked that my moustache reminded him of Pierre Laval's. I was somewhat nonplussed, as at the time the name "Laval" only evoked the dark years of the German occupation and French collaboration with the occupant.

Nonetheless this witticism was not without consequences. Through a pedagogical twist I do not recall, I wrote a class paper on the role of Laval during the Abyssinian crisis in 1935 and 1936. That study showed me a different Laval, a man who was clearly aware of the German threat and thought to contain Adolf Hitler's ambitions. To do so, Laval needed Mussolini's support. Italy was essential to the Stresa Front, formed in

cooperation with France and Great Britain, in 1935, against Hitler's expansionism.²

When the Italo-Ethiopian War broke out on 3 October 1935 and world opinion turned against Mussolini, Laval still hoped to save Stresa.³ He sought a peaceful solution to the conflict. In association with the British Foreign Secretary Samuel Hoare, Laval drafted a plan, which, under mysterious circumstances, fell prematurely into the hands of the French press. The Hoare-Laval plan was touted as a sell out to the invader.⁴ The peace attempt crumbled.⁵

² The Stresa Conference was held in April 1935. For the text of the Stresa Agreement consult: *Documents on International Affairs 1935*, ed. John W. Wheeler-Bennett (London: Oxford University Press, 1936), 80-82.

Further reading: Pierre-Etienne Flandin, *Politique française (1919-1940)* (Paris: Les Editions Nouvelles, 1947). Léon Noël, *Les Illusions de Stresa: L'Italie abandonnée à Hitler* (Paris: France Empire, 1975). Charles de Chambrun, *Tradition et Souvenirs* (Paris: Flammarion, 1952). Nicholas Rostow, *Anglo French Relations, 1934-1936* (New York: St. Martin's Press, 1984). Esmonde Robertson, *Mussolini as Empire Builder: Europe and Africa, 1932-1936* (New York: St. Martin's Press, 1977).

³ The Stresa Front was already shaken by the Anglo-German naval agreement of 18 June 1935 which regulated naval strength between Germany and England in the ratio of 35 to 100. The signature of this agreement on the anniversary date of the Anglo-Prussian victory over France at Waterloo was a diplomatic coup for Hitler, as it weakened the Anglo-French alliance.

⁴ Two journalists, Geneviève Tabouis and Pertinax (André Géraud) obtained the text. The leak(s) certainly came from the Italophobe faction at the Quai d'Orsay; whether it was Alexis Léger (doubtful) or a secretary remains a mystery. No claim was ever substantiated.

⁵ For the only complete correspondence between Laval and Mussolini regarding this affair consult Benito Mussolini, *Opera Omnia di Benito Mussolini, vol. XXVII, Dall'Inaugurazione Della Provincia Di Littoria Alla Proclamazione Dell'Impero (19 Dicembre 1934-9 Maggio 1936)*, eds. Edoardo and Duilio Susmel (Florence: La Fenice, 1951), 287.

For further reading on the Abyssinian crisis and the Hoare-Laval affair; see Henderson B. Braddick, "The Hoare-Laval Plan: A Study in International Politics," *European Diplomacy Between Two Wars, 1919-1939*, ed. Hans W. Gatzke (Chicago: Quadrangle, 1972). Arnod Wolfers, *Britain and France between Two Wars, Conflicting Strategies of Peace from Versailles to World War II* (New York: Norton, 1966). Thomas M. Verich, *The European Powers and the Italo-Ethiopian War 1935-1936, A Diplomatic Study* (Salisbury, N.C.: Documentary Publications, 1980). James Dugan and Laurence Lafore, *Days of Emperor and Clown, The Italo-Ethiopian War 1935-1936*. Dennis Mack Smith, *Mussolini* (New York: Alfred A. Knopf, 1982).

Damage done to the moral standing of Laval was dreadful, and some historians have traced the origins of Laval's collaboration with the Axis to these events.⁶ Such analysis overlooked the foundation of Laval's policy: the maintenance of a Franco-Italian alliance to contain Germany and to deal with it from a position of strength.⁷ As to the immorality of an alliance between Democratic France and Fascist Italy, it was not a concern voiced by many until the African adventure.

However unfortunate its outcome, the affair did show that Laval realized the threat represented by Hitler and sought to oppose him -- an unusual action for someone who would be presented as a henchman of Nazi aspirations. And this was not an isolated action. Laval, though anti-Bolshevik, was also part of a concerted effort to achieve entente with the Soviet Union, still with the intent of controlling Hitler. He even traveled to Moscow in 1935 and met with Stalin.⁸

⁶ This negative vision of the role of Laval is found in V. Potiemkine's work. V. Potiemkine, I. Mintz, A. Pankratova, N. Koltchanovski and E. Tarle, *Histoire de la Diplomatie*, tome 3, 1919-1939 (Paris: Librairie de Medecis, 1947). While it is understandable that historians, especially Soviet ones, so shortly after the war failed to be objective, it is rather puzzling in the case of more recent authors. Nicholas Rostow wrote that Laval's dealings over Abyssinia "were steps to Vichy and collaboration after 1940; [...] and to the crystallization of his reputation as an amoral manipulator and traitor" Nicholas Rostow, *Anglo-French Relations, 1934-36* (New York: St Martin's Press, 1984), 78.

⁷ William I. Shorrock, *From Ally to Enemy, the Enigma of Fascist Italy in French Diplomacy, 1920-1940* (Kent, Ohio: Kent State University Press, 1988), 167-169.

⁸ William Evans Scott, despite his dislike of Laval, offered an interesting analysis of the Franco-Soviet Pact. Scott wrote in his preface that he offered a look at Laval "before he decided to serve his country at the side of the devil." Williams Evans Scott, *Alliance Against Hitler, The Origins of the Franco-Soviet Pact* (Durham, N.C.: Duke University Press, 1962), ix.

This concern, about German Nationalism and Hitler, was already found in 1931, and this one of the reasons I chose to this particular period for this study. Another reason was because 1931 was the first time Pierre Laval served as *Président du Conseil de l'Assemblée Nationale* (the Third Republic title for a prime minister). Laval would head three consecutive governments from 27 January 1931 to 21 February 1932. The first lasted until the presidential elections of May 1931; the second had to be recast in 12-14 January 1932 because of the death of War Minister André Maginot. Laval's third government lasted but a few weeks, Laval would not return as Premier for another three years. By Third Republic standards, a stewardship of over a year was a long and stable government.⁹ Farthest removed in time from his role during World War II, Laval's first term as premier was a dynamic year for person to person diplomacy: Laval that year traveled to London, Berlin, and Washington and met with a number of figures of state, with whom we shall acquaint ourselves. Ninety thirty-one saw one of the ultimate grand diplomatic efforts before Hitler came to power.

To my knowledge this is the first study entirely dedicated to Pierre Laval's first term as premier. The difficulties for this inquiry reside in the lack of available documentation.

⁹ Governments in the Third Republic were very unstable. The executive power lay in the hands of the *Président du Conseil* (premier). In order to be able to govern the premier needed a majority in the *Assemblée Nationale*. Unfortunately not one party ever gathered enough seats to secure a majority. All governments were supported by coalitions which would disintegrate over the slightest disagreement and thus cause the collapse of the government. The *Président de la République* was a sort of constitutional "monarch," a post "given" to a deserving deputy or senator by their peers. The presidency had the authority to nominate the premier and a certain power of influence. For the list of French presidents and Premiers between 18 February 1906 and 10 July 1940 see Appendix B on page 165. For more on the Third Republic and the political parties in France, see Appendix C on page 168.

First, a considerable part of the archives of the Ministère des Affaires Etrangères concerning the 1930s was burned in the courtyard of the Quai d'Orsay in May 1940 so they would not fall in German hands. Most of the remaining holdings were evacuated, but were lost or destroyed in the chaos generated by the German invasion. The archives have since then been partially, but inadequately, reconstituted from documents held in France's legations.¹⁰ The available documentation for the year 1931 consisted of a few dispatches from French Ambassador Paul Claudel in Washington, as well as dispatches from French ambassadors in Central Europe, and some undated memoranda.¹¹ Also, indelicate hands have repeatedly stolen documents despite the security measures anyone who has done research at the Quai d'Orsay can attest to.¹²

The lack of documentation can also be imputed to Laval himself. Laval was a verbal figure who wrote relatively little, which suited his taste for secrecy.¹³ His diplomatic style reflected that as well. He preferred to talk directly on the telephone rather than pass through the conventional diplomatic channels.

¹⁰ Martin de Framond and Hélène Servant, *Inventaire de la Collection des Papiers 1940* (Paris: Imprimerie Nationale, 1990) Introduction, no page number.

¹¹ Archives Diplomatiques du Ministère des affaires Etrangères, Paris. Microfilm, *Serie Y: Internationale, 1918-1940*. Copie P, vol. 61, Vues 100. *Serie: PA AP 166 Tardieu*. Copie P, vol. 488, Vues 354.

¹² Martin de Framond and Hélène Servant, Introduction, no page number.

¹³ Fred Kupferman, *Laval 1883-1945* (Paris: Balland, 1987), 75.

A great offender against the search for truth was no doubt France's post-war justice system. The trial set up to judge Pierre Laval for his actions during the occupation was a tragic farce. Judge, prosecutor, and jury were all, openly, hostile to the accused. Laval and his lawyers were prevented from organizing a defense. They were denied access to the terms of the prosecution, personal archives, and any other documentation. Laval was also prevented from testifying on his own behalf.

Pierre Laval refused to take part in the tomfoolery and ceased to appear in the courtroom. Equally disgusted, the defense lawyers followed suit. Unperturbed, the pretense of justice followed its course. Laval was promptly sentenced to death and shot just in time for the elections and referendum of 21 October 1945.¹⁴

The only memoirs Laval left were the notes written on scrounged pieces of paper in the obscurity of his seedy cell. Laval's daughter Josée gathered these notes and censored rebuttals and published them.¹⁵ Unfortunately for the purpose of this thesis, these

¹⁴ For a complete treatment of the "trial" René de Chambrun ... *et ce fut un crime judiciaire... Le "Procès" Laval* (Paris: France-Empire, 1984) also by Laval's Attorney Jacques Baraduc, *Dans la Cellule de Pierre Laval* (Paris: Self, 1948) and Jacques Baraduc, *15 Octobre 1945, Pierre Laval Devant la Mort* (Paris: Plon, 1970).

In an ultimate protest Laval swallowed cyanide the morning of his execution. Refusing to be robbed of their grim prize, the "authorities" had him brought back to life to be shot a few hours later at 12:20 p.m., 16 October 1945. "Le Courier De L'Ouest A 50 Ans, Regards sur l'Histoire et notre histoire," *Le Courier De L'Ouest* (Angers), 25 November 1994.

¹⁵ Pierre Laval, *Laval Parle, Notes et Mémoires Rédigés par Pierre Laval dans sa Cellule, avec une Préface de sa fille, et de nombreux documents inédits* (Genève: Les Editions du Cheval Ailé, 1947) and in English, Pierre Laval, *The Unpublished Diary of Pierre Laval, introduction by Josée Laval, Countess R. de Chambrun* (London: Falcon Press, 1948). Josée Laval and her husband René de Chambrun have dedicated much of their lives to rehabilitating the memory of Pierre Laval.

"memoirs" dealt essentially with the accusations of the prosecution and little with the year 1931.

This display of pseudo justice by the enemies of Laval was reckless and absurd for they lost the moral high ground. Even if Laval was guilty, his hurried elimination could only raise doubts and questions. What were the accusers of Laval trying to hide? Were they trying to conceal the portion of success the Vichy government had? Yes, French policemen arrested and turned over Jewish men, women, *and* children to the SS. Yes, there were transit and internment camps in France. Yes, the *Milice* tracked and eliminated the partisans. These horrors are undeniable. But a greater number of Jews in France escaped the Holocaust than anywhere else in occupied Europe.¹⁶ On the whole France fared much better economically than any other occupied nation -- *occupied* being a key word here.

Perhaps even more troubling was Laval's seeming awareness that serving in a government in France under German occupation would mean, if not death, at least imprisonment when France would regain her sovereignty. It meant not only danger to

¹⁶ 76,000 Jews were deported from France, less than 3,000 would return. However 254,000 or 75 percent of the Jews in France survived, while only 50 percent survived in Belgium and 15 percent in the Netherlands. On the other hand, in percentages only Bulgaria with seventeen percent or 11,500 deported, Denmark with 7 percent or 420 deported and Finland with only 10 deported(!) fared the best in this grim tally. For the most complete treatment of the Jews deported from France: Serge Klarsfeld, *Le mémorial de la déportation des juifs de France* (Paris: Klarsfeld, 1978) or Serge Klarsfeld, *Memorial to the Jews deported from France, 1942-1944: Documentation of the Deportation of the Victims of the Final Solution in France* (New York: B. Klarsfeld Foundation, 1983).

himself but also to those that surrounded him.¹⁷ In the early days of the occupation Laval had sent one of his assistants, Pierre Destribatz, away to Syria, then under French mandate. When this assistant reported for a new assignment after the fall of Syria to the allies, Laval was surprised. "Quesque tu fouts là?" Laval reportedly interjected. After a brief discussion Laval convinced his assistant that it would be better for him to stay away from him, in effect saving his assistant from the accusation of collaboration and possibly his life.¹⁸ Even Laval's wife, Jeanne, pronounced herself against his participating in the Vichy government, according to Laval's testimony after the war.¹⁹

Because his "trial" was botched, the responsibility of Laval, good or ill, was never objectively established. How much did Laval know? How could he bear the daily humiliations, the ruthless repression of student protests, the hostage taking, the phony trials, the deportations, the executions, at the hands of the occupant? If collaboration in the face of the disaster of May-June 1940, when Germany seemed about to win the war, is somehow understandable, why did he persist after Stalingrad, the allied landing in Africa, Sicily, or Normandy? If he had been allowed to testify, Laval might have replied publicly as he stated privately to his attorney Yves Frédéric Jaffré:

¹⁷ The sentiment that participating in the Vichy government was lethal was widespread. Jacques Le Roy Ladurie who served in the Laval government as minister of Agriculture and supplies for five months before entering the resistance recorded many a remark in that sense. Jacques Le Roy Ladurie, *Mémoires, 1902-1945* (Paris: Flammarion/Plon, 1997), 305, 406.

¹⁸ Monsieur Pierre Daubin, nephew of Pierre Destribatz. Conversation with Monsieur Daubin, June 1991.

¹⁹ "Portrait de Madame Laval par Pierre Laval" in Chambrun, *Laval devant l'histoire*, 384.

When it came to France, I have all the egocentrisms and all the ambitions. I wished a peace that would have left intact our territory and our empire. I wanted to reduce to a minimum the sacrifices imposed on our country by the occupation. Was it a crime?²⁰

In eliminating the key witness, the provisional government of Charles de Gaulle made the quest for truth very difficult.

The reason I insist on reviewing this period in the life of Laval in the preface, is that it shaped the opinion of generations of historians. John W. Wheeler-Bennett, for example, in a book published in 1932, simply "regretted" that "French adherence to the Hoover Plan should have dragged on."²¹ By 1974, however, the same author, treating the same subject, singled out Laval for criticism. He accused him of "ruining" and "wrecking" the Hoover Moratorium.²² Wheeler-Bennett was, and is, not alone in judging the entire career of Laval through the prism of World War II. Maurice Torrès wrote a vicious, largely unsubstantiated, indictment of Laval while in the United States in 1941.²³ Authors as David Thompson, a Cambridge don no less, then liberally quoted Torrès'

²⁰ "Quand il s'agit de la France, j'ai tous les egoïsmes et toutes les ambitions. Je souhaitais une paix qui nous laisse intacts notre territoire et notre empire. Je voulais réduire au minimum les sacrifices imposés à notre pays par l'occupation. Etait-ce un crime?" Pierre Laval in Yves Frédéric Jaffré *Il y a cinquante ans... Pierre Laval: Le procès qui n'a pas eu lieu* (Paris: Albin Michel, Not published at the time this was written).

²¹ John W. Wheeler-Bennett, *Disarmament and Security Since Locarno, 1925-1931; Being the Political and Technical Background of the General Disarmament Conference, 1932* (New York: Macmillan, 1932), 339.

²² John Wheeler-Bennett, *Knives, Fools and Heroes, in Europe Between the Wars* (New York: Macmillan, 1974), 47.

²³ Maurice Torrès, *La France Trahie, Pierre Laval* (New York: Brentano's, 1943).

words taking them at face value!²⁴ Louise Weiss, close to Aristide Briand, never thought much of Laval and seemed to find evidence of base collusion with Germany as early as 1931!²⁵

While it might not be possible to show Laval as he might have appeared to his contemporaries in 1931, this study aims to show Laval, the diplomat, as accurately, and impartially, as possible. Not surprisingly, in studying Pierre Laval I have found contradictory testimonies. When sources were reliable, I have often included all versions either in the text itself or in a footnote.

Plenty has been written on Pierre Laval, but most authors have focussed their efforts on the somber years of the occupation. Laval's first presidency was studied, no doubt but no one stopped to see what Laval intended to achieve. Because of Laval's reserve, there probably never existed a document entitled "My solutions for the ills of Europe." Nevertheless, this research unearthed Laval's diplomatic purposes in the year 1931. Granted, it was not as "sexy" as the 1928 Kellogg-Briand pact to outlaw war. It was nonetheless, an answer to Europe's ills which the reader is now invited to discover.

A portrait of a scoundrel might have been more electrifying. Unfortunately, I can only offer the reader a year in the life of Pierre Laval, politician, statesman and diplomat.

²⁴ David Thompson, *Two Frenchmen, Pierre Laval and Charles de Gaulle* (London, The Cresset Press, 1951).

²⁵ Louise Weiss, *Combats pour L'Europe* (Paris: Peyot, 1968).

All efforts have been made to make this study error-free. Any oversights in this regard are solely my responsibility and in no way attributable to the editors. By the same token, unless noted otherwise, all translations are my own.

CHAPTER

I

FROM PUPIL TO PRESIDENT

The year 1931 was the midpoint between World War I (1914-1918) and World War II (1939-1945) and in retrospect seemed far removed from both conflicts. But all who lived the inter-war years faced constant reminders of the War that had passed and the war that might be -- the peace negotiations (1918-1920); the occupation of the Ruhr (1923), the war debt negotiations with the Dawes Plan (1924) and the Young Plan (1929); the occupation of the Rhineland (1918-1930); the invasion of Manchuria (1931), the advent of Adolf Hitler (1933); the parades of the veterans; the tirades of the politicians and the demagogues; the missing husbands, fathers, brothers or sons; the crippled and the gassed; the hate and the thirst of vengeance -- nothing but an interlude between two bloodbaths.

Even the literary world seemed unable to bring cheer to the year 1931. Antoine de Saint Exupéry published his grim *Vol de nuit*, Charles Maurras peddled hate in *Au signe de Flore*, and Jean Giono expressed the tragedy of the War in *Le Grand Troupeau*.¹

¹ Antoine de Saint Exupéry, *Vol de Nuit* (Paris: Gallimard, 1931). Charles Maurras, *Au Signe de Flore, souvenir de vie politique, l'affaire Dreyfus, la fondation de l'Action Française*. (Paris: Les Œuvres Représentatives, 1931). Jean Giono, *Le Grand Troupeau* (Paris: Gallimard, 1931).

The movie theaters played René Clair's bitter comedy *A nous la liberté*. This movie would inspire Chaplin's *Modern Times*.

Yet not all was bleak, Joséphine Baker was spreading cheer over the radio waves with *J'ai deux amours* and other songs. The fabulous *Exposition Coloniale* showed to more than six million visitors the wealth and diversity of the French and other empires. Those who lived through these years, knew not of the War to come. War might have been feared but it was not unescapable. To those who lived at the time it was still an age of hope, and their heroes were peacemakers such as Briand, Stresemann, Kellogg, and, yes, Laval.

A. Childhood

Pierre Laval was born in Auvergne in the little town of Châteldon on 28 June 1883². His father, Baptiste Laval, was proprietor of the most prosperous of the seven local inns, *l'Hôtel du Centre*. Baptiste Laval was also the butcher and the postmaster and ran the only coach service.³ Through his function as innkeeper and postmaster, he could claim equal footing with the local notables. Culturally, however, he still belonged to the world of farmers and sharecroppers. Pierre Laval would develop great pride from his rural origins.

² Gaston Jacquemin, *La Vie Publique de Pierre Laval, 1883-1945* (Paris: Plon, 1973), 19.

³ "La maison de mes parents... C'est là qu'a vu le jour la première entreprise de transport de Châteldon... Nous avions six chevaux, deux voitures, l'une de dimension modeste, l'autre d'un gabarit plus important" (The house of my parents... There, was born Châteldon's first transportation firm... We had six horses, two carriages, a small one, the other larger) Pierre Laval in René de Chambrun, *Laval devant l'Histoire* (Paris: France-Empire, 1983), 16.

Pierre had two elder brothers and a sister. One of his brothers became a railroad employee after a passage through the seminary. The other was an army officer. His sister married a warrant officer and established herself in Bayonne where Laval the law student would stay with her for a time.⁴

From his mother, Claudine, Pierre inherited his black hair, dark and almost slanted eyes and fleshy lips. The whole gave him a "foreign appearance" and made him an easy target for verbal and physical abuse from his classmates. Rather than bend, the little Pierre resisted and learned not only to fight but also to charm his opponents. He would befriend Joseph, son of the doctor Joseph Claussat, the Radical Socialist mayor of Châteldon.⁵

A good student, he easily completed his primary studies and at barely eleven he obtained his *Certificat d'Etudes Primaire*, a success deemed largely sufficient by Baptiste Laval. Pierre was now to help at the inn and drive the coach to Puy-Guillaume, the train station of Ris or even to Vichy.⁶ But Pierre had greater ambitions, and education was the sole means to breach the social gap between farmer and notable. For four years Pierre would battle his father for more education. His mother and the local priest, who helped him with his Latin, supported him.

⁴ Jean-Paul Cointet, *Pierre Laval* (Paris, Editions Fayard, 1993), 15, 19. Alfred Mallet, *Pierre Laval, Part I, Des années obscures à la disgrâce du 13 Décembre 1940* (Paris: Amiot Dumont, 1955), 12.

⁵ Kupferman, *Laval*, 1987, 11. Joseph was nine years older than Pierre. Geoffrey Warner, *Pierre Laval and the Eclipse of France* (London: Eyre & Spottiswoode, 1968), 1.

⁶ Chambrun, *Laval devant l'Histoire*, 16.

The father eventually relented, and Pierre left Châteldon for the quasi-monastic life at the lycée (high school) in Moulins. There he did well enough to be allowed to study for the *baccalauréat* at the prestigious Lycée St. Louis in Paris. He secured the precious diploma on his first try on 20 July 1901.⁷ He had become an official member of France's intellectual elite.

B. Studies and Political Engagement

Young Pierre's thirst for knowledge was not yet quenched, he pursued graduate studies in Natural Sciences first in Bordeaux then in Bayonne. He sustained himself as a study hall monitor (*pion*) in lycées, a choice which led him from town to town as posts opened and closed. Being young, poor, "intellectual," a witness of the condition of workers reduced to misery by age or injury in the industrial towns of St. Étienne and Lyons, Pierre Laval naturally gravitated to the political left.

In 1903 he joined a radical branch of the Socialist Party, *le comité révolutionnaire central*. Laval's Socialist convictions, however, were not motivated by ideology but by his sense of equity and justice. That same year he was conscripted into the army. Laval

⁷ Laval's grades at the baccalauréat were Composition française 14/20; langues vivantes, 10/20; explication française (Chateaubriand, Mme de Staël), 10/20; histoire (Frédéric II) 4/10; géographie (côtes de la Méditerranée), 3.5/10; anglais (Tales from Shakespeare, de Lamb), 11/20; espagnol (novelas de Cervantes), 2/20; sciences physiques (images formées par les miroir sphériques), 11/20; mathématiques (résolutions de triangles), 13/20. Alfred Mallet, *Pierre Laval, Des années obscures*, 14. To an American eye the grades may appear low but one has to know that save for the exact sciences a grade of 20/20 was and is unheard off, outstanding students range in the 15+. It is interesting to note that Laval's English (11/20) was apparently not as awful as once commonly believed.

did not share the admiration of many of his compatriots for the military. After all, soldiers were often used to crush strikers, and the Dreyfus Affair, still in full swing, showed the ugly side of the army's top echelon.⁸ In addition, at the turn of the century Pacifism and International Socialism were nearly undistinguishable. Pacifism was perhaps the only ideology Laval would ever embrace. He would serve only one of the mandatory two years.⁹ The army discharged him because of varicose veins, possibly a pretext for the military hierarchy to rid itself of a potentially contentious element. The whole experience left no discernible mark.¹⁰

In 1905, Laval obtained his natural science degree in botany, zoology and *zootechnique*. This degree could have brought him the security of a post of professor.

⁸ The Dreyfus affair opened in 1894 with the discovery by the French Military Intelligence (Service de Renseignement) of a note (*bordereau*) in a trash can of the German embassy incriminating a French officer. Alfred Dreyfus, "naturally" suspicious because he was Jewish and Alsatian, was quickly singled out and hastily convicted on made up charges. A year later the new head of the M.I., Colonel Georges Picart discovered foul play. Picart notified his superior General de Boisdeffre, and found himself immediately sent away to Tunisia. Under the pressure of the brother of Dreyfus, and Journalists such as Bernard Lazare, George Clemenceau, and author Emile Zola, the truth was revealed and soon divided France between pro and anti-Dreyfusards. The officer corp itself was divided and duels multiplied. Dreyfus was tried anew in 1899, found guilty with attenuating circumstances, and then pardoned. New eruptions of violence ensued. The second trial was eventually nullified in 1906 and Dreyfus was reinstated.

Under the influence of men such as Charles Maurras, anti-Dreyfusard sentiments brought anti-Semitism to the forefront of French political life. A direct consequence of the Dreyfus affair was the creation of Action Française and the dissolution of the Service de Renseignement, which would be sorely missed in 1914. Not all was negative, however, as the Ligue des droits de l'homme (League for Human Rights) was created in 1898. Jean-Denis Bredin, *The Affair, The Case of Alfred Dreyfus* (New York: George Braziller, 1986), 51-52, 122, 158-159. Charles Maurras, *Au Signe de Flore, souvenir de vie politique, l'affaire Dreyfus, la fondation de l'Action Française* (Paris: Les Œuvres Représentatives, 1931). Samuel Osgood, *French Royalism since 1870, Second enlarged edition of French Royalism under the Third and Fourth Republics* (The Hague: Martinus Nijhoff, 1970). Eugen Weber, *Action Française, Royalism and Reaction in Twentieth-Century France* (Stanford: Stanford University Press, 1962).

⁹ The duration of the compulsory military service in France was increased to three years in 1913.

¹⁰ Kupferman, *Laval*, 1987, 16.

Perhaps because he had spent too much time within school walls, he opted to study law in Lyon.

The law student bore a moustache; it would remain part of his persona for the rest of his life. He also took to wearing a red tie as a mark of his political affiliation. In 1908 he passed the bar.¹¹

C. Jeanne

Still poor but now respectable, Laval returned more often to his hometown of Châteldon. He often visited his friend Joseph Claussat, also a Socialist, who had followed his father's footsteps into the mayor's seat. The visits to Joseph were spiced by the presence of his sister, Jeanne-Eugenie Elisabeth Claussat, a voluptuous beauty. Her charms were only enhanced by political savvy and superior management skills, which are said to be inborn among Auvergnats. Moreover she was even a great cook.¹² Pierre and Jeanne fell in love and were married on 20 October 1909. From all accounts they would remain happily faithful to each other for the rest of their lives.¹³

Laval's law degree brought him respectability. With this marriage Laval had also entered the world of distinguished gentlemen. At least in Châteldon where a man was

¹¹ Ibid., 18.

¹² "Parfaite maîtresse de maison, elle aimait jardiner et faire des confitures dans la grande cuisine" (Perfect lady of the house, she liked to garden and make jams in the big kitchen). Chambrun, *Laval devant l'Histoire*, 18.

¹³ This during the Third Republic when mistresses were almost an accepted fringe benefit for politicians.

more important than his political color, being a Socialist, did not diminish one's respectability, but, to mark his change in social status, Laval took to wearing what would be one of his trademarks, a white tie.

Fortune did not follow, at least not right away. He opened an office on the first floor of a humble building he shared with a "dentist," a cobbler, a tripe butcher, and a prostitute. His fees were paltry, two francs per visit. His neighbor pulled teeth for three.¹⁴ While Laval persevered, Jeanne made do with the limited resources. His Socialist ties and bargain prices gained him humble but grateful clients. Small entrepreneurs, furniture movers, coach and taxi drivers, and manual laborers were the core of his patrons.

D. Bakunin's Portrait

In 1911 the CGT, the Socialist labor union, asked Laval to defend one of its members, an anarchist who had been caught with explosives. The case for the defense seemed hopeless and no CGT lawyer wanted the case. Laval decided to take it *pro bono*. The prosecution made much of a portrait of Bakunin, famed Russian anarchist, found in possession of the accused.¹⁵ Laval masterfully down played the accusations and

¹⁴ Kupferman, *Laval*, 1987, 19.

¹⁵ Michael Bakunin (1814-1876), Russian, anarchist theorist and plotter, very active in the 1830s and 1840s, was arrested by the Austrians in Saxony for his participation in the 1848 revolution there. He was turned over to the Russians and deported to Siberia. Nicholas V. Riasanovsky, *A History of Russia*, 4th ed., (New York: Oxford University Press, 1984), 364-366.

annihilated the prosecution's case by proving that the alleged portrait of Bakunin was in fact that of the accused's father.¹⁶ Overnight Laval gained fame *and* fortune. The grateful unionists raised 50,000 francs as an expression of their gratitude. His brother-in-law Joseph Claussat, a deputy himself, encouraged him to take advantage of his new found fame and run for office. Laval entered the race for the seat of deputy of Neuilly-Boulogne-Billancourt. Even though he was defeated, he fared well for a newcomer. His courtroom triumph gained him a wealthier clientele, but he refused to forsake his previous one.

E. Bonds

One of Laval's attractive traits was his loyalty to his friends. It crossed social and political barriers, and was returned in kind. Ties once established were longstanding: the furniture movers, he had aided in the lean years, provided his security service when he campaigned under the Socialist label. The movers remained true to Laval even after his defection from the Socialist Party.

In 1911, Laval's life was enriched by the birth of his only child, Josée Laval (1911-1992). The father and the daughter would develop an intimate bond, and she would play a pivotal role in his life, private and even political.

¹⁶ Cointet, *Pierre Laval*, 25.

F. Député Socialiste de La Seine

In the spring of 1914, as fear of war swept the nation, in April the Socialists and the Radicals geared up their electoral campaign in defense of peace. Their leaders were Jean Jaurès and Joseph Caillaux.¹⁷ The Bloc des Gauches denounced the law passed in July 1913 extending the compulsory military service from two to three years. The CGT sought Pierre Laval as Socialist candidate for the district of the Seine, a Parisian suburb both rural and industrial. He was victorious. The Radicals, with the support of the Socialists, held the majority in the chamber. Together they hoped to avert war. The assassinations of Archduke Francis Ferdinand on 28 June 1914 and Jaurès on 31 July 1914 shattered the hopes of the pacifists.

Pierre Laval and some 2,000 others were listed by the military in the infamous *carnet B*, a compilation of the potentially subversive elements who might hinder or

¹⁷ Caillaux, Joseph Pierre Marie Auguste (1863-1944), was both a brilliant politician and a lunatic. He fathered the income tax. He had foreseen the devastating effects of World War. His greatest failure was arrogance, so convinced he was of his own greatness that he would only accept the company of people who would agree with him. Opposition caused him intense mental distress. In 1914, when the *Figaro* attacked him and published his private letters, he became so aggravated that his wife, Henriette, in order to put an end to the paper's campaign, shot and killed Gaston Calmette the editor of the *Figaro*! The court was sympathetic to the wife, defender of the husband's honor, and found her not guilty! Furthermore, Caillaux's taste for sensationalism caused him to make statements that were at best irrelevant but often incendiary. While the French government was attempting to bring Italy into the war against Germany, Caillaux let it be heard that England was about to withdraw on the assurance of German evacuation of Belgium. It was also discovered that Caillaux's contacts had accepted money from Germany. For all this Clemenceau had him tried. Although the case against Caillaux was weak, he was nonetheless condemned to time served -- two years -- and stripped of his civic rights for a period of ten years. René Escaich, *Les Monstres Sacrés de la IIIe République* (Paris: Jean Dullis, 1974), 203-215. Jacquemin, *La vie publique*, 37. Jacques Chabannes, *Les Scandales de la «Troisième»* (Paris: Perrin, 1972), 125-155, 227-244.

oppose the mobilization.¹⁸ In name of national unity, Minister of the Interior Jean-Louis Malvy, despite pressure from the chiefs of staff, refused to have anyone apprehended.¹⁹

During the war Laval remained a pacifist, a dangerous position when any consideration of dialogue with the enemy was considered a crime. Unlike Socialists such as Pierre Renaudel of *L'Humanité* or Léon Jouhaux of the CGT, Laval remained true to his pacifist's convictions.²⁰ He quietly chose to direct his efforts toward the material welfare of the French. In December 1915, Jean Longuet, grandson of Karl Marx, proposed to the Socialist parliamentarians that they open communications with the Socialists of other states. Longuet hoped to pressure the belligerent governments into a negotiated peace. Laval signed on, but the motion was defeated.²¹

With all of France's resources geared for war, basic goods were often scarce or overpriced. Laval first concerned himself essentially with the well being of his constituency. Eventually he would extend his efforts to the Parisian and national scene. He was seen visiting slaughter houses with Minister Malvy. On 30 January 1917, in the national assembly he called upon Supply Minister Edouard Herriot to deal with the

¹⁸ Kupferman, *Laval*, 1987, 28. Jacquemin, *La vie publique*, 36-37. Laval, in an interview given in 1933, thought he had been put on the *carnet B* because he was the lawyer for the CGT, and all CGT leaders were on the *carnet B*. Paul Allard, *Les Enigmes de la Guerre* (Paris: Editions des Portiques, 1933), 44.

¹⁹ Kupferman, *Laval*, 1987, 28. Jacquemin added that Clemenceau recommended the arrests. Jacquemin, *La vie publique*, 38.

²⁰ Kupferman, *Laval*, 1987, 28. Jacquemin, *La vie publique*, 38. The scission of the Socialist Party originated with the division between the majority supportive of the war (*L'Humanité*) and the minority wanting to seek out opportunities for peace (*Le Populaire*). *Ibid.*, 40.

²¹ Kupferman, *Laval*, 1987, 32.

inadequate coal supply in Paris. Author Alfred Mallet wrote: "Herriot whimpered 'If I could, I would unload the barges myself . . .'" Laval retorted "Do not add ridicule to ineptitude."²² The words delighted the assembly and attracted the attention of George Clemenceau. The relationship between Laval and Herriot, however, would always be strained.

G. Stockholm, étoile polaire

As the bloody stalemate of the war only grew worse, Laval scorned the conduct of the war and the poor supply of the troops in the field. When mutinies broke out after General Robert Nivelle's disastrous offensive of April 1917 at Chemin des Dames, he spoke in defense of the mutineers. When Marcel Cachin and Marius Moutet returned from St. Petersburg in June 1917 with the invitation to a convention of the international socialism in Stockholm, Laval saw a chance for peace. In a lyrical address to the assembly, reported here by author Mallet, he urged the chamber to allow a delegation to go: "Yes, Stockholm, in response to the call of the Russian Revolution . . . Yes, Stockholm, for peace . . . Yes, Stockholm the polar star."²³ The request was denied. The Alexandre Ribot government was overthrown. Paul Prudent Painlevé formed a new

²² "Herriot gémit: 'Si je pouvais, j'irais décharger moi-même les péniches.' La voix rauque du jeune député de la Seine s'élève, implacable: 'N'ajoutez pas le ridicule à l'incapacité!'" Mallet, *Pierre Laval, Des années obscures*, 18-19. Kupferman, *Laval*, 1987, 35. Cole, *Laval*, 29.

²³ "Oui, Stockholm, à l'appel de la révolution Russe... Oui, Stockholm pour la paix... Oui, Stockholm étoile polaire." Mallet, *Pierre Laval, Des années obscures*, 20.

government that did not last long. The wind of peace, which for a brief moment blew in the spring of 1917, was overwhelmed by the discovery of a flurry of traitors, some real, some imagined, as with Malvy -- Because he had refused to arrest the Frenchmen on the *carnet B*, Malvy now became a suspect.²⁴ At this stage of the war, a traitor was anyone who did not believe in the victory or who wished for peace. Laval's "Stockholm, étoile polaire" speech had not been forgotten. Many of Laval's acquaintances, the publishers of the anarchist *Bonnet rouge* (Red hat), and other pacifists were arrested or interrogated. Though Laval frequented pacifist circles -- it was said that he was acquainted with Leon Trotsky -- the authorities did not pursue him.²⁵ His seat of deputy, his overall caution, and his many friendships across the political spectrum protected him. In November 1917, Clemenceau even offered him a post in government, but the Socialist Party by then refused to enter any government. Laval toed to the party line, but he questioned the wisdom of such a policy in a meeting of the Socialist members of parliament.²⁶

²⁴ Ibid., 20. This is the time which saw the arrest of famous lady spy, Mata Hari, in July 1917, before being put in front of the firing squad in October of the same year.

²⁵ Mallet reported that Laval certainly knew Leon Trotsky (Bronstein) as the latter was only expelled from France in September 1916. Mallet further noted that in his memoirs Trotsky wrote that he once held a conference in a café, "several Socialist deputies were present. But as soon as an Italian Socialist talked about fake passports all fled; a deputy settled the bill -- Laval stated that it was him who had paid for Trotsky's coffee!" Mallet, *Pierre Laval, Des années obscures*, 19.

The Petrograd Insurrection began on 23 February 1917, Nicolas II abdicated on 3/16 March 1917, and Trotsky became president of the Petrograd Soviet in September 1917. The October Revolution began with the insurrection on 24 October 1917, victory was achieved on 9 November 1917. Riasanovsky, *A History of Russia*, 457, 460-461, 475.

²⁶ Cole, *Laval*, 43. Mallet, *Pierre Laval, Des années obscures*, 20. Jacquemin, *La vie publique*, 45. Kupferman, *Laval*, 1987, 39.

The war ended, a pyrrhic victory for the whole of France. The north of the country was ravaged. Every town, every village, every family was affected by death or mutilation. Laval's brother, Jean, the army officer, died in the first months of the war.

H. Party Member?

Nineteen nineteen was an election year. A conservative tidal wave, the *Bloc National*, swept the National Assembly. Despite a dynamic campaign, Pierre Laval was not reelected. The Socialists record of pacifism, their opposition to the immensely popular Clemenceau, and the anxiety arising from the Bolshevik Revolution in Russia; all contributed to the defeat of the Socialists.²⁷

Throughout France as in much of the rest of Europe, social unrest followed the conservative victories. The CGT, with a strength of 2,400,000 members, launched a general strike in 1920. The CGT's offensive petered out, however, as thousands of workers were laid off. The government sought to dissolve the CGT. Laval, with Joseph Paul-Boncour as chief counsel, assumed the defense of the union leaders.²⁸ While they failed in the courtroom, Laval saved the CGT by appealing directly to the ministers of the

²⁷ Mallet, *Pierre Laval, Des années obscures*, 23. Jacquemin, *La vie publique*, 47-49. Kupferman, *Laval*, 1987, 42. Cole, *Laval*, 31-32.

²⁸ Warner, *Pierre Laval*, 16.

interior and of commerce and industry, Théodore Steeg and Auguste Isaac. The CGT survived.²⁹

While his interest in improving the lot of the workers never faltered, his relation with the Socialist Party drew to an end. The last few years spent with the Socialist caucus in the chamber combined with the party discipline eroded Laval's attachment to the Socialist cause. With the Bolshevik victory in Russia the party itself was changing, the congress of Tours in December of 1920 saw the schism of the Socialists into two ideologically competing components: the Communist Party (PCF), which derived its inspiration directly from Moscow, and the more moderate SFIO, Section Française de l'Internationale Ouvrière. Laval simply let his membership fall by the wayside, not taking sides as the two factions battled over the legacy of Jean Jaurès.³⁰ Ideology would never hold Laval's attention. When, during the dark years of the occupation a variety of "right wing" doctrines came forth, which he would also ignore.³¹

²⁹ Kupferman, *Laval*, 1987, 46. Mallet, *Pierre Laval, Des années obscures*, 25. Jacquemin, *La vie publique*, 48-49.

³⁰ Kupferman, *Laval*, 1987, 44-45. Mallet, *Pierre Laval, Des années obscures*, 24-25. Jacquemin, *La vie publique*, 50.

³¹ Michel Winock, ed., *Histoire de l'extrême droite en France* (Paris: Seuil, 1993), 199.

I. The Notable

Laval's financial success, possibly affected his decision to leave the Socialists. Possibly he preferred not to tackle the incongruity of being well to do and a card-carrying member of the SFIO or the PCF. He might also have simply been unwilling to waste his energy in ideological jousts. When probed about his defection, Laval declared that the party had changed at Tours, not him.³² In truth, Laval was too much of an individualist to belong to any party. He would run for the first time as an *indépendant* in the 1923 mayoral election in Aubervilliers. He sought to become a well-respected notable like the Claussats in Châteldon. He believed that "a sound material independence, if not essential, gives to government officials who have it a greater political independence."³³

His aspirations were attained with a new residence, 15 Villa Saïd, near the elegant Avenue Foch, first as tenant and then in 1925 as an owner. In 1923 he also bought Le Domaine de la Corbière, a small farm in Normandy, making him a neighbor of Aristide Briand.³⁴ Always a farmer at heart, he managed the property himself and bought and sold his own cattle and horses. Laval was finally able to put his degree in Natural Sciences to good use.

³² Kupferman, *Laval*, 1987, 53.

³³ "Une indépendance matérielle assurée, si elle n'est pas indispensable, donne aux hommes de gouvernement qui la possèdent une plus grande indépendance politique." Pierre Laval, *Laval Parle*, 21.

³⁴ Cole, *Laval*, 33.

A successful political career needs the support of the press. With this in mind, Laval acquired the newspaper the *Moniteur du Puy-de-Dôme* and the printing works Mont Louis in 1927. In 1931 he bought Radio-Lyon and the *Lyon Républicain*. He would resell the *Lyon Républicain* to his friend, the young deputy Raymond Patenôte.³⁵ The acquisition of the Château de Châteldon was a symbol of his ascension. The castle also possessed three springs he would secure a few years later. Laval would bottle the water of the most productive spring, La Sargentale. Though La Sargentale's output was never great, it was Laval's joy to see it served on board the trains of the Compagnie Internationale des Wagons-Lits. He managed his enterprises closely and placed his friends in the key posts. Some, like La Sargentale, barely eked out a profit, but the printing house, the paper and the radio did very well. Much had been made of the Laval "fortune," especially at the 1945 trial. But even Laval's stubborn enemies had to concede that Laval attained it honestly. Laval was able to accumulate wealth in part because he lived frugally, entertained little, and invested conservatively in stable capital, never putting his trust in stocks or banking his income.³⁶

³⁵ Mallet, *Pierre Laval, Des années obscures*, 26.

³⁶ *Ibid.*, 26-27. Kupferman, *Laval*, 1987, 46-48.

J. Maire d'Aubervilliers

In 1923 the city of Aubervilliers, in the northern suburb of Paris, needed a new mayor. As a former deputy of the *circonscription* (constituency), Laval was an obvious candidate for the post. To be eligible for election in that particular district, Laval purchased a piece of farmland "Les Bergeries."³⁷ Because Laval's defection from the Socialists was done with little fanfare, few were aware of it. Laval was asked in turn by the local SFIO *and* the Communist Party to head their respective lists.³⁸ Laval, instead, chose to run under the *Laval* list, composed of former Socialists he convinced to leave the party and work for him. This was an independent Socialist Party of sorts that only existed in Aubervilliers. In a four-way race Laval was victorious in the second round.³⁹

By nature Laval abhorred conflict and he promptly won over through personal contacts those he defeated. He developed a network among the humble and the well to do in Aubervilliers, not to mention the mayors of the neighboring towns. He was the only independent politician in the northern suburb of Paris known after the 1924 elections as the *Banlieu Rouge* (Red Suburb). This peculiarity allowed him to avoid getting immersed in the ideological war raging between Socialists and communists. Laval

³⁷ Ibid., 52.

³⁸ Ibid.

³⁹ Ibid., 51-54. Mallet, *Pierre Laval, Des années obscures*, 24. Jacquemin, *La Vie Publique*, 51.

simply built friendships and earned the confidence of the voters by intelligently managing the town's assets.⁴⁰

K. Député Indépendant de La Seine

If the SFIO resented Laval's withdrawal from the party, it was discreet about it. The Socialists needed Laval for the 1924 legislative elections. The Socialist Party in combination with the Radicals formed a national coalition known as the Cartel des Gauches. Laval headed a list of independent Socialists in the Seine. The Cartel was victorious and Laval who regained a seat of deputy for the national assembly. Leftist euphoria swept France. The first action of Laval as deputy was to bring back Joseph Caillaux, former member of the national assembly and once the shining star of the Radical Party.⁴¹ Clemenceau had had Caillaux arrested toward the end of the War for collusion with the enemy. He had served two years in prison and had lost his civic rights. Laval took a stand for Caillaux's pardon. Laval, with others, was successful. In Caillaux, Laval gained an influential patron.

⁴⁰ Kupferman, *Laval*, 1987, 55-56.

⁴¹ For more on Caillaux, see page 9, footnote number 17.

L. Ministre and Sénateur

Laval's reward for his support of the Cartel was his appointment as Minister of Public Works in the government of Paul Painlevé in April 1925. Six months later in pure Third Republic style, the government collapsed.⁴² Nevertheless, from then on Laval belonged to the exclusive club of former ministers from which new ministers were usually drawn.⁴³ Between 1925 and 1926 Laval participated three more times in Briand governments, once as under-secretary to the premier and twice as minister of Justice (garde des sceaux). When he first became minister of justice, Laval abandoned his law practice to avoid any conflict of interest. This was a sacrifice well worth making, as the ministry of justice was the gateway to the prime ministry.⁴⁴

Laval's momentum was frozen after 1926 through a reshuffling of the cartel majority orchestrated by the Radical-Socialist mayor and deputy of Lyon, Edouard Herriot.⁴⁵ Founded in 1901 the Radical Party became the hinge faction of the Third Republic.⁴⁶ Its support or defection, as Laval would experience, often meant the survival

⁴² Mallet, *Pierre Laval, Des années obscures*, 29. For the list of French presidents and Premiers between 18 February 1906 and 10 July 1940, see Appendix B on page 165.

⁴³ Kupferman, *Laval*, 1987, 61.

⁴⁴ *Ibid.*, 61.

⁴⁵ Herriot, nicknamed *Edouard Le Gros*, history professor by trade, began his political career as mayor of Lyon. A great orator, he could carry a crowd, but on the whole he was an ineffective politician. Of Herriot's achievements Briand once said "ça ne pèse pas lourd" (It does not amount to much). René Escaich, *Les Monstres Sacrés*, 271-282.

⁴⁶ Parti Républicain Radical et Radical-Socialiste known as Parti Radical-Socialiste. For more on the Third Republic and the political parties in France, see Appendix C on page 168.

or collapse of governments. Through this latest mood swing in the national assembly, Laval was excluded from the direction of France for four years. Author Gaston Jacquemin suggested that Laval deliberately chose not to partake in a Herriot government, which he judged incapable of handling the financial crisis.⁴⁷ The year 1926 marked the definitive break between Laval and the left.⁴⁸ If Laval was attacked in the leftist press for his departure, he nonetheless maintained his friends on the left.

In 1927 Laval won the seat of the Senator of the Seine, in effect withdrawing from and placing himself above the political battles for ephemeral majorities in the National Assembly.⁴⁹ He longed for a constitutional reform that would strengthen the executive branch and eliminate the political instability, the grievous flaw of the Third Republic.⁵⁰

On 2 March 1930 Laval returned to government as Minister of Labor in the second André Tardieu government. Tardieu and Laval knew each other from the days of

⁴⁷ Jacquemin, *La Vie Publique*, 62-63.

⁴⁸ Fred Kupferman, *Laval*, 1987, 61.

⁴⁹ Laval defeated no less than former President Alexandre Millerand. Edouard Bonnefous, *Histoire Politique de la Troisième République*, tome quatrième, *Cartel des Gauches et Union Nationale (1924-1929)*, 2nd ed., (Paris: Press Universitaire de France, 1973), 202.

⁵⁰ Jacquemin, *La Vie Publique*, 65. "Pour faire une politique intérieure et extérieure cohérente et arrêter Hitler, il fallait renforcer le pouvoir de l'Exécutif et réduire celui des chambres. Doumergue et Tardieu l'avaient bien compris, depuis longtemps, mais pas les partis de gauche[...]" (To have a coherent interior and exterior policy and stop Hitler, it was necessary to reinforce the executive power and reduce that of the chambers. Doumergue and Tardieu understood that very well, for a long time, but not the leftist parties). Chambrun, *Laval devant l'histoire*, 31.

Clemenceau, which developed into mutual appreciation.⁵¹ Tardieu needed men he could trust: his previous government collapsed a little over a week earlier because of the defection of the minister of Labor, Louis Loucheur. But, when the radical Socialist Camille Chautemps failed to form a viable government, Tardieu was called back.⁵²

At the time the social climate was tense. More than 150,000 textile workers were on strike, and violence was feared. As minister of public works in 1925, Laval had ended the strike of the mine workers. Tardieu hoped he could do the same as minister of labor. Tardieu's faith was justified: The conflict was settled without bloodshed.⁵³ Even

⁵¹ André Tardieu had been the collaborator of George Clemenceau. As in all of the governments of the Third Republic of this time period the governments relied on coalitions in the Chamber of Deputies. In this Laval government he secured the support of the Right. He served first as minister of Agriculture, took over the Interior from Laval in the Fall of 1931 and served as War minister in January 1932. Elegant and often perceived as arrogant, nicknamed "Prince of the Republic," he was the antithesis of the populist Laval. Yet they got along remarkably well. Tardieu had made the evacuation of the Rhineland, sought by Briand, possible (May 1930). Tardieu was also the great hope of the conservatives, he hoped to be able to modernize France and to revamp the party system. Rudolph Binion *Defeated Leaders, The Political Fate of Caillaux, Jouvenel and Tardieu* (Morningside Heights, New York: Columbia University Press, 1960), 310-314. Kupferman, *Laval*, 1987, 69.

In July 1939 Tardieu became paralysed by hemiplegia. An editorialist for *Gringoire*, *Le Temps* and other papers, Tardieu could no longer speak or write and thus no longer earn a living. In 1942 Laval was able to help Tardieu materially. Laval requested to visit his ailing colleague. But Tardieu's caretakers feared it would be too emotional for their patient. Mallet who had been Laval's secretary wondered; had Tardieu not fallen ill, how Tardieu would have exerted his sway on Laval during the occupation. Mallet, *Pierre Laval, Des années obscures*, 33-34. For more on Tardieu read: Michel Junot, *André Tardieu, le mirobolant* (Paris: Denoël, 1996).

⁵² Jacquemin, *La Vie Publique*, 69-70.

⁵³ Kupferman, *Laval*, 1987, 70-71. Jacquemin, *La Vie Publique*, 70. Mallet, *Pierre Laval, Des années obscures*, 39.

Socialist politician Léon Blum, never one of Laval's allies, conceded that Laval's "intervention was skillful, opportune and decisive."⁵⁴

Laval's greatest achievement in the Tardieu government was yet to come. Social insurance (*Assurances Sociales*) had been on the agenda of the legislative assembly for over ten years. It had even passed the Chamber of Deputies but not the Senate in 1928.⁵⁵ Tardieu gave Laval the deadline of May first to get the project through. The date was chosen to stifle the usual agitation of labor day.⁵⁶ Laval's first effort went into clarifying the muddled collection of texts. He then consulted the employer and labor organizations. In two months Laval was able to present to the assembly a text which overcame the difficulties which had caused its original failure. It met the financial constraints, reduced the control of the government, and preserved the free choice of doctors and their billing freedom. The chamber and the senate passed the new law with an overwhelming majority. Another Tardieu achievement was the establishment of free High School education. The successes of the Tardieu government, however, did not resist the ramifications of the Oustric affair. After the failure of the Oustric Bank, it appeared that members of the Tardieu government had improper ties to the financial institution. The scandal involved Minister of Justice Raoul Péret, and Under-Secretaries Henri Falcoz and

⁵⁴ Léon Blum, *L'Œuvre de Léon Blum, Reparations et Désarmement, Les Problèmes de la Paix, La Montée des Fascismes, 1918-1934* (Paris: Albin Michel, 1972), 263.

⁵⁵ Warner, *Pierre Laval*, 19.

⁵⁶ Chambrun, *Laval devant l'Histoire*, 25.

Eugène Lautier. Though Tardieu was not involved in the wrongdoing of his ministers, on 4 December 1930, Tardieu lost his majority in the Senate.⁵⁷

President of the Republic Gaston Doumergue called upon Louis Barthou to form a government, but Barthou failed.⁵⁸ Doumergue turned to Laval, who fared no better.⁵⁹

The disappointment was short-lived, however, as the following month the government formed by Théodore Steeg floundered. Doumergue renewed his offer to Laval. On 27 January 1931 he successfully formed his first government.⁶⁰

⁵⁷ Chabannes, *Les Scandales de la «Troisième»* 281-290.

⁵⁸ Barthou, Louis (1862-1934). Barthou, a conservative, served in Briand and Clemenceau cabinets before World War I. As premier in 1913 he passed the law raising the compulsory military service to three years. In 1921 he was war minister in a Briand government, he also served as justice minister under premier Raymond Poincaré. As Doumergue's foreign minister in 1934 he actively attempted to reinforce the alliances with Belgium, Poland, and the Little Entente (Czechoslovakia, Romania and Yugoslavia). But, safe for Czechoslovakia he encountered little enthusiasm. This caused Barthou to seek an Italian alliance and to become a proponent of a Franco-Soviet pact. Because an Italian alliance was certain to upset the Yugoslavs it was important to make King Alexander of Yugoslavia understand the expediency of such an association. With this in mind Barthou met with King Alexander in Marseilles. Within moments of their encounter they were assassinated by an Ustashi terrorist on 9 October 1934.

⁵⁹ Jacquemin stated that Doumergue acted upon a suggestion made by Tardieu. Jacquemin, *La Vie Publique*, 72. For the list of French presidents and Premiers between 18 February 1906 and 10 July 1940, see Appendix B on page 165.

⁶⁰ Kupferman, *Laval*, 1987, 79.

M. The Laval Government

In the words of Léon Blum, the Socialist opposition was amazed and disappointed that the ghost of Tardieu's government reappeared within a few weeks of being defeated with Laval, "like a night bird surprised by the light" at its head.⁶¹ Laval's nomination as premier led to the speculation that Tardieu, the new Agriculture minister, held the real power in the Laval Government.⁶² Indisputably Laval thought highly of Tardieu, as well as of Briand, and applied policies in line with theirs.⁶³ Laval, however, had his own style and certainly had not made it that far to become Tardieu's mouthpiece.

While it was true that the ministers who formed the Laval government were in great part the same who had formed Tardieu governments in the past, it was, however, more a function of the composite majority Laval could find at the National Assembly than anything else.⁶⁴ Laval -- like Raymond Poincaré, Briand and Tardieu before him -- had offered ministerial posts to Herriot's Radicals, but to no avail.⁶⁵

⁶¹ "Comme un oiseau de nuit surpris par la lumière," Blum, *L'Œuvre*, 271.

⁶² Minister of Agriculture was not a minor post as France was still a highly rural nation in 1931 even though the polished Tardieu seemed a bit out of place at that post.

⁶³ Binion, *Defeated Leaders*, 310-314.

⁶⁴ For the composition of the government and their party affiliation(s), when known, Appendix A on page 163.

⁶⁵ Edouard Bonnefous, *Histoire Politique de la Troisième République*, tome cinquième, *La République en Danger: Des Ligues au Front Populaire (1930-1936)*, 2nd ed., (Paris: Press Universitaire de France, 1973), 37-39, 61.

Raymond Poincaré (1860-1934) was one of the more remarkable statesmen of the Third Republic. Poincaré was premier five times, served as minister in many governments, and was president of the republic during World War I. He is best remembered as an economist. He sat on the budget commission in the chamber, served as Finance minister and in 1926, as premier, orchestrated the successful stabilization of the

Although it had chosen not to be represented in the government, the support of the inescapable party of Herriot, was still necessary. Laval's ace-in-the-hole was his network of friends and supporters in the chamber, the "Lavalists." Laval like Tardieu did not always see eye to eye with the deputy of Lyon. While the sometimes abrasive Tardieu was often in conflict with Herriot, Laval would attempt the delicate task of conciliating the two.⁶⁶

Besides the so called unmovables (*inamovibles*) -- Briand, Maginot, Pierre-Etienne Flandin, Paul Reynaud -- Laval brought in his own team of advisors, such old friends as Maurice Foulon, the collaborator from Aubervilliers, and Pierre Cathala, whom he knew from his days in Bayonne and who had worked in Laval's Labor ministry. Cathala began as under-secretary of the interior and would become minister of the interior in January 1932.⁶⁷ Blaise Diagne of Senegal, the first African deputy, had joined the National Assembly at the same time as Laval in 1914. Diagne achieved another first when Laval invited him to join his cabinet as under-secretary to the colonies, making him the first Black African in a French government. Laval also called on financial experts such as Jacques Rueff, Charles Rist and Adéodat Boissard to tackle the arduous financial puzzles of the time. Germanist, André François-Poncet, was brought to the forefront first

franc.

⁶⁶ Being the head of the hinge party Herriot, was courted by all and therefore liked by few. Blum denounced the Radicals roguishly teamed up with Tardieu. Blum, *L'Œuvre*, 271.

⁶⁷ Cointet, *Pierre Laval*, 90.

as under-secretary to the premier and then as ambassador to Germany.⁶⁸ Laval's government even included an economist, Claude-Joseph Gignoux, at a time when economists in government services were rare.⁶⁹ The presence of economists could be taken as an indication that Laval was concerned about the condition of France's economy.

N. France's Economy in 1931

Indeed France, in 1931, could still pretend to be unaffected by the crisis that had brought the world to its knees.⁷⁰ Premier Laval declared upon embarking for America on 16 October 1931, "France remained healthy thanks to work and savings."⁷¹ Agriculture, small industry, and protectionism were the bases of France's economy. The conservative policy, some would say the "archaic" system of contained wages and limited social services, had allowed France to accumulate the largest gold reserves in the world after the

⁶⁸ After the Great War, in which he served as a infantry lieutenant, André François-Poncet joined the diplomatic corps, serving in Bern, Washington, Genoa, and the Ruhr (during the occupation). In 1924 he was elected Deputy of the Seine and in 1928 became under-secretary of the Beaux-Arts in the cabinets of Poincaré and Briand. In 1931, Laval dispatched him to Berlin as ambassador where he remained until 1938. After the Munich accords François-Poncet requested a transfer to Rome. *Dictionnaire Biographique Français Contemporain* (Paris: Pharos, 1954), 276.

⁶⁹ Fred Kupferman, *Laval*, 1987, 83-85.

⁷⁰ While France's industrial production virtually remained unchanged between 1929 and 1930, United Kingdom's production dropped 7 percent, Italy 8 percent, Germany 14 percent, Austria 15 percent, Canada 16 percent and the United States nearly 20 percent. Wholesale prices between August 1929 and September 1930 dropped world-wide, however, France suffered only a 6.7 percent drop while in Germany wholesale prices dropped 10.8 percent, United States 12.2 percent, U.K. 14.9 and Canada 16 percent. Charles P. Kindleberger, *The World in Depression, 1929-1939* (Berkeley: University of California Press, 1986), 114, 278.

⁷¹ "La France est restée saine grâce au travail et à l'épargne." Laval in Mallet, *Pierre Laval, Des années obscures*, 47.

United States.⁷² France still reaped the benefits of the devaluation of the franc orchestrated by Poincaré, which made French products such as automobiles very competitive on the world market. Unemployment was at least officially virtually nonexistent with only 12,000 jobless for the whole of France.⁷³ Official low unemployment numbers meant no benefits for the unemployed were necessary which translated into substantial budgetary savings, further perpetuating the image of a healthy economy. While France's good fortune was perhaps exaggerated, its economic situation was far better than that of other nations.

Laval and his cabinet considered the good economy and the substantial gold reserves, as means to diplomatic ends. In this rich nation's game it was essential that assistance should be received with gratitude and not scorn. With this master card in hand Laval left France for the first time to visit London, Berlin and Washington. He attended various conferences and focussed on several of the interlinked problems of the world economic crisis, war reparations and debts, disarmament, and the gold standard.

⁷² "Archaic" system: Jean Baptiste Duroselle, *Politique étrangère de la France; La Décadence, 1932-1939* (Paris: Imprimerie Nationale, 1979), 11.

The gold reserves were at their highest ever: 4910 metric tons. Kupferman, *Laval*, 1987, 85.

⁷³ *Ibid.*, 83. Kupferman's number has to be taken in perspective. The beginning of the year had seen a debate in the National Assembly on these numbers, the Bureau International du Travail (BIT) in Geneva estimated that France had 350,000 unemployed. Bonnefous, *Histoire Politique*, tome cinquième, 68. Britain's unemployment was rising from 1,204,000 jobless in March 1929 to 1,700,000 in March 1930. In the United States unemployment *prior* to the stock market crash was 1.6 million out of a population of 122 million. Unemployment reached its peak in 1933 with 13.7 million Americans without work. In Germany unemployment in 1931 neared two million out of a population of 64 million. Kindleberger, *The World in Depression, 1929-1939*, 103, 126, 134, 231,

CHAPTER

II

A TAINTED PEACE

In this chapter we focus not so much on Laval but on the political and diplomatic situation that Laval had to contend with in 1931. At the heart of all international problems of the early thirties laid the Versailles treaty. It exerted its deleterious influence on most post-war administrations world-wide, Laval's government included. Many of France's problems internationally and therefore domestically derived from the treaty.

A. The Versailles Treaty

The Versailles Treaty was but one of five treaties generated from the Paris Peace Conference. The Treaties of St. Germain-en-Laye (September 1919), Neuilly (November 1919), Trianon (June 1920) and Sèvres (August 1920) ended the war respectively with Austria, Bulgaria, Hungary, and the Ottoman Empire. Sèvres would have to be renegotiated because of the advent of Mustapha Kemal (Ataturk) and the birth of the Turkish state.

The Treaty of Versailles, however, signed on 28 June 1919, loomed far above the other treaties, for it officially "settled" the conflict between France, her allies, and Germany, and set the tone for the other treaties. The months, after the hostilities ceased,

were sheer chaos: inadequate accommodations for the delegates in Paris, the embarrassing exposure of secret treaties, the collapse of empires, births of nations, horrors of famine, and deadly influenza. As if this were not enough, the big egos of the principals collided; they worked without agenda nor direction. These principals were: British Prime Minister David Lloyd George and his Foreign Secretary Arthur James Balfour, French Premier Georges Clemenceau and Delegate André Tardieu, Italian Premier Vittorio Orlando and his Foreign Minister Sydney Sonnino, American President Woodrow T. Wilson and his confidant Edward M. House. Paul H. Hymans of Belgium and Eleutherios Venizelos of Greece commanded a presence in the negotiations by the sheer strength of their personalities.⁷⁴ In addition to these delegates were the envoys of all the other nations involved in the conflict except the defeated powers, and Russia. Every aspects of the Treaty not dealt specifically by the principals were farmed out to committees who unfortunately did not confer among each other.

Eventually on 7 May 1919 after nearly six months of preparations the allies presented the German delegates with a treaty of 440 clauses. Because the allies did not want to spend any more time on the treaty than they already had, they did not give the German delegation the opportunity to negotiate.⁷⁵ Germany's non-participation was the

⁷⁴ Sally Marks, *The Illusion of Peace, International Relations in Europe 1918-1933* (New York: St. Martin's Press, 1976), 2-10.

⁷⁵ *Ibid.*, 11.

first major problem of the Versailles treaty, which would be denounced at nauseam as the *diktat*, by German nationalists.

Germany had lost the war and as a consequence, the Versailles treaty stripped Germany of all its colonies which were ceded under allied mandates.⁷⁶ In Europe Germany lost territories as well. In the West, the Alsace and the Lorraine which had been seized during the Franco-Prussian War (1870) were returned to France. France also received a fifteen-year mandate on the coal rich Saar region. Belgium gained the frontier districts of Moresnet, Eupen, and Malmédy. To protect the West from a new German threat the left bank, and a band fifty kilometers wide on the right bank of the Rhine was to be demilitarized. In the North, a plebiscite -- first promised by Otto von Bismarck in 1866 -- returned part of the Schleswig to Denmark. Heligoland remained German but had to be demilitarized. The East saw the most change. The Poles used the war to resurrect their nation and the Polish Republic was in place by the time the armistice was declared on 11 November 1918.⁷⁷ One of the principal aspirations of the new republic,

⁷⁶ Under Mandates: Cameroon (France and Great Britain), Togoland (Great Britain), Southwest Africa (Union of South Africa), East Africa (Great Britain and Belgium), Marshall Islands (Japan), New Guinea Australia), Somoa (New Zealand), and Nauru Island (British empire). The Shantung province was given outright to Japan. "Versailles, Treaty of," *Encyclopædia Britannica, A New Survey of Universal Knowledge*, vol. 23 (Chicago: Encyclopædia Britannica, 1942), 96.

⁷⁷ The Polish State which, in the 1500s, had stretched from the Baltic to the Black sea, had been so encroached upon by its Prussian, Austrian and Russian neighbors that by 1795 it had disappeared from the European map. Brought back by Napoleon I, in 1806 as the Great Duchy of Warsaw, it was maintained as the vassal kingdom of Poland -- known as Congress Poland -- by tsar Alexander in 1815. By 1863, however, all appearances of independence had disappeared in Russian occupied Poland. In Prussian Poland (Poznan or Posen), the Poles maintained their culture and language and prospered in the face of Bismarck's *Kulturkampf*, a combination of economic policies aimed at expropriating Poles in favor of Germans. In Austrian Poland (Galicia), the Poles were long persecuted and exploited until the creation of the Dual

however, was access to the sea, and only the allied powers could achieve this.

Clemenceau was very much in favor of expanding Poland to the Baltic, but Lloyd George despised anything Polish and wished to keep the new state as small as possible. Wilson favored the Polish claim but he was also determined not to dismember Germany. The compromised result was the creation of the Polish corridor leading from Poland proper to the free city/harbor of Danzig. This absurd solution cut East Prussia from the rest of Germany and left Poland with a potential aggressor on two fronts. To allay Polish *and* French fears, the German army was drastically reduced and barred from possessing tanks, airplanes and other modern articles of war. The English were content with stripping the German navy of most of its capital ships and prohibiting the construction and use of submarines.

In 1870 Prussia-Germany had exacted heavy indemnities and occupation costs from France and it seemed only natural to demand the same from defeated Germany.

Monarchy (1866), which gave Galicia greater autonomy within the Empire. In November 1916, in the hope of raising a large Polish army to fight the Russians, General Erich Ludendorff held out the promise of the restoration of Congress Poland, and encouraged some administrative autonomy in a Polish Council of State. With the fall of Tsar Nicholas II (March 1917), Russia recognized Poland's right to self-determination. In May 1917 the Polish members of the Austrian *Reichsrat* demanded an independent Poland with an outlet to the sea. At the same time the Polish Council of State requested greater powers from the Germans. The Germans agreed provided the Poles raised an army and swore loyalty to Germany. This caused Jozef Pilsudski and his partisans to resign from the diet. In the meantime the Polish cause had received much support from the Americans and the French. The French ties with Poland went as far back as the very brief reign of Henri of Valois (1573-1574) -- the future Henri III of France -- as the elected king of the Polish republic. Ever since, notwithstanding strategic considerations, Polish causes always received a sympathetic audience in France. This allowed the formation of the Polish National Committee in France during the war. Emboldened by the weakening of the German army and strengthened with international support, on 3 November 1918 the Polish Republic was proclaimed and assumed executive power on 11 November 1918. Andrzej Brozek, *The History of Poland : a Guide for English-speaking Students* (Kraków: Nakł. Uniwersytetu Jagiellonskiego, 1985). Norman Davies, *Heart of Europe: A Short History of Poland* (Oxford University Press, 1986).

President Wilson was agreeable to reparations to restore the damage done to the allied powers, but he vehemently opposed indemnities to reimburse the war costs endured by the allies.⁷⁸ Setting the amount of the reparations then was not feasible, in part because Wilson wanted to verify the damage claims of the allies.⁷⁹ The failure to set an amount for the reparations would poison international relations for the years to come, as Germany denounced the blank check.

One article pertaining to the reparations had an impact out of proportion with its intended scope. Article 231 of the Treaty read:

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 a war imposed upon them by the aggression of Germany and her Allies.

This article, which would incidently also appear in the treaties with Austria and Hungary, would be denounced, with great ability, by Germany as the infamous war guilt clause. In his memoirs Jacques Benoist-Méchin related that German children learned, like a prayer, a speech by President Paul von Hindenburg given on 18 September 1927:

...We reject, and the German people unanimously with us, the accusation that Germany was responsible for initiating the greatest of all wars. Neither envy, nor hate, nor thirst of conquest armed us. The war was only the supreme means, at the cost of immense sacrifices, to face a world of enemies. It is with a pure heart that we defended our fatherland; it is with

⁷⁸ Marks, *The Illusion of Peace*, 12-13.

⁷⁹ *Ibid.*, 14.

pure hands that the German army handled the sword . . . Germany is ready, at all times, to prove it to impartial judges . . . ⁸⁰

All in all the treaty of Versailles was not as harsh as it could have been. Many Frenchmen had looked with favor upon the outbreak of the Bavarian revolution (7-9 November 1918) seeking independence from Germany; these same Frenchmen would have been delighted to see the German Empire, which had been proclaimed at Versailles on January 1871, be undone there as well. Clemenceau, however, accepted to curb the more exacting demands in exchange of the promise of an Anglo-American security agreement, which never became a reality.

The loftiest accomplishment of the treaty of Versailles was the Covenant of the League of Nations. President Wilson's brain child, the League was designed to offer a forum to the world nations in which they could solve international problems. The members of the league agreed to engage in diplomatic talks for three months before resorting to war. The Covenant also called for the creation of the Permanent Court of International Justice which went into effect in 1921 and came to siege in The Hague. However, as discussed below, the League of Nations was in for a difficult birth.

To be effective, the Treaty of Versailles relied on the cooperation of the chief victors: The United States, Great Britain and France. It also trusted in the cooperation of defeated Germany. Many Germans, however, apparently did not feel honor bound by

⁸⁰ Jacques Benoist-Méchin, *À l'épreuve du temps*, tome 1, 1905-1940, Eric Roussel, ed., (Paris: Julliard, 1989), 250.

what they called the *Diktat*. As to the Allies the cooperation that had prevailed during the war and during the peace talks was soon put to the test.⁸¹

B. The United States and the Versailles Treaty

In 1919-1920 American President Woodrow Wilson faced an isolationist movement at home. Henry Cabot Lodge of Massachusetts, Republican chairman of the Senate Foreign Relations Committee, led the opposition. The senator had the support of western colleagues such as William E. Borah of Idaho. Borah, with perhaps less talent but with equal effect, would perpetuate Lodge's isolationist sway on American world politics into the 1930s.⁸²

Hostility to the treaty in the United States focussed on the clause calling for the creation of the League of Nations. This section was particularly dear to the "apostle of peace," President Wilson, while it conjured images of entangling alliances among Lodge and his supporters. Unwilling to compromise, the president attempted to appeal directly

⁸¹ The cooperation prevailed during the treaty negotiations, except for Italy which wanted a larger share of the defunct Austro-Hungarian Empire.

Pierre Laval had never been very impressed with the Treaty of Versailles. As a junior socialist deputy he had voted against its ratification. Yet even as premier he would not be able to challenge it without guarantees from either the Germans or the former allies. The compact was too valuable to most of his compatriots and to friends and political allies such as cabinet member André Tardieu who had been Clemenceau's right hand man during the Paris peace conference. Aristide Briand had dedicated all his efforts in the post-war years to bringing about a Franco-German rapprochement. Mallet, *Pierre Laval, Des années obscures*, 23, 34. Bruce Kent, *The Spoils of War, The politics, Economics, and Diplomacy of Reparations, 1918-1932* (Oxford: Clarendon Press, 1989), 328.

⁸² Claudius Osborne Johnson, *Borah of Idaho* (New York: Longmans, Green and Co., 1936), 311-317. Robert James Maddox, *William E. Borah and American Foreign Policy* (Baton Rouge: Louisiana State University Press, 1969), 248-253.

to the people. Unfortunately, a heart attack followed by a long and agonizing recovery prevented the President from effectively challenging Senator Lodge, and the United States Senate never ratified the treaty.

C. Great Britain and France in relation to Germany

In the post-war years Great Britain, more than any other major power, showed a rare willingness to put the war behind her. In 1922 the British foreign office sent out the “Balfour Note.” Foreign Secretary Balfour stated in the note Great Britain’s willingness to forego all debt payment and reparations, but since the United States was not ready to do the same, Great Britain simply requested that the allies and Germany pay enough to cover the American loan. The British lent one and a half billion pounds (\approx \$7.3 billion) excluding interest and owed 4.3 billion dollars (\approx £878 million) to the United States. However generous, this plan did not appeal to the French for they wanted Germany’s reparations to cover all the foreign debt, which was not acceptable for the British or for that matter Germany.

The difficulties raised by the French in combination with the demands of an anemic economy led the British to talk about canceling the reparations all together. The British thought that by lifting the reparation burden, the German economy would revive and open up to British goods and services. An additional benefit was to reestablish the disrupted balance of power on the continent which the British believed to be too much in

France's favor. Canceling the reparations unilaterally, however, was economically not viable and as long as reparations were to be paid, the English would fight for their share.⁸³ The fact that the British even mentioned canceling the reparations, simply horrified the French haunted as they were by the Teutonic threat.

As to the continental balance of power, Britain wrongly assessed France's intentions; European adventures reminiscent of those of Napoléon I and Napoléon III were of the past. The Great War had cost France much of its youth and dynamism. Only Serbia and Rumania had suffered a greater percentage of dead and missing.⁸⁴ France aspired for peace and security; it could no longer think of conquest. Construction from 1927 to 1936 of the purely defensive Maginot Line best illustrated France's hunger for security, and her dread of Germany.⁸⁵

Had France supported Great Britain's suggestion to cancel reparations and even abrogate Versailles, it could be argued that Germany would not have generated Hitler for lack of a political platform from which to grab power. Nevertheless, abandoning Versailles was unthinkable to most Frenchmen; too many had died for it, and only strong military guarantees from the British or the Americans, preferably both, might have

⁸³ "Mr. Philip Snowden [...] fought for the higher allocation of British allocation than was proposed by the Young plan." Madan Gopal Gupta, *International Relations since 1919*, Part One 1919-1945 (Allahabad: Chaitanya Publishing House, 1963), 48.

⁸⁴ Michel Huber. *La population de la France pendant la guerre*, 4th ed., (Paris: Hachette, 1965), 449.

⁸⁵ For a detailed study of the political and military history of the Maginot Line: Judith M. Hughes. *To the Maginot Line: The Politics of French Military Preparation's in the 1920's* (Cambridge: Harvard University Press, 1971).

suaded the French. Without the support of their former allies, the French did not want to take the risk of trusting the Germans. France's survival, so thought many Frenchmen, could not allow a revitalized Germany.⁸⁶ This intransigence was, however, impossible for all Frenchmen to maintain, and efforts were eventually made to reconcile the two peoples.

The first of such efforts resulted in the Pact of Locarno in 1925. By this pact Germany, represented by Chancellor Hans Luther and German Foreign Secretary Gustav Stresemann, recognized Germany's present western borders with France and Belgium and promised not to resort to war to change them. Germany also accepted demilitarized status of the Rhineland. Great Britain, in the person of British Foreign Secretary Austen Chamberlain, and Italy, in the person of Benito Mussolini, pledged to declare war upon the violator of the pact whether he be French or German. A direct consequence of the Pact was the evacuation of the Ruhr -- which had been occupied by the French and the Belgians because of Germany's failure to pay the reparations -- and the admission of Germany to the League of Nations. At Locarno, for the first time since the war, the former enemies had met and dealt with each others as equals. Through the pact Briand was able to mend the diplomatic damage done to France's image abroad by the

⁸⁶ Geoffrey Warner pointed out the absurdity of the Franco German rapport de force. Versailles perpetuated a situation in which a militarily stronger France kept in check a demographically and economically superior Germany. Warner, *Pierre Laval and the Eclipse of France*, 26.

occupation of the Ruhr. For his efforts Chamberlain was awarded the 1925 Nobel Peace Prize. Stresemann and Briand received the prize jointly in 1926.

D. The implications of a link between war reparations and war debts in Franco-American relations

During the war France had lent fourteen billion francs (\approx \$2.7 billion) to her allies, more than seven billion of it to a Russian government which no longer existed. France had also been a borrower, £450,000 (\approx \$2.2 billion) from Great Britain, and roughly \$3.5 billion dollars from the Americans, two thirds during the conflict and a third afterwards to sustain the economy.⁸⁷ Though President Wilson had insisted that the German reparations were intended solely for the restoration of the lands and industries devastated by the war, it was France's intention -- as well as that of Great Britain, Belgium, and Italy -- to use the funds to reimburse the lenders.⁸⁸ Versailles had established the principles of reparations, the Conference of Spa (5-16 July 1920) allocated each nation's share of the reparations: France was to receive 52 percent, the British Empire 22 percent, Italy 10 percent, and Belgium 8 percent. The remainder was to be divided among the other allied

⁸⁷ Joseph Brandes, *Herbert Hoover and Economic Diplomacy, Department of Commerce Policy, 1921-1928*, foreword by Lewis Straus (Pittsburgh: University of Pittsburgh Press, 1962), 172. The French debt was of three billion dollars plus an additional debt of 407 million for stock purchases. Kupferman, *La politique économique de Pierre Laval en 1931*, colloque de Nanterre, 18-19 Mars 1977: *Politique économique extérieure de la France, 1934-1937*.

⁸⁸ Walter Lipmann and William O. Scroggs, *The United States in World Affairs, An Account of American Foreign Relations, 1931*. Pub. for Council on Foreign Relations (New York: Harper & Brothers, 1932), 162-163.

powers. The amount of the reparations and the mode of payment was yet to be determined.⁸⁹

The French, probably more so than the other nations, viewed intergovernmental loans as a tool of diplomacy. When it became apparent that the Americans were not eager to join in a security pact, the French thought to tie French and American interest. It thus became essential to link the debt owed America to the German reparations due France. The declared reason was that if Germany ceased payments, France wanted to be able to do the same vis-à-vis the United States, but the concealed intent of an American recognition of the link between reparation and debt was to bond France and America in a common purpose against Germany. It was an indirect way for the French to force the Americans to fulfill Wilson's promises at Versailles despite the United States Senate. Versailles, rightly or not, was seen by the French as the only warrant for peace and security. For the same reasons, ignoring the potential link between debt and reparations was essential for the isolationists in the American Senate.

More practically, as author Alfred Mallet suggested, the Americans were not averse to the cancellation of the German public debt, which amounted to the reparations to the allies. Cancellation would alleviate the German people's tax burden and insure the repayment of the private loans extended by the Americans.⁹⁰ Indeed from the armistice

⁸⁹ John W. Wheeler-Bennett, *The Wreck of Reparations Being the Political Background of the Lausanne Agreement 1932* (New York: Howard Fertig, 1972), 106.

⁹⁰ Mallet, *Pierre Laval des années obscures*, 45.

until 1929, and even beyond, American investors had made many, potentially bad loans to Germany.

Herbert Hoover, secretary of commerce from 1920 to 1928, had initially encouraged these loans in 1924 through the Dawes plan -- named for General Charles G. Dawes, engineer, attorney, financier, statesman and in this instance chairman of the Allied Reparation Committee.⁹¹ The Dawes plan set the annual payment for Germany to the allies at one billion gold Reichsmarks (\approx £50 million or \approx \$240 million) to be progressively raised to 2.5 billion Reichsmarks (\approx £1.25 billion or \approx \$6 billion) on the fifth year and the years after that. No mention of a final date was set. The national German railroads in chaos since the end of the war were reorganized under the Dawes plan and formed into the Deutsche Reichseisenbahngesellschaft with a capital of fourteen billion gold marks. The new railroad company was to pay an annuity of 660 million gold marks to the Reparation Commission. The Commission was also to receive the interest from the mortgage of five billion marks imposed on the German industry at the end of the War.⁹² The Dawes plan called for an 800 million Reichsmarks (\approx £40 million or \approx \$200 million) loan to back the newly created Reichsmark and help Germany meet its first annuity.⁹³

⁹¹ Charles G. Dawes, *A Journal of Reparations* (London: Macmillan and Co., 1939).

⁹² Henry Blumenthal, *Illusion and Reality in Franco American Diplomacy, 1914-1945* (Baton Rouge: Louisiana State University Press, 1986), 133.

⁹³ Keith Eubank, *World War II, Roots and Causes* (Lexington, Massachusetts: D.C. Heath and Company, 1992), 26-27. The Reichsmark replaced the Rentenmark (introduced in 1923) and the old mark at the rate of one trillion old marks for one Reichsmark. Kindleberger, *The World in Depression, 1929-1939*, 27.

Hoover and President Calvin Coolidge praised Dawes's effort and encouraged the financing of the German recovery.⁹⁴ American investors responded enthusiastically by taking up half the loan, British participation amounted to a quarter. Hoover had not expected such a response from American investors and now feared that his fellow citizens had overreached themselves. Hoover's concern rose when the use of the loans became apparent. Many German municipalities used American short-term credits to finance long-term public projects such as "soccer stadia, swimming pools complete with artificial wave-making apparatus, and blocks of workers' housing containing the unheard-of extravagance of private bathrooms in each family unit."⁹⁵

Private American yearly foreign lending increased from \$969 million in 1924 to \$1.25 billion in 1928. The total for those four years alone was \$5.7 billion.⁹⁶ As a point of reference the United States national income in 1924 was estimated at \$72.1 billion and \$81.7 billion in 1928.⁹⁷ A concerned Hoover attempted to curb the outflow of American money. Bankers and businessmen, however, did not welcome the commerce secretary's

⁹⁴ Brandes, *Herbert Hoover and Economic Diplomacy*, 183. Also Herbert Hoover, *The Memoirs of Herbert Hoover*, II, (New York: Macmillan Company, 1952), 182.

⁹⁵ Marks, *The Illusion of Peace*, 112. Kindleberger noted that "Germany restricted long-term borrowing abroad in the late 1920s, [...] but failed to limit short-term" Kindleberger, *The World in Depression, 1929-1939*, 130.

⁹⁶ *Ibid.*, 39-40.

⁹⁷ Yves-Henri Nouailhat, *Les Etats-Unis: l'avènement d'une puissance mondiale, 1898-1933*, (Paris: Editions Richelieu, 1973), 153. According to the *Encyclopædia Britannica* America's national income in 1924 was \$69,221 millions and in 1928 it was \$79,100 millions. "United States of America" *Encyclopædia Britannica, A New Survey of Universal Knowledge*, vol. 22 (Chicago: Encyclopædia Britannica, 1942), 746.

initiative.⁹⁸ They found an ally in Secretary of the Treasury Andrew Mellon, the steel magnate from Pittsburgh, who argued that Americans wanted to invest in Germany and nothing was to get in the way of free enterprise. All Hoover could do without upsetting the business world was to disengage his government of responsibility in this matter.

Germany's economic ties were not limited to loans. The United States was Germany's most important trading partner, with Great Britain a close second. The likelihood of an American intervention, whether political or military, against Germany became unthinkable.⁹⁹ This only added to the French frustration and resentment at the American failure to ratify Versailles.

The thought of abolishing the German reparations altogether received support among many Americans, however, the cancellation of the allied war debts did not. The French and British argument, that the blood of their soldiers was worth as much if not more than all the American gold borrowed during the war, was not widely accepted in the United States. Calvin Coolidge, in office from 1923 to 1929, was of the same view. The president reflected the opinion of the great part of the American public by flatly remarking: "They hired the money, didn't they?"¹⁰⁰ In 1926, in an agreement between

⁹⁸ William Appleman Williams, *The Tragedy of American Diplomacy* (New York: Norton, 1972), 132.

⁹⁹ In 1927, 14.4 percent of Germany's total imports came from the United States, 6.5 percent from Great Britain and 4.1 percent from France. In that same year 10.9 percent of Germany's total export went to Great Britain, 7.2 percent went to the United States and 4.4 percent to France. "Germany," *Encyclopædia Britannica*, 1942, vol. 10, 251.

¹⁰⁰ Donald R. McCoy, *Calvin Coolidge, The Quiet President* (New York: Macmillan Company, 1967), 190.

Andrew Mellon and Henry Béranger of the Paul Painlevé government, France agreed to pay its debt in sixty-one annuities totaling, with interest, 6.8 billion dollars.¹⁰¹ Britain had come to a similar agreement with the United States in 1922 and paid her first annuity in 1923.¹⁰²

If the Americans refused to cancel the debt, they felt they did prove their good will by asking very low interest rates.¹⁰³ To the touchy Europeans any interest was outrageous. In reference to the perceived American greed, British and French renamed Uncle Sam, "Uncle Shylock."¹⁰⁴

E. The German economy and the reparations.

Germany had made its first reparation payment of one billion gold marks on 1 September 1921.¹⁰⁵ With the economic crisis developing it became apparent that Germany would not be able to come up with her second payment in 1922 and had already begun defaulting on her deliveries in kind (lumber, coal, etc.). On 11 January 1923, to

¹⁰¹ Georges Bonnet claimed that Béranger had obtained from the United States an agreement to cancel the debt contracted by the French government from the United States treasury *during* the war! France was only limited to the post-war debts. Georges Bonnet, *Le Quai d'Orsay sous trois républiques* (Paris: Fayard, 1961), 102. I have found no evidence substantiating this.

¹⁰² In 1929 President Hoover even offered to cancel the British debt in exchange for Bermuda, Trinidad and British Honduras. Great Britain refused. Mc Coy, *Calvin Coolidge*, 191.

¹⁰³ "On February 9, 1922 the United States Congress set up the World War Foreign Debt to collect debts by 1947 with at least 4.5 percent interest." Madan Gopal Gupta, *International Relations*, 44.

¹⁰⁴ Shylock: Rapacious character in Shakespeare's *Merchant of Venice*.

¹⁰⁵ 1 gold mark = 6.146 grains of gold, 1 gold dollar = 25.08 grains (before 1934 devaluation).

force the transfers of raw materials, France, Belgium, and Italy sent technicians -- protected by French and Belgian troops -- into the Ruhr to collect the urgently needed coal.¹⁰⁶ In retaliation the German workers, financially supported by their government, went on strike, the German heavy industry stopped production.

The events in the Ruhr sent the already high inflation out of control; by September, Gustav Stresemann, who had become chancellor in August 1923, had to call off the strike. Germany had brought on the disaster upon itself by first financing the War, the reparations and the Ruhr strike through inflation, but because of the occupation, Germany was seen as the victim of French vindictiveness.¹⁰⁷

Moved by the struggle of the German underdog, the United States government encouraged a plan to aid Germany and to resolve the dual problem of debt and reparation. On 14 January 1924, the Dawes Committee began its meetings in Paris. It was to propose to stabilize the currency and balance the budget. On 9 April 1924 the plan was made public, it made possible the financing of the German recovery with the creation of the Reichsmark distributed by a centralized Reichsbank.¹⁰⁸ The Dawes plan also set a

¹⁰⁶ The direct consequence of the occupation of the Ruhr was the unification of all Germans. Jacquemin, *La vie publique*, 77.

¹⁰⁷ The notion that Germany had brought on the crisis upon herself was denied by prominent Germans such as Dr. Hjalmar Horace Greeley Schacht, of the Reichsbank. He argued that no German government would willfully deprive its people of their savings and "that no country which participated in the War escaped inflation." Hjalmar Schacht, *The End of Reparations, The Economic Consequences of World War*, trans. Lewis Gannett. Introduction by George Glasgow, ed., (New York: Jonathan Cape & Harrison Smith, 1931), 32-33.

¹⁰⁸ Madan Gopal Gupta, *International Relations*, 45.

schedule of payment for the reparations but did not deal with the total of reparations nor set a date for the last payment.

In 1929 a new plan had become necessary because the German economy was growing exponentially on a very weak foundation. The easy credit and inflation had not encouraged savings and Germany still had to contend with the reparations. As with Dawes, an unofficial American delegation was invited by the reparation commission. It comprised Owen D. Young, J. P. Morgan, and other "heavy" financiers and experts. The American delegation was to join, in Paris, the delegations from France, England, Belgium, Italy, Japan, *and* Germany to form a committee to settle the reparations problem. Dr. Schacht of the Reichsbank represented Germany.

The Young committee had to come up with a new amount that would satisfy the former allies and Germany.¹⁰⁹ After four months of tense negotiations the committee came to a compromise solution acceptable to all parties on 7 June 1929. Germany was to meet her obligations in fifty-nine annual installments, divided between the "unconditional portion corresponding to the reparations [. . .] and the conditional portion strictly equivalent to the obligations of the German creditors to the United States."¹¹⁰ Conditional meant that if the United States lowered or cancelled the funds owed them, the allies would lower or cancel the conditional portion of the reparations due by Germany.

¹⁰⁹ Ida Minerva Tarbell, *Owen D. Young, A New Type of Industrial Leader* (New York: Macmillan Company, 1932), 190.

¹¹⁰ "Note sur le problème des dettes." *Papiers Laval*. Mars 1933, 5, Archives Diplomatiques.

The installments would begin at 1.65 billion gold marks, to rise to 2.3 billion.¹¹¹ For the first time, a final date for the final payment was set: 1988.¹¹² The Reparation Commission was replaced by the Bank of International Settlements (BIS) based in Basle, Switzerland. The creation of the BIS was significant because it meant the removal of foreign control over Germany's economy. The other purpose of the BIS was to ease central bank cooperation. The isolationists in the United States Congress, however, refused the participation of the Federal Reserve Bank.¹¹³ Also significant was that Germany could request a two-year moratorium on the conditional annuity. Again, Germany was also to benefit from any reduction of the debt to America. The Young plan recognized the link between debt and reparations, meaning that if Germany defaulted on the reparation, the allies could default on their debts.¹¹⁴ The plan had also received the unofficial blessing of outgoing President Calvin Coolidge.¹¹⁵ On 31 May 1929, the French National Assembly ratified the Young plan despite right wing opposition. In Germany, Hitler and Alfred Hugenberg, head of the *Deutschnationale Volkspartei* (DNVP) failed to prevent the ratification of the Young Plan with a plebiscite held on 22

¹¹¹ Kindleberger, *The World in Depression, 1929-1939*, 67.

¹¹² Eubank, *World War II, Roots and Causes*, 27.

¹¹³ Barry Eichengreen, *Golden Fetters, The Gold Standard and the Great Depression* (New York: Oxford University Press, 1992), 259, 264.

¹¹⁴ "Note sur le problème des dettes." *Papiers Laval*. Mars 1933, 6, Archives Diplomatiques.

¹¹⁵ *Ibid.*, 6. Kupferman, *Laval*, 1987, 86.

December 1929.¹¹⁶ Politically it was significant that the plan was accepted voluntarily by Germany, however, reluctantly, rather than imposed. The question of the debt was thus settled -- or so it seemed.

A few months later, Wall Street crashed, an event which would eventually wreak world-wide havoc: bankruptcies, falling prices and unemployment. Particularly hard hit were three of the United States's chief clients: Great Britain, Germany, and Austria. France alone seemed unaffected. The typical response of all governments to the crisis was a policy of deflation which resulted in the tightening of the budgets. The other option would have been an inflationary process, but the example of Germany in 1923 was too frightening. Herbert Hoover and Ramsay MacDonald wanted to cut their military budgets, and thus called for a disarmament conference.

Disarmament found few partisans in France -- the rattling of sabers across the Rhine by Theodor Dürsterberg and Franz Seldte's *Stahlhelm* (Steel Helmet), and Hitler's NSDAP (Nazis) made for a powerful deterrent.¹¹⁷ The French were further appalled by renewed pressure from the United States and Great Britain to cancel the German war debt all together. The French would not yield on either account and appeared to many British and Americans as stingy warmongers and bullies.

¹¹⁶ Joachim C. Fest, *Hitler*, translated from the German by Richard and Clara Winston (New York: Random House, 1975), 262-266.

¹¹⁷ *Ibid.*, 87. Also in existence were the monarchist "Black Reichswehr" or "Free Corps" as well as the republican "Reichsbanner."

F. The Franco-American relations.

Many Americans viewed the French unfavorably by 1931. Difficulties raised over Versailles, reparations, war debt, the military occupation of the Ruhr in 1923 harmed Franco-American relations. In addition, barriers raised by the United States, whether political or economic, hindered closer ties.

French diplomacy had since the mid-twenties relaxed its ties with America and had let Great Britain become the go-between. The coming together of Secretary of State Frank B. Kellogg and French Foreign Minister Aristide Briand was a brilliant exception. Together, in 1928, they conceived of the Kellogg-Briand Pact to outlaw war.

French diplomacy was focussed essentially on the League of Nations and thus had only limited contacts with the United States through the American delegates present in Geneva in semi-official capacities. Because of their diminutive status, these men held little recognition in Washington. They were nonetheless key in diplomatic efforts such as the Young plan.

Aristide Briand directed the French foreign diplomacy. He had held the French Foreign Ministry during the World War and by 1931 he was, despite many changes in governments, a quasi-permanent feature of the Quai d'Orsay.¹¹⁸ When Pierre Laval

¹¹⁸ Briand was foreign minister October 1915 - March 1917; January 1921 - January 1922; April 1925 - January 1932. The last term was only fleetingly interrupted by Edouard Herriot in July 1926. Graham Ross, *The Great Powers and the Decline of the European States System, 1914-1945* (New York: Longman, 1983), 148-149. Also Paul Gordon Lauren, *Diplomats and Bureaucrats, The First Institutional Responses to Twentieth-Century Diplomacy in France and Germany* (Stanford: Hoover Institution Press, 1976), 235.

formed his government in 1931, Briand was naturally confirmed in his post as foreign minister. The old diplomat's greatest accomplishment had been to lay the foundation of normal relations between France and Germany down, at Locarno in 1925. It was ironic that what Briand was probably best known for, the outlawing of war, did not occur by design. It stemmed, not from some high minded aim, but, from France's craving for security and Briand's attempt at drawing the United States out of isolationism. Briand thought to lay the basis of a Franco-American alliance by stating in a pact that France and the United States would never wage war against each other. Kellogg was reluctant to engage the United States in any bilateral treaties but was pressured by pacifists at home to pursue the idea. Eventually Briand's idea broadened into a general condemnation of war as instrument of national policy which was eventually signed by almost every country in the world. Though devoid of any means of enforcement, the treaty did have the merit to clearly state the objectional nature of war. Briand had not obtained what he had sought but gained immense popularity in France and abroad. It also earned Kellogg the 1929 Nobel Peace Prize.

Briand's quest for national security led him also to consider a loose European Federation. The logic here was of course that nations who governed together were less

likely to wage war on each other. Briand surveyed the European heads of state but the proposal for a European Federation did not generate much enthusiasm.¹¹⁹

G. Franco-German relations

Much French good will vis-à-vis Germany was lost overnight when Stresemann's personal papers were made public in France in April 1931. The former foreign minister and chancellor, who had passed away on 3 October 1929, had allegedly written that he had duped Briand at Thoiry to obtain greater concessions from France.¹²⁰ This latest

¹¹⁹ Graf Richard von Coudenhove-Kalergi (1894-1972) developed the concept of a pan-Europe. He argued that the 25 (Continental) European States needed to form the United States of Europe to counter balance the Soviet Union, the British Empire and the United States. This idea developed in the Austrian and German Press since 1922 found a French audience in 1924 after the victory of the Cartel des Gauches. Briand was interested in the idea. On 1 May 1930, Briand under the auspices of the League of Nations sent out a memorandum to all 27 European governments essentially requesting them to state their position on the idea of a loose European Federation. Only Yugoslavia and Bulgaria fully endorsed the concept. Greece, Norway and Czechoslovakia had but minor reservations; the other nations politely rejected the idea. Jean Baptiste Duroselle, *L'Europe l'Histoire de ses Peuples* (Paris: Perrin, 1990), 358-360.

¹²⁰ Mallet, *Pierre Laval, Des années obscures*, 43. Thoiry, a small French village near Geneva, was the scene in mid-September 1926 of the first of several secret negotiations between Stresemann and Briand. France was experiencing grave financial strains and the two diplomats discussed the retrocession of Eupen, Malmédy and the Saar, as well as the evacuation of the Rhineland in exchange of the commercialization of the German reparation bonds under the Dawes Plan. The bonds, payable over thirty-seven years represented mortgages on the German state railways and German industry. Their commercialization would make funds available immediately. Sally Marks, *The Illusion of Peace, International Relations in Europe 1918-1933*, 80, 82-84. Blumenthal, *Illusion and Reality in Franco American Diplomacy*, 136.

development only compounded the awful impression made by Hitler's success in the elections of 14 September 1930. The Nazi Party went from 12 to 107 seats in the Reichstag and had become the second largest party after the Social Democrats. Many Frenchmen felt that they had been tricked in evacuating the Rhineland, especially since they were barred, by the 1925 Locarno agreement, from reoccupying it.¹²¹

On 3 March 1931 the approval of the foreign ministry's budget by 551 votes against 14 at the National Assembly marked enthusiastic support of Briand's policy.¹²² Now a few weeks later, Briand, aging but still sharp, had to defend the same policies in the National Assembly against his enemies -- chiefly, Deputy Henri Franklin-Bouillon -- who always opposed his politics. He had barely fended off one barrage of attacks, when news of the 19 March 1931 Protocol of Vienna outlining an Austro-German *Zollunion* (custom union) project reached Paris.¹²³ This brought the Chamber of Deputies to a boil. Franklin-Bouillon denounced Briand's lack of foresight. Briand successfully countered the attack with his usual bite and wit, but he was just as upset by the Austro-German

¹²¹ Bonnet, *Le Quai d'Orsay*, 106-107.

¹²² Bonnefous, *Histoire Politique*, tome cinquième, 78.

¹²³ For the text of the Protocol of Vienna see *Documentation on International Affairs, 1931*, ed. John W. Wheeler-Bennett, (London: Oxford University Press, 1932), 3-6. Hereafter referred to as *DIA*. A very complete analysis of the whole affair of the *Zollunion* can be found in Walter Lippmann and William O. Scroggs, *The United States in World Affairs, An Account of American Foreign Relations, 1931* (New York: Harper & Brothers, 1932), 107-123.

proposal as the rest of the assembly.¹²⁴ Laval closed the debate in a speech endorsing the policy of his foreign minister and condemning the *Zollunion*.¹²⁵

A few weeks later, on 13 May, Briand lost the presidential elections which could have been the crowning achievement of his illustrious career. Though he had declared his candidacy at the last moment, it was thought that Briand would win easily over Paul Doumer and the other candidates. The first ballot put Doumer in the lead with 442 votes for 401 for Briand, along with 15 votes for Jean Hennessy and 10 for Cachin.¹²⁶ Disheartened, Briand chose not to compete in the second round and withdrew his candidacy.¹²⁷ Authors René Escaich, Edouard Bonnefous, to name but a few, repeated the rumors heard in Briand's entourage; namely that it was Premier Laval's fault for supporting Paul Doumer.¹²⁸ Or even worse, that it was a deliberate maneuver by Laval to

¹²⁴ Bernard Oudin, *Aristide Briand, La paix: une idée neuve en Europe* (Paris: Laffont, 1987), 540.

¹²⁵ "Lord Tyrrell to Mr. A. Henderson." Paris 10 May 1931, *British Documents on Foreign Affairs, Reports and Papers from the Foreign Office Confidential Print*, vol. 20, France July 1930-December 1933, ed. Anthony Adamthwaite (University Publications of America, 1993), Doc. 27, p. 73. Bonnefous, *Histoire Politique*, tome cinquième, 81-83.

¹²⁶ Frederick L. Schuman, *War and Diplomacy in the French Republic, An Inquiry into Political Motivations and the Control of Foreign Policy* (Chicago: University of Chicago Press, 1931), 387. "Hennessy, Jean" "Biographies of Leading Personages in France" *British Documents on Foreign Affairs: Report and Papers from the Foreign Office Confidential Print, part II From the First to the Second World War, Series F. Europe, 1919-1939*, vol. 20, France, July 1930-December 1933. Gen. ed. Kenneth Bourne and D. Cameron Watt, ed. Anthony Adamthwaite. University Publications of America, 1993. Doc. 59, p. 177. "Lord Tyrrell to Mr. A. Henderson," *ibid.*, Doc. 29, p. 75.

¹²⁷ "Briand withdrew his candidacy after the first ballot." *Press Releases*, 3 January - 27 June 1931, 398.

¹²⁸ René Escaich, *Les monstres sacrés de la IIIe République* (Paris: Jean Dullis Editeur, 1974), 354. Bonnefous, *Histoire Politique*, tome cinquième, 86-87. The finger was also pointed at André Tardieu. Even though they were in the same government Tardieu disagreed on the position France should take towards Germany. A product of the diplomatic services he had his own opinions on diplomacy which only rarely

compromise Briand's prestige in the world.¹²⁹ These assumptions, however, makes little sense since Laval was a supporter of Briand and his policy. If indeed Laval wanted Briand out of the Quai d'Orsay, as some contended, what better way than having Briand win the presidency! In part the rumor mill got its grist because many thought, wrongly, of Laval as a creature of Tardieu, and he is said not to have supported Briand in this instance. Though they were in the same cabinet, Tardieu and Briand did not always see eye to eye on foreign policy. Blaming Laval or Tardieu was to ignore that the recent troubles from Germany influenced the vote and was to dismiss the valid candidacy of Paul Doumer. It should be noted that none of the accusers presented the testimony of a deputy or a senator to substantiate their accusations.

Furthermore, Briand himself had supported the candidacy of Doumer, before Briand's entourage (namely Alexis Léger and Gilbert Peycelon according to British

coincided with those of Briand. Binion, *Defeated Leaders*, 310.

Briand's entourage: The Quai d'Orsay appeared to be the center of an unusual amount of intrigue. At the heart was Philippe Berthelot who had entered the diplomatic corps in 1889 and eventually became Secretary-General in 1920. Despite being involved in no less than two financial scandals, Berthelot managed to always come back to the Foreign Office. His resilience was attributed in part to his Freemason connections. Berthelot surrounded himself with a "remarkable band of subordinates" devoted to him. At the time of the Laval government his influence on Briand was challenged by Briand's "Chef de Cabinet" Alexis Léger, and Briand's private secretary, Gilbert Peycelon. Berthelot, a friend of Léon Blum, was distrusted by Poincaré and Tardieu. Outside the Quai, women played an important role of influence through political salons such as the one of Mme de Vilmorin. "Berthelot, Philippe," "Biographies of Leading Personages in France." *B DFA*, Doc. 59, pp. 167-168. "Léger, Alexis," *ibid.*, pp. 179-180. "Blum, Léon," *ibid.*, p. 168.

¹²⁹ In analyzing the event through the prism of World War II, Edge wrote: "In view of Laval's later treachery I am inclined to accept the latter view [Laval's maneuvering to defeat Briand]." Walter Evans Edge, *A Jerseyman's Journal, Fifty years of American Business and Politics* (Princeton: Princeton University Press, 1948), 190.

Ambassador William George Tyrrell) convinced him he should run himself.¹³⁰ Yet he did not clearly declare himself a candidate until the eve of the election.¹³¹ Also why did Briand withdraw after the first ballot? He could have regained the support of Edouard Daladier's left-wing Radical Socialists whose votes had failed him the first time.¹³² Briand got involved in a race he had not wished to enter, yet the defeat crushed his spirit. Bitterly disappointed, perhaps believing that he had been betrayed, Briand offered his resignation, which Laval could not accept.¹³³ Indeed, Laval succeeded in convincing Briand to stay.¹³⁴ As Ambassador Tyrrell pointed out, the capital of sympathy generated for Briand because of his defeat ensured the continuance of Briand's policy.¹³⁵

¹³⁰ "Berthelot, Philippe," "Biographies of Leading Personages in France." *B DFA*, Doc. 59, pp. 167-168. "Léger, Alexis," *ibid.*, pp. 179-80. On Briand's entourage, see footnote 128.

¹³¹ Bernard Oudin, *Aristide Briand*, 542-44. "Lord Tyrrell to Mr. A. Henderson." *B DFA*, *France*, Doc. 29, p. 75.

¹³² "...many Senators who doubtless voted for Doumer on the first ballot to show honor to the president of the upper chamber might have shifted to Briand..." Schuman, *War and Diplomacy in the French Republic*, 387.

¹³³ Kupferman, *Laval*, 1987, 89. Mallet, *Pierre Laval, Des années obscures*, 32-33.

¹³⁴ *Ibid.*

¹³⁵ "Lord Tyrrell to Sir R. Vansittart." Paris, 14 May 1931, *B DFA*, Doc. 28, pp. 74-75.

H. Laval and Briand

No doubt, Briand was physically diminished. Slowly poisoned by the effects of uremia, he fell asleep at inopportune moments and lacked the drive he once had. Yet he could still surprise his interlocutors with his knowledge and sharp analysis.¹³⁶ During the year 1931, Laval took an increasing interest in France's foreign diplomacy, which greatly upset the staff of the Quai d'Orsay. Possibly the entourage could not admit to the fact that the poet of peace no longer was the man he had been, and certainly did not appreciate that Laval should tramp on the diplomatic turf. Despite allegations to the contrary, no evidence supported that Laval aimed at eliminating Briand. In fact, Laval generally followed the foreign policy established by Briand; Laval's methods; however, were different.¹³⁷

Briand and Laval's friendship dated from the days of the "Stockholm, étoile polaire" speech. Briand had then showed kindness, when few others dared, to the young deputy who had dangerously exposed himself.¹³⁸ At the exciting times of Locarno, Briand, then premier and foreign minister, brought Laval from the ministry of public works to the trusted position of under-secretary to the premier. Briand also gave Laval

¹³⁶ Heinrich Brüning, *Memoiren, 1918-1934* (Stuttgart: Deutsche Verlags-Anstalt, 1970), 340.

¹³⁷ Mallet, *Pierre Laval, Des années obscures*, 44. Jacquemin, *La vie publique*, 81.

¹³⁸ Mallet, *Pierre Laval, Des années obscures*, 31-32.

H. Laval and Briand

No doubt, Briand was physically diminished. Slowly poisoned by the effects of uremia, he fell asleep at inopportune moments and lacked the drive he once had. Yet he could still surprise his interlocutors with his knowledge and sharp analysis.¹³⁶ During the year 1931, Laval took an increasing interest in France's foreign diplomacy, which greatly upset the staff of the Quai d'Orsay. Possibly the entourage could not admit to the fact that the poet of peace no longer was the man he had been, and certainly did not appreciate that Laval should tramp on the diplomatic turf. Despite allegations to the contrary, no evidence supported that Laval aimed at eliminating Briand. In fact, Laval generally followed the foreign policy established by Briand; Laval's methods; however, were different.¹³⁷

Briand and Laval's friendship dated from the days of the "Stockholm, étoile polaire" speech. Briand had then showed kindness, when few others dared, to the young deputy who had dangerously exposed himself.¹³⁸ At the exciting times of Locarno, Briand, then premier and foreign minister, brought Laval from the ministry of public works to the trusted position of under-secretary to the premier. Briand also gave Laval

¹³⁶ Heinrich Brüning, *Memoiren, 1918-1934* (Stuttgart: Deutsche Verlags-Anstalt, 1970), 340.

¹³⁷ Mallet, *Pierre Laval, Des années obscures*, 44. Jacquemin, *La vie publique*, 81.

¹³⁸ Mallet, *Pierre Laval, Des années obscures*, 31-32.

the prestigious post of minister of justice, an essential stepping stone on the path to premiership.¹³⁹

The two men resembled each other. They had similar backgrounds: Briand's father owned a drinking establishment, Laval's an inn. They were emotionally attached to the land and delighted in their farms. They were *hommes de gauche* (men of the left) though they had abandoned the Socialist Party to become independents. They abhorred war. Their likeness extended to their personal habits, they were avid smokers of heavy tobaccos and tended, by 1930s standard, to be slovenly.¹⁴⁰

Their difference revealed itself in their respective diplomatic methods. While Briand was a great believer in the League of Nations and used his orator's talents in its arena, Laval never shared Briand's faith in the League and preferred personal contacts with the other heads of state.¹⁴¹ Laval also frequently used the telephone to contact his interlocutors directly and get their immediate reaction.¹⁴² It was this personal approach

¹³⁹ Cole, *Laval*, 89.

¹⁴⁰ Bernard Oudin, *Aristide Briand*, 537-538. Laval would smoke two to three packs of Baltos daily, harsh tobacco which would yellow his fingers and blacken his teeth. Cointet, *Pierre Laval*, 93. Kupferman reported that he would smoke anything Gitanes, Bastos, Gauloises as well as American cigarettes one after another transforming everything in a smoke den. Kupferman, *Laval*, 1987, 74.

Madame Boussard noted Premier Laval's sloppy eating in a chance encounter in a dining car. Conversation with Madame Jacqueline Boussard, June 1991.

¹⁴¹ "voir ce qu'ils ont dans le ventre" (lit. to see what they have in the gut). Jacquemin, *La vie publique*, 81. "Laval [...] a le mépris de la SDN." (Laval [...] has contempt for the league) Kupferman, *Laval*, 1987, 77.

¹⁴² Mallet, *Pierre Laval, Des années obscures*, 48.

that allowed him to meet with many significant leaders of his time: Ramsay MacDonald, Benito Mussolini, Josef Stalin, Adolf Hitler, and Herbert Clark Hoover.

America's isolationism, the war debt problems, France's difficult relations not only with its former enemy but also its British and American allies, the economic chaos in Germany and the effects of the Wall Street debacle on global economies had the diplomatic field on edge. Briand's diplomacy which had generated so much hope for the reconciliation of France and Germany was under attack at home. The announcement of President Hoover's moratorium, against a backdrop of international and national tension, gave Laval his first diplomatic challenge.

CHAPTER
III
THE HOOVER MORATORIUM

The Hoover Moratorium of 1931, the proposal of the American president to freeze all intergovernmental debt for a one-year period, according to author and political advisor McGeorge Bundy, was "the most significant action taken by an American president for Europe since Woodrow Wilson's administration."¹⁴³ The reality was that the United States had enormous stakes in Germany: long-term German borrowers owed the United States private sector more than \$1.25 billion; the short-term debt neared \$1 billion. By comparison, the entire United States national income in 1931 was just \$54 billion. To put it into perspective, authors Walter Lippmann and William O. Scroggs stated in *The United States in World Affairs, An Account of American Foreign Relations*, that "the American stake in Germany's government and private obligations was equal to half that of all the rest of the world combined."¹⁴⁴

The proposed moratorium would also benefit Great Britain's investment in Germany's private sector making more likely the repayment of those loans while the

¹⁴³ Herbert Hoover, "Proposal of the American Government, June 20" in *Press Releases*, 3 January - 27 June 1931, weekly issues nos. 66-91A (Washington: Government Printing Office, 1931), 481-484. *Papers relating to the Foreign Relations of the United States 1931*, vol. I (Washington: Government Printing Office, 1946), xxiii, xxv. Henry L. Stimson and McGeorge Bundy, *On Active Service in Peace and War* (New York: Harper & Brothers, 1947), 205-206.

¹⁴⁴ Lippmann, *The United States*, 152.

public indebtedness was frozen. It certainly was in Hoover's interest to offer aid to an ailing British economy in light of Great Britain's indebtedness to the United States. France, on the other hand, had a relatively small stake in Germany's private debt but a huge interest in German reparations; and payment to France would be compromised under Hoover's moratorium.¹⁴⁵

A. The *Zollunion*

The impetus for Hoover's proposal for the moratorium emerged from a new financial crisis in central Europe. The customs union (*Zollunion*) between Germany and Austria was at the root of the problem.

On 19 March 1931, Austrian Vice-Chancellor and Foreign Minister Johannes Schober and German Foreign Secretary Julius Curtius publicly expressed a desire to create a customs union, an economic agreement specifically forbidden under the 1919 Treaty of St. Germain-en-Laye as was "any act which might [. . .] compromise [Austria's] independence."¹⁴⁶ This prohibition was further underscored in the Geneva Protocol of October 1922, in which, in exchange for aid, Austria agreed to "not violate

¹⁴⁵ Ibid., 147-153.

¹⁴⁶ Treaty of St. Germain-en-Laye (1919), article 88: "The Independence of Austria is inalienable otherwise than with the consent of the Council of the League of Nations. Consequently, Austria undertakes in the absence of the consent of the said Council to abstain from any act which might directly or indirectly or by any means whatever compromise her independence, particularly, and until her admission to membership of the League of Nations, by participation in the affairs of another power." Article 80 in the Versailles treaty held similar conditions for Germany. *DIA*, 1.

her economic independence by granting to any State a special régime or exclusive advantages calculated to threaten this independence."¹⁴⁷ The Austrian and German financial markets reacted favorably to the announcement, but of course the proposed formation fell under immediate scrutiny.

Public opinion in France, fearing any resurgence of the Teutonic threat, was loudly reflected in the French press. The Council of the League of Nations started debating the legitimacy of the customs union. To avoid further turmoil Schober and Curtius withdrew the *Zollunion* project which announcement caused the German and Austrian markets to falter.¹⁴⁸ Eventually the International Court at The Hague would strike the proposal down and confirm its demise.

Schober and Curtius, attempting to justify their actions, claimed they revealed their project in response to rampant rumors that arose when the two met in Vienna. They continued they wanted to avoid surprising the world with a *fait accompli* and that they saw the *Zollunion* as a precursor to a greater European free trade union. They added that

¹⁴⁷ Ibid.

¹⁴⁸ Ibid., 2. The *Zollunion* project was planned by Curtius in order to prevent Schober's Austria from falling in the Italian sphere of influence. This enterprise might not have been sanctioned by Chancellor Brüning and went against Hoesch's (German Ambassador in Paris) councils of prudence. William G. Ratliff, *Faithful to the Fatherland, Julius Curtius and Weimar Foreign Policy* (New York: Peter Lang, 1990), 126-8, 139. Further reading on background to the *Zollunion*: Klemens von Klemperer, *Ignaz Seipel Christian Statesman in a Time of Crisis* (Princeton, New Jersey: Princeton University Press, 1972). On Schober read Petra Holzer, *Johannes Schober: eine "persona non grata"* (Master's Thesis, Wiener Universität, Diplomatische Arbeit, 1990).

they were well aware of their treaty obligations and intended to submit their proposal to the League of Nations.¹⁴⁹ No one believed them.

Looking back, it appeared the *Zollunion* project could have existed since February 1930, and possibly as far back as 1927.¹⁵⁰ According to German Foreign Ministry *Staatssekretär* Bernhard von Bülow, its release was timed to coincide with the review of Briand's European union proposal "to give it a pan-European cloak."¹⁵¹

Curtius retained his ministry but as a diplomat he was finished, from then on the foreign policy of Germany would be conducted by Chancellor Brüning.¹⁵² The entire diplomatic debacle only led to distrust and bruised pride. It was yet another event that perpetuated the widespread belief that "German diplomacy" was an oxymoron in any language.

¹⁴⁹ "Note by Sir R. Vansittart," 21 March 1931" and enclosure "Documents communicated by the Austrian Minister," *DBFP*, vol. II, 1931, 2-4.

¹⁵⁰ Edward W. Bennett, *Germany and the Diplomacy of the Financial Crisis, 1931* (Cambridge: Harvard University Press, 1962), 41-48.

¹⁵¹ Foreign Ministry *Staatssekretär* Bernhard von Bülow in Edward W. Bennett, *Germany and the Diplomacy of the Financial Crisis, 1931* (Cambridge: Harvard University Press, 1962), 48.

¹⁵² Curtius would eventually resign in September 1931 after the French official visit. Marks, *The Illusion of Peace*, 115-116.

B. The Credit Anstalt's Crack

Author William Starr Myers wrote that the French recalled the short-term securities held in Austria and Germany to force the withdrawal of the customs project.¹⁵³ The assumption that French financial sanctions rippled through the already fragile Austrian economy and caused the ruin, in May 1931, of the Credit Anstalt, the largest bank of Austria, was tempting but wholly unsubstantiated.¹⁵⁴ If the French did take part in the monetary disaster, it was by refusing to open new credits without political concessions *after* the Credit Anstalt's crack.¹⁵⁵ The French conditional assistance denounced as blackmail did of course not help Franco-German relations.¹⁵⁶

Central Europe was panic-stricken. Banks runs were especially acute in Austria and in Germany; foreign investors followed suit. Hoover thought Germany and Austria were heading for disaster. The President feared that a new financial collapse of Germany would have grave consequences for American investors and the American economy. The

¹⁵³ William Starr Myers, *The Foreign Policies of Herbert Hoover, 1929-1933* (New York: Charles Scribner's Sons, 1940), 175.

¹⁵⁴ The Credit Anstalt founded by the Rothschilds in 1855 survived the collapse of the Dual Monarchy and the end of World War I. In 1929 the Credit Anstalt was forced by the government to merge with the bankrupt Boden Credit Anstalt. With the Anglo Austrian Bank it had acquired in 1926 the Credit Anstalt controlled no less than three fourths of all Austrian banking operations. In Austria the Credit Anstalt propped up the ailing industry, world-wide it was intimately bonded with all the major banks especially those of Central Europe. Lippmann, *The United States*, 126-128.

¹⁵⁵ Bruce Kent, *The Spoils of War*, 338. John W. Wheeler-Bennett who wrote an indictment of the French financial policy of the 1930s did not even allude to France with regards to the failure of the Credit Anstalt. Wheeler-Bennett, *The Wreck of Reparations*, 36; 110-113.

¹⁵⁶ Lippmann, *The United States*, 130. Wheeler-Bennett, *The Wreck of Reparations*, 110-113.

American national income was dropping steadily. From \$82.7 billion in 1929, it fell to \$69 billion in 1930, and \$54 billion in 1931, reaching its lowest point at \$40 billion in 1932.¹⁵⁷ Hoover felt he had to intervene to avert a new financial disaster for America.

On 5 June, Hoover confided to Secretary of State Henry L. Stimson that he thought a moratorium was necessary.¹⁵⁸ Stimson approved wholeheartedly but the president now hesitated, wondering if it would do more harm than good. One of his concerns was that it would link the war debts and the reparations, a link that had only been admitted unofficially because of the Young plan.¹⁵⁹ The situation in Europe grew worse and on 18 June Hoover made his decision and thought and obtained the support of the leading members of the House and Senate including, of course, the all-important Senator Borah.¹⁶⁰

C. Announcement and Reception of the Moratorium

To succeed fully the moratorium needed the endorsement of the other large creditor nations, in particular France. On the afternoon of Friday, 19 June 1931, Stimson informed French Ambassador Paul Claudel of a proposed suspension of all

¹⁵⁷ "United States of America" *Encyclopædia Britannica*, vol. 22, 1942, p. 746.

¹⁵⁸ Henry L. Stimson, *Henry Lewis Stimson Diaries* (New Haven: Yale University Library), 5 June 1931, Microfilm.

¹⁵⁹ Stimson and McGeorge Bundy, *On Active Service*, 204.

¹⁶⁰ *Ibid.*, 205.

intergovernmental debt.¹⁶¹ McGeorge Bundy reported that the next day President Hoover was forced to announce the moratorium because of rumors originating from Capitol Hill.¹⁶² The president released a press statement that mentioned a plan "directed to strengthening the situation in Germany" which had received a "gratifying" response from the "leaders of both parties."¹⁶³

At the time Stimson communicated Hoover's moratorium in Washington on Friday afternoon it was evening in Paris, and Briand had left for the country, probably for his property in Normandy. Philippe Berthelot, Secrétaire Général du Quai d'Orsay, was on hand to receive Claudel's telegram.¹⁶⁴ Most members of the government and the National Assembly, however, were informed of the Moratorium through the weekend press. It was not until late Sunday morning that United States Ambassador in Paris, Walter Evans Edge, who had not been fully informed of the new proposal either, was able

¹⁶¹ "Memorandum of the Secretary of State of a Conversation with the French Ambassador (Claudel)," 19 June 1931, *FRUS, 1931*, vol. I, 28.

¹⁶² The concept of a moratorium of some sort was in the air. On 13 June "Mr. Castle, United States Under-Secretary of State, had said publicly that in the event of a serious threat of financial catastrophe in Germany, the United States Government might find it necessary, at least for a time, to change their attitude with regard to inter-governmental debts." "Mr. Newton (Berlin) to Mr. A. Henderson," 18 June 1931, *DBFP*, 2nd ser., vol. II, 85.

¹⁶³ *Ibid.*, 206. Herbert Hoover, "Statement by President Hoover, June 19," and Herbert Hoover, "Proposal of the American Government, June 20," *Press Release*, 3 January - 27 June 1931, 481-4. Herbert Hoover, *The State Papers and other Public Writings of Herbert Hoover*, vol. I, ed. William Starr Myers (New York: Doubleday, Doran & Company, Inc., 1934), 591.

¹⁶⁴ For Philippe Berthelot see "Briand's Entourage" in footnote 128.

to get a clear picture from the decoded telegrams.¹⁶⁵ It was now Edge's privilege to explain the United States' actions at a reception which happened to be held that day by President Doumer for the members of the Diplomatic corps and the French Government officials at the Longchamps races. Edge recalled:

My arrival at Longchamps was something of a sensation because the announcement of the moratorium had already appeared in the early afternoon newspapers, and members of both the French government and of the diplomatic corps were waiting for an explanation. After presenting my compliments to the President, I drew aside M. Flandin, the Minister of Finance, told him briefly what I knew of the President's announcement, adding:

"The President has certainly made a remarkable contribution to a solution of the pressing financial problem, hasn't he, Mr. Minister?"

Mr. Flandin unhesitatingly replied: "Yes, Mr. Ambassador, but you must realize that France occupies a very different relationship to German obligations compared to Great Britain or any of the other allies, including the United States."¹⁶⁶

Despite his bravado, Edge knew full well that the moratorium and the events leading up to the moratorium -- in addition of Hoover's poor sense of timing -- had several elements that could only enrage the French.

Not only had the French not been consulted, but the British and the Germans appeared to have been. The impression was created by a meeting held at the country residence of the British prime minister MacDonald in Chequers, England. from 5 to 9

¹⁶⁵ Walter Evans Edge, *A Jerseyman's Journal*, 190.

Walter Evans Edge, a republican, governor of New Jersey "old friend, [of] Senator William E. Borah" served as United States Ambassador to France during the Hoover administration. Despite his isolationist ties he championed Franco-American relations. His popularity in France was further enhanced by the fact that he had fought prohibition in the Senate and admired French wine. *Ibid.*, 155, 165.

¹⁶⁶ Edge, *A Jerseyman's Journal*, 192.

June 1931. MacDonald and his Foreign Secretary Henderson met with German Chancellor Heinrich Brüning and Foreign Secretary Curtius.¹⁶⁷

Chequers was essentially a public relations ploy, the British hoping to strengthen the position of Brüning after another Nazi success in the elections in Oldenburg.¹⁶⁸ On the one hand they did discuss the feasibility of a moratorium: on the other no word of it had been given to the press.¹⁶⁹ Henderson, however, had duly briefed Briand of these developments.¹⁷⁰ Soon after the Chequers meeting the British statesmen met with United States Secretary of the Treasury Andrew W. Mellon, who arrived in London on 16 June.

These meetings, in combination with the formal announcement of the moratorium, now excited suspicion in French parliamentary circles always wary of the perfidious Albion.¹⁷¹ Again, suspicion was not justified, for Stimson referred to this

¹⁶⁷ Also present Sir Robert Vansittart, Sir Francis Leith-Ross, Dr. Schmidt (Interpreter), Governor of the Bank of England, Montagu Collet Norman, German Ambassador and Count Bernstoff. "Summary of the Discussion with the German Ministers at 'Chequers,'" Saturday, 7 June 1931, in "Mr. A Henderson to Mr. Yenken (Berlin)," 13 June 1931, *DBFP*, 2nd ser., vol. II, 71.

¹⁶⁸ "Sir H. Rumbold (Berlin) to Mr. A. Henderson" 29 May 1931, *DBFP*, 63-64. Also Eilert Lohe, *Heinrich Brüning, Offizier-Staatsmann-Gelehrter* (Göttingen: Musters Schmidt-Verlag, 1969), 50-51.

¹⁶⁹ "Summary of the Discussion with the German Ministers at 'Chequers,'" Sunday 7 June 1931, in Enclosure to "Mr. A Henderson to Mr. Yenken (Berlin)," 13 June 1931, *DBFP*, 2nd ser., vol. II, 72-76.

¹⁷⁰ "Note by Mr. A. Henderson of a conversation with M. Briand, Geneva," 22 May 1931, *DBFP*, 62-63.

¹⁷¹ Robert Lambel, "La Proposition Hoover," *L'illustration* (Paris), no. 4609, 4 July 1931, 342. also *DIA*, 105. "He [Finance Minister Flandin] then suggested vaguely that it was important to consider the political effect in France, that this announcement [moratorium] following so soon after the Chequers meeting excited in Parliamentary circles some suspicion. "The Ambassador in France (Edge) to the Secretary of State," Paris, 21 June 1931, *FRUS*, 1931, vol. I, 44.

specific moratorium in a phone conversation with Ramsay MacDonald only as early as 19 June, the same day on which French ambassador Claudel was notified.¹⁷²

The awful misunderstanding was further strengthened by Dr. Hjalmar Schacht of the Reichsbank. Schacht had become an active pro-Nazi after the December 1930 election and was, at the time of the announcement, on a conference tour in the United States advocating the end of reparations.¹⁷³ This was of course echoed by the American bankers who were concerned about their foolish investments in Germany and hoped to alleviate the German burden so that they might be reimbursed.¹⁷⁴

Suspicion was compounded by the plea made by President Paul von Hindenburg. Author William Starr Myers believed it was "spontaneous."¹⁷⁵ It was in fact staged at the request of President Hoover to justify his actions to the American public. As Robert Lambel, journalist for the weekly *L'Illustration*, remarked, normal protocol would have

¹⁷² Stimson and Bundy, *On Active Service*, 205. "Memorandum of Trans-Atlantic Telephone Conversation," 19 June 1931, *FRUS*, 29-30.

¹⁷³ Joachim C. Fest, *Hitler*, 291. During his American tour in 1931, Schacht successfully down played the Nazi anti-semitism. He was also able to provide financing for the party at critical times. He was Hitler's acting minister of Economics in 1934, minister in 1936, but by late 1937 he carefully disengaged himself from the Nazi apparatus. In 1944 he was imprisoned as a defeatist. He was rescued from Dachau by the Americans. At the Nuremberg trial he was cleared. Eugene Davidson, *The Trial of the Germans, An Account of the Twenty-two Defendants Before the International Military Tribunal at Nuremberg* (New York: Macmillan, 1966), 222-245.

¹⁷⁴ Kupferman, *Laval*, 1987, 89.

¹⁷⁵ William Starr Myers, *The Foreign Policies of Herbert Hoover, 1929-1933* (New York: Charles Scribner's Sons, 1940), 175. Bonnefous made the same mistake. Bonnefous, *Histoire Politique*, tome cinquième 89. Madan Gopal Gupta even confused the time lines as he wrote that Hoover responded to the Hindenburg plea for help with the Moratorium on 29 June 1931! Madan Gopal Gupta, 49.

For the text of the Hindenburg letter see *DIA, 1931*, 114. "The Ambassador in Germany (Sackett) to the Secretary of State," Berlin, 20 June 1931, *FRUS, 1931*, vol. I, 1946, 36.

had Chancellor Brüning make the call.¹⁷⁶ The study of the telegrams and dispatches clearly showed that the plea had been requested.¹⁷⁷ To Hoover's credit, the request was only put out on 19 June 1931, again on the same day Claudel was apprised.

The question of "conspiracy" aside, the moratorium procedure established in the Young plan had been blatantly disregarded by President Hoover. Under the Young Plan any moratorium had to be announced three months in advance. The impending financial catastrophe that caused Hoover to act without taking into consideration that the French and the British had just made their payments to the United States, while Germany had not paid America's European allies.¹⁷⁸ Even worse, the president took a stand against the reparations:

We [the United States government] purposely did not participate in either general reparations or the division of colonies or property. The repayment of debts due to us from the Allies for the advances for war and reconstruction was settled upon a basis not contingent upon German reparations. Therefore reparations are necessarily wholly a European problem with which we have no relation.¹⁷⁹

¹⁷⁶ Lambel, *L'Illustration*, 4 July 1931, 342.

¹⁷⁷ "The Secretary of State to the Ambassador in Germany (Sackett)," Washington, 11:00 a.m., 20 June 1931, *FRUS, 1931*, vol. I, 32-33. "The Secretary of State to the Ambassador in France (Edge)," 8:00 p.m., 20 June 1931, *ibid.*, 33-35. "Mr. Newton (Berlin) to Mr. A. Henderson," Berlin, 21 June 1931, *DBFP* 2nd ser., vol. II, 88. "Mr. Newton to Mr. Henderson," Berlin, 21 June 1931, *British Documents on Foreign Affairs: Report and Papers from the Foreign Office Confidential Print*, part II, *From the First to the Second World War*, series F. Europe, 1919-1939, vol. 42, Germany, 1931. Gen. ed. Kenneth Bourne and D. Cameron Watt, ed. Jeremy Noakes (University Publications of America, 1993), Doc. 85, p. 123.

¹⁷⁸ Rudolph Binion, *Defeated Leaders*, 311.

¹⁷⁹ Herbert Hoover, *The State Papers and other Public Writings of Herbert Hoover*, vol. I, ed., William Starr Myers (New York: Doubleday, Doran & Company, Inc., 1934), 591-593.

If the Chamber of Deputies accepted the moratorium as it was, the Young plan would become obsolete. The prospect and the uncertainty of new negotiations was, at best, upsetting. The deputies also had to consider public opinion: after all had the army not occupied the Ruhr only eight years earlier to secure these reparations? Had the Rhineland not been evacuated by Tardieu the year before in response to the Young Plan?¹⁸⁰ The French had been extremely disappointed, for rather than subsiding, the revisionist diatribes in Germany against France, the Versailles treaty, and the Young plan had only grown in intensity.¹⁸¹ For many French, force seemed the only language the Germans understood. Only concerns of France's position and reputation in the world moderated the outcry for an outright rejection of Hoover's moratorium.

D. Franco-American Negotiations

The negotiations, which could have been conducted with discretion prior to the announcement, were now held under world scrutiny. France had been placed in a position which could have national and international repercussions: the coalition supporting Laval's government could disintegrate over this issue or Hoover might withdraw his proposal and lay the blame on France.

¹⁸⁰ The German press was bitter in its response to the evacuation, generally denouncing the cost (the Young Plan), and the timing (four years after Rapallo). "Sir H. Rumbold (Berlin) to Mr. A. Henderson," 3 July 1930, *BDF*, part II, series F, Europe, vol. I, Germany 1930, doc. 75, pp. 173-174. *Ibid.*, doc. 76, pp. 174-175.

¹⁸¹ Marks, *The Illusion of Peace*, 113.

As mentioned above, on Sunday, 21 June 1931, Edge met informally with the French government at Longchamp. Pierre-Étienne Flandin made it clear at that time that the circumstances surrounding the proposal of the moratorium were thought to be suspicious in French parliamentary circles.¹⁸² Flandin also suggested that a visit of Andrew Mellon to Paris would help allay these suspicions. Laval wondered: "If we do renounce our right to reparation payments for our devastated regions, what guarantee will be given us by the United States and Great Britain that these payments will be resumed at the end of one year?"¹⁸³ Without Briand, expected back on Monday late afternoon, Berthelot was a privileged interlocutor. The Quai d'Orsay's second-in-charge characterized the proposal as "very interesting."¹⁸⁴

Edge, who had a clear understanding of the French reaction, was able to convey it to his government. Washington took the words of Flandin very seriously, and Hoover asked Mr. Mellon to travel to Paris "as soon as possible."¹⁸⁵ Stimson also cabled Frederick M. Sackett, United States Ambassador in Germany, to urge Brüning and

¹⁸² "He [Finance Minister Flandin] then suggested vaguely that it was important to consider the political effect in France, that this announcement [of the moratorium] following so soon after the Chequers meeting excited in Parliamentary circles some suspicion. "The Ambassador in France (Edge) to the Secretary of State," Paris, 21 June 1931, *FRUS, 1931*, vol. I, 44.

¹⁸³ Edge, *A Jerseyman's Journal*, 192.

¹⁸⁴ "The Ambassador in France (Edge) to the Secretary of State," Paris, 21 June 1931, *FRUS, 1931*, vol. I, 44.

¹⁸⁵ "The Secretary of State to the Chargé in Great Britain (Atherton), Washington," 22 June 1931, *FRUS, 1931*, vol. I, 46.

Curtius to "do whatever can be done to clear away any [French] misapprehensions which may [. . .] exist."¹⁸⁶

The French outcry was particularly frustrating for Hoover in the light of the generally positive world response to his proposal.¹⁸⁷ Some nations, such as Great Britain, Belgium, Hungary had reservations about the breadth of the proposal but would bend to what was hoped to be the greater good of the majority.¹⁸⁸

Edge met again with Berthelot on Monday. Berthelot reassured the American ambassador that he knew that the French government had been kept properly appraised despite the allegations in the French press to the contrary. Berthelot agreed that international measures such as the Hoover proposal were necessary to respond to the situation in Germany. However agreeable the Quai's number two was, the decision makers were Briand and Laval. Berthelot could only promise that the matter of the proposal would be the first item on the agenda for the Tuesday cabinet meeting.¹⁸⁹

¹⁸⁶ "The Secretary of State to the Ambassador in Germany (Sackett)," Washington, 22 June 1931. *FRUS, 1931*, vol. I, 50. Bernard V. Burke *Ambassador Frederick Sackett and the collapse of the Weimar Republic, 1930-1933, The United States and Hitler's rise to power* (Cambridge: Cambridge University Press, 1994).

¹⁸⁷ "The Ambassador in Germany (Sackett) to the Secretary of State," Berlin, 22 June 1931. *FRUS, 1931*, vol. I, 37. "The Ambassador in Germany (Sackett) to the Secretary of State," Berlin, 24 June 1931. *FRUS, 1931*, vol. I, 39-42. "The Secretary of State to the Chargé in Great Britain (Atherton)," Washington, 22 June 1931. *FRUS, 1931*, vol. I, 46.

¹⁸⁸ "Mr. Henderson to Sir R. Lindsay," Washington, 22 June 1931, *DBFP*, 2nd ser., vol. II, 90-91. "Mr. Henderson to Earl Granville," Brussels, 23 June 1931, enclosure "Note by Sir R. Vansittart," *ibid.*, 94.

¹⁸⁹ "The Ambassador in France (Edge) to the Secretary of State," Paris, 22 June 1931, *FRUS, 1931*, vol. I, 47-48.

Edge was finally able to meet with Briand. He hoped that Briand would exert a moderating influence on the discussion. He was disappointed. Briand felt that Hoover's proposal was but another blow against his efforts at Franco-German reconciliation. Briand was particularly rankled by the method Hoover had chosen to announce the plan. France was being treated as an enemy nation not an ally. He suspected that the president of the Bank of England, Montagu Norman, had had a hand in the plans during his visit to New York a few weeks back. Finally, he surmised that the Germans must have intimated that the French not be consulted. Yet despite his ire, Briand promised he would make the French reply as conciliatory as possible.¹⁹⁰

Flandin, the finance minister, in a meeting with Laval underscored the tremendous cost for France, two billion francs, and favored rejection of the moratorium.¹⁹¹ Tardieu and the war minister André Maginot agreed with Flandin. Maginot might have been additionally irritated at Hoover's call for French disarmament. The "cheerless giant" Flandin represented the Alliance Democratique, a small but essential party in Laval's majority in the chamber.¹⁹² Laval, however, sought a compromise solution. He was

¹⁹⁰ Edge, *A Jerseyman's Journal*, 194-195.

¹⁹¹ Bertrand de Jouvenel, *La décomposition de l'Europe Liberale* (Paris: Plon, 1941), 353-354.

¹⁹² "géant triste," Kupferman, *Laval*, 1987, 90.

much more receptive to the Berthelot's idea of conveying the unconditional portion of the German reparations to the Bank of International Settlements (BIS).¹⁹³

J. Theodore Marriner, the United States Counselor of Embassy, met with Laval on Monday afternoon. Laval indicated that his government would accept the proposal under the stipulation that the unconditional portion of the debt should be given to the BIS.¹⁹⁴ This was not acceptable to Hoover, and Edge was urged to convey this to Laval as soon as possible, preferably before the Cabinet meeting.¹⁹⁵

Laval received Edge at the Ministry of the Interior between cabinet sessions. To avoid the press hounds, Edge made a discreet entrance through a side door. Laval "apologized for the tone of the French press and the tendency of some parliamentarians to go, as he described it, 'beyond the bounds of decency' in their attack on President Hoover and his proposal."¹⁹⁶ Edge explained the purpose of his visit, to which Laval responded that the French government wished the German government to pay the unconditional part

¹⁹³ The Bank of International Settlements (BIS) had been set up by the Young Plan. Bruce Kent *The Spoils of War: The Politics, Economics, and Diplomacy of Reparations, 1918-1932* (Oxford: Clarendon Press, 1989), 291, 309, 325, 335.

¹⁹⁴ "Memorandum by the Chief of the Division of Western European Affairs (Boal)" Washington, 23 June 1931, *FRUS, 1931*, vol. I, 54-55.

¹⁹⁵ "The Secretary of State to the Ambassador in France (Edge)," Washington, 23 June 1931, *FRUS, 1931*, vol. I, 55.

¹⁹⁶ Edge, *A Jerseyman's Journal*, 196.

to the BIS so that these funds not be diverted to the construction of pocket battle ships, unfair competition (dumping) or "exploitation of the countries to the east."¹⁹⁷

Laval and Edge met again after the cabinet meeting. Laval's position remained unchanged, and he urged the United States government not to do anything until Friday when the French response would be up for a vote at the National Assembly. The National Assembly vote was necessary because the proposal breached the Young Plan, and only the Assembly had the power to approve these changes.¹⁹⁸ He also indicated that he had already arranged to invite Brüning to Paris. Laval was appreciative of Brüning's radio speech in which he had thanked Hoover for his proposal and hoped for a Franco-German understanding.¹⁹⁹

On 25 June Secretary of the Treasury Andrew Mellon made it across the Channel.²⁰⁰ Mellon had been sent to Paris from London both to allay French suspicion and to obtain an agreement.²⁰¹ Flandin met with his American counterpart but was clearly

¹⁹⁷ "The Ambassador in France (Edge) to the Secretary of State," Paris, 24 June 1931, *FRUS, 1931*, vol. I, 57-58.

¹⁹⁸ Edge, *A Jerseyman's Journal*, 196.

¹⁹⁹ "Address by the Chancellor of the German Reich (Bruening)," 23 June 1931, *FRUS, 1931*, vol. I, 51-54.

²⁰⁰ Karl Bickel, Paris to Roy W. Howard, New York, "Confidential talk with Heinzen and Laval," 22 September 1931, United States National Archives.

²⁰¹ "The Secretary of State to the Chargé in Great Britain (Atherton)," Washington, 22 June 1931, *FRUS, 1931*, vol. I, 1946, 46.

unimpressed by Mellon's justifications.²⁰² After a few days of inescapable negotiations between the government and the key members of the National Assembly on the one hand and between the French and Americans on the other, Laval addressed the National Assembly at 3:00 p.m. Friday, 26 June 1931. As author Kupferman put it: "the jurist of the Quai prepared him a speech, which spared the goat and the cabbage."²⁰³ It agreed in principle to the moratorium but insisted that the sanctity of the Young plan should be maintained. Despite their aversion to the moratorium Flandin and Tardieu stood by Laval.

The gathered deputies had to vote on the survival of the Laval government. The ensuing debate lasted until the wee hours of the night. Finally at 6:30 a.m. the following day, the Laval "Government obtained a vote of confidence, the result being 386 to 189."²⁰⁴ If Laval did not obtain the full support of his own majority, he did receive the support of the Socialists (SFIO), won over by the Premier's intervention.²⁰⁵ Laval's Minister of Agriculture, Tardieu stifled a great deal of the opposition on the right. Again Tardieu wanted to reject the moratorium but out of governmental solidarity and

²⁰² Edge, *A Jerseyman's Journal*, 197.

²⁰³ Kupferman, *Laval*, 1987, 91.

²⁰⁴ "The Ambassador in France (Edge) to the acting Secretary of State (Castle)," Paris, 27 June 1931, *FRUS, 1931*, vol. I, 1946, 82.

²⁰⁵ Lambel, *L'Illustration*, 4 July 1931, 342. Stimson and Bundy, *On Active Service*, 207.

friendship he gave his support to Laval.²⁰⁶ Some deputies had also been in part mollified by Chancellor Brüning's radio address to the German people, in which he had welcomed the Hoover initiative, but more importantly expressed his confidence in improved Franco-German relations.²⁰⁷ The Chamber, while approving Laval's response to the Hoover proposition, underscored its attachment to the Young plan, which Hoover had badly bruised in his announcement of the moratorium.²⁰⁸

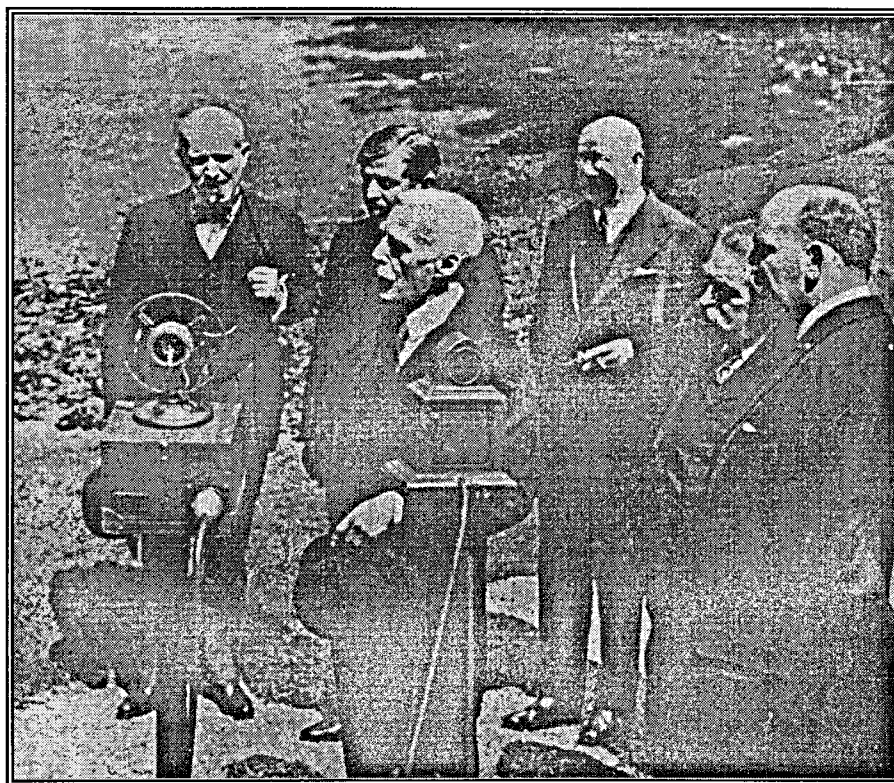
While the vote had for all intents and purposes been an endorsement of the Hoover moratorium, Laval's enemies made great issue of the negotiations held after the vote which had extended until 6 July 1931. These negotiations between Edge, Mellon, Marriner, and Pell on the American side, and Laval, Briand, Flandin, Pietri and François-Poncet on the French side essentially imposed on a reluctant Hoover a face-saving measure: the German payment was to be turned over to the Bank for International Settlements (BIS) as bonds guaranteed by the German railways.²⁰⁹

²⁰⁶ Rudolph Brinon, *Defeated Leaders*, 311.

²⁰⁷ "Address by the Chancellor of the German Reich (Bruening)," *FRUS, 1931*, vol. I, 51-4. (The text was delivered on the German radio on 23 June 1931.) Julius Curtius, *Sechs Jahre Minister der Deutschen Republik* (Heidelberg: Carl Winter, Universitätsverlag, 1948), 217.

²⁰⁸ "The Ambassador in France (Edge) to the acting Secretary of State (Castle)," Paris, 27 June 1931, *FRUS, 1931*, vol. I, 1946, 83.

²⁰⁹ Edge, *A Jerseyman's Journal*, 197-199. *DIA, 1931*, 117, 119. "Basis of Agreement," Paris, 6 July 1931, *FRUS, 1931*, vol. I, 162.



Mellon at the microphones and, from left to right, Piétri, Laval, Edge, Briand and Flandin.
L'Illustration, 4 July 1931

The delay of seventeen days, following the Hoover's announcement, was blamed for the moratorium's lack of success.²¹⁰ Undeniably the initial response had been extremely positive. The American, British and German financial markets responded favorably to the Hoover moratorium.²¹¹ The euphoria, however, was short-lived, and it was easy to argue that France's delayed response had undermined the psychological impact of the moratorium.²¹²

²¹⁰ Wheeler-Bennett, *Disarmament*, 339. Wheeler-Bennett, *Knaves*, 47.

²¹¹ "Sweeping change in the Stock exchange for 22nd June, and a sharp rise amounting almost to a boom." "Mr. Newton to Mr. A. Henderson," Berlin, 22 June 1931, *BDOFA, Germany 1931*, doc. 89, p. 125.

²¹² Dharam Gupta wrote that the French conceded under pressure of Great Britain. Dharam Chand Gupta, *International Affairs, Part One (1919-1945)*, (Delhi: Metropolitan Book Company, 1962), 60. I was

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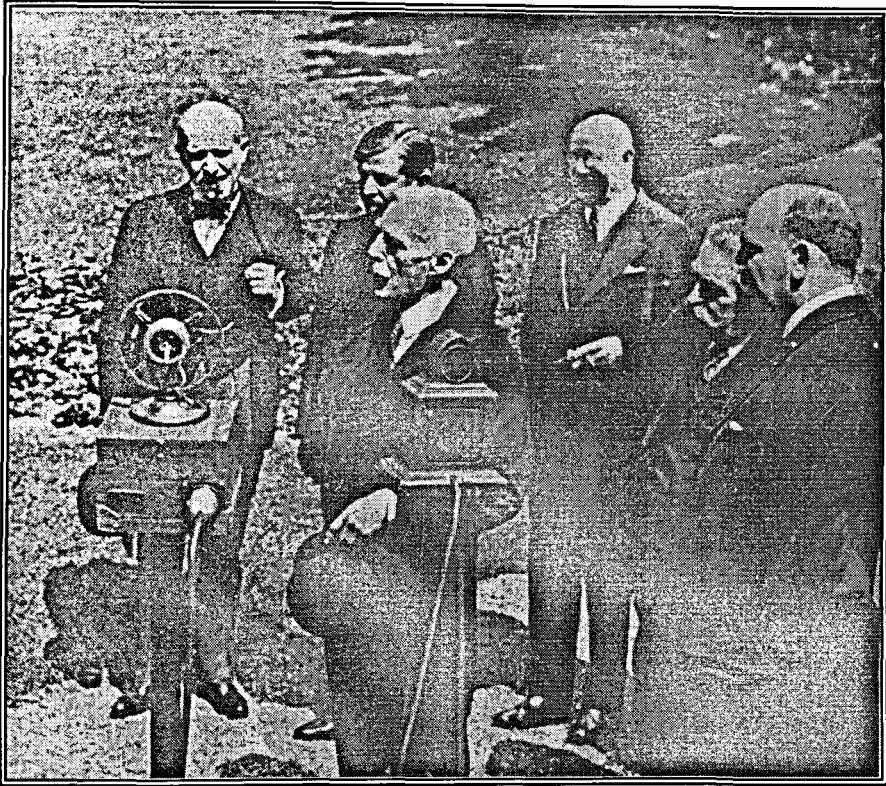
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²¹² Dharam Gupta wrote that the French conceded under pressure of Great Britain. Dharam Chand Gupta, *International Affairs, Part One (1919-1945)*, (Delhi: Metropolitan Book Company, 1962), 60. I was

This was essentially a weak argument, as for all intents and purposes the plan received French endorsement the day of the vote at the National Assembly.²¹³

Furthermore, American investors weakened the moratorium as they resumed their withdrawal of funds from Germany which had been only temporarily checked immediately after the announcement of the moratorium. Henderson noted:

The arrangements proposed in Franco-American agreement have not sufficed to restore confidence in [the] future economic position of Germany, and it is to be feared that markets tend now to regard the year's moratorium as an opportunity to withdraw their remaining credit from Germany rather than as an inducement to leave them there, still less to increase them.²¹⁴

The grave misunderstanding between the French and American governments was a direct consequence of the United States and France's lackadaisical diplomatic ties.

Stimson was well aware that prior negotiations were necessary but felt he had to wait for the president's decision before he could submit the plan to the French.²¹⁵

Again, had the bond between America and France been closer, Hoover or Stimson could have communicated directly with Briand or Laval, as Hoover, Edge and Mellon did

unable to confirm British involvement in the talks.

²¹³ Bonnefous for example did not even mention the negotiations, possibly considering that the vote signified France's acceptance. Bonnefous, *Histoire Politique*, tome cinquième, 92.

²¹⁴ "Mr. A Henderson to His Majesty's representatives at Paris..." 10 July 1931, *BDFFA, Germany, 1931*, Doc. 124, p. 154.

²¹⁵ Stimson and Bundy, *On Active Service*, 208.

over the transatlantic phone during the above-mentioned negotiations.²¹⁶ Instead, these events created additional ill will between the two countries.

The Hoover moratorium, even if applied in full force, would not have triggered the hoped for world recovery. Internationally, the success of the nationalists, in the elections of September 1930, had already lessened the confidence in Germany.²¹⁷ David Carlton argued "Hoover's plan was in any case inadequate, because it failed to tackle the essential destabilizing factor, which was German self-pity and not intergovernmental debts."²¹⁸

An additional consideration was the supposition of deliberate sabotage by the Germans of their own economy to avoid payment. Such a concept was alien to mercantile British and Americans. To cynical Frenchmen it was plausible.²¹⁹ Undeniably

²¹⁶ Edge, *A Jerseyman's Journal*, 198.

Transatlantic telephone service begins January 1927 between London and New York: 3 minutes of conversation cost \$75, or £15. James Trager, *The Peoples Chronology, A Year-by-Year Record of Human Events from Prehistory to the Present* (New York: Henry Holt and Company, 1992), 782. On 28 March 1928, the telephone cable Paris-New York was inaugurated. Jean Favier, ed., *Chronique de la France* (Bassillac: Editions Chronique, 1995), 1061.

²¹⁷ The nationalists were the Nazis of course, the *Hitleriens* as they were called in France, but also the Stahlhelm. At the time the latter appeared far more threatening too many by their boastful marches at times gathering up to hundred thousand men in uniform. The presence of the sons of former Kaiser Wilhelm at these gatherings only heightened the anxiety of onlookers. Lambel, *L'Illustration*, 4 July 1931, 432.

Chancellor Brüning, unable to get support for the budget, dissolved the Reichstag on 18 July 1930. It was thought that because of the evacuation of the Rhineland, the democratic forces in Germany would meet with great success. In fact this decision allowed the Nazis to grasp a foothold in the Reichstag in the September elections. Bruce Kent, *The Spoils of War*, 327. Bonnet, *Le Quai d'Orsay*, 106.

²¹⁸ David Carlton, *MacDonald versus Henderson, The Foreign Policy of the Second Labor Government* (New York: Humanities Press, 1970), 198.

²¹⁹ Flandin, *Politique Française*, 38-39.

the high inflation before 1924 allowed the German government to wipe its internal debt and permitted the industry to clear its mortgages and bonds. Of course it did mean the ruin of the middle class.²²⁰

Because of poor communication France and the United States missed an opportunity to help the world economy. Though the Hoover Moratorium was put in place the hoped for positive impact on the German market did not occur and in the end it generated much ill will between Washington and Paris. Secretary of State Stimson, more worldly than his President, thought to improve this state of affairs by traveling to Europe.

²²⁰ Lippmann, *The United States*, 133.

CHAPTER

IV

NEW FINANCIAL CRISIS AND THE GOLD STANDARD

A. All roads lead to Paris

Secretary Stimson had planned a visit to Europe long before the moratorium crisis. Since the affairs of the planet seeming somewhat stable after the moratorium, Stimson left for Europe with the president's blessing. He wanted to observe the Old World's problems first hand and to establish personal contacts with the European leaders.²²¹

Stimson's intention was to dedicate most of his trip to leisure and only a small portion to work. In Italy he was able to do just that. He met with Benito Mussolini and visited the sights. When he reached France, however, the German economy had taken a turn for the worse. As mentioned above, Hoover's call for a moratorium caused the American banks to increase the withdrawal of their investments in Germany and German capital to take flight. Dr. Hans Luther, president of the Reichsbank since 1930, had attempted to secure more loans and called for assistance causing renewed panic.²²² On 13

²²¹ Secretary Stimson's amiable appearance hid a strong will. A Yale and Harvard Law graduate he had fought in the World War as colonel. During the William Howard Taft administration he served as war secretary, post he also held under Franklin D. Roosevelt from 1940 to 1945.

²²² Luther did not consult Brüning. Curtius, *Sechs Jahre*, 219. We should note that Luther was apparently aware that loans were but a quick fix and that only political action could bring about a solution. "Lord Tyrrell to Mr. A. Henderson," 11 July 1931, *BDFG, Germany, 1931*, Doc. 127, p. 157. Dr. Hans Luther was finance minister in the Stresemann and Wilhelm Marx cabinets and Chancellor from January 1925 to 13 May 1926.

July the Darmstädter und Nationalbank (Danat), after having supported a number of failing industries, collapsed with the bankruptcy of the Nordwolle, the textile giant of Bremer.²²³ To avoid further panic the Berlin Stock Exchange was closed.²²⁴ Premier MacDonald called for an international conference to be held in London possibly to revise the Versailles treaty.²²⁵ The relief if any provided by the moratorium had been short lived.

Stimson arrived in Paris on 15 July 1931 and went directly to the American embassy. There, United States Ambassador Walter Evans Edge had arranged for a meeting with British Foreign Secretary Henderson, who was in Paris to initiate negotiations between the French and the Germans.²²⁶ In response to Chequers, MacDonald and Henderson had been invited to come to Berlin the weekend of 18-19 July. Henderson had planned to travel to Berlin later that week. The trip was not to be: MacDonald contacted Henderson earlier that morning to cancel the travel plans in favor of an international conference to be held in London.²²⁷ This did not particularly suit Henderson, as he was convinced that a solution to the German problem had to involve the

²²³ Eichengreen, *Golden Fetters*, 264.

²²⁴ Carlton, *MacDonald versus Henderson*, 200. Kupferman, *Laval*, 1987, 87. "Mr. Newton to Mr. A Henderson," [By Telephone] Berlin, 13 July 1931, *B DFA, Germany, 1931*, Doc. 131, p. 165.

²²⁵ Apparently the meeting was the brainchild of the Americans "Memorandum by the Secretary of State for Foreign Affairs on Discussions in Paris, July 15-July 19, for Meeting of a Conference in London to consider German Financial Situation, 1931." 20 July 1931, *B DFA, Germany, 1931*, Doc. 178, p. 199.

²²⁶ Stimson, *Diary*, 15 July 1931.

²²⁷ Carlton, *MacDonald versus Henderson*, 202.

French. He had hoped to convince Brüning to make some concessions to the French such as halting the construction of new pocket battleships.²²⁸ The cancellation disappointed Brüning as well.²²⁹

On the afternoon of 15 July, Henderson was fresh from a conference with Laval and Briand with whom he had been discussing a long-term loan to Germany, met with Stimson. Henderson, for whom finance was apparently not a forte, had difficulty conveying what had been talked about.²³⁰ According to author David Carlton, Henderson's lack of financial savvy was compounded by the demeanor of Governor of the Bank of England Montagu Collet Norman. Indeed the latter distrusted the former and in their dealings purposely kept him in the dark as to the financial situation of Britain. Thus, Henderson could not evaluate the feasibility of British loans to Germany.²³¹ A few days after this conversation, Chancellor of the Exchequer Viscount Philip Snowden informed Henderson of England's incapacity to open further credits to Germany.²³² Stimson told his British colleague that for financial reasons loans guaranteed by the United States were out of the question. Hoover had been quite adamant on this subject.

²²⁸ "Mr. A. Henderson to Newton (Berlin)," 9 July 1931, *B DFA, Germany 1931*, Doc. 122, p. 153.

²²⁹ "Chancellor has asked me to convey to you [Ramsay MacDonald] and Mr. Henderson his Great regret that you had found it necessary to give up your visit to Berlin." "Sir H. Humboldt to Sir R. Vansittart." 16 July 1931, *B DFA, Germany, 1931*, Doc. 158, p. 189.

²³⁰ Stimson, *Diary*, "Memorandum," 15 July 1931, 34.

²³¹ Carlton, *MacDonald versus Henderson*, 209.

²³² "Sir R. Vansittart to Lord Tyrrell (Paris)." Foreign Office, 17 July 1931, *B DFA, Germany, 1931*, Doc. 172, p. 197.

The British foreign secretary further reported to Stimson of his meeting with Laval and Briand, stating that the French were also unwilling to extend credits to Germany. Their motivations, however, were essentially political. According to Henderson, Laval and Briand "had remarked that they did not care to lend money to Bruening and then have it spent by Hitler."²³³

In his discussion with Laval and Briand, Henderson also debated the Conference in London. The French thought that calling a consultation without defined objectives was a mistake. According to Henderson, Laval and Briand wanted to hear his report on the situation in Berlin before making their final decision on the Conference.²³⁴

"We must know" said M. Laval [. . .] "exactly what the situation is."
"Can the present government commit itself in the name of the country?
Does it represent her? Is there a danger of its being replaced by
Hugenberg and Hitler? Is Germany ready to accept our conditions?"²³⁵

Carlton reported that Henderson had mentioned a "political moratorium of five and even ten years" to Laval and Briand.²³⁶ In his memorandum of 20 July, Henderson refers to such a moratorium without claiming paternity.²³⁷ Whether this idea was the

²³³ Stimson, *Diary*, "Memorandum," 15 July 1931, 34. Hitler's NSDAP had become the second largest party in the Reichstag in September 1930 where they exerted a disruptive influence.

²³⁴ "Memorandum by the Secretary of State [...]," 20 July 1931, *B DFA, Germany, 1931*, Doc. 178, p. 200.

²³⁵ *Ibid.*, 202.

²³⁶ "Tyrrell to Vansittart," telegram no. 770, 16 July 1931, Foreign Office 408/58 in Carlton, *MacDonald versus Henderson*, 202. Not published in the *B DFA*.

²³⁷ "Memorandum by the Secretary of State [...]," 20 July 1931, *B DFA, Germany, 1931*, Doc. 178, p. 202.

brainchild of Laval or Henderson is but a point of detail. The fact was that Laval embraced the concept and would make every effort to achieve such a political moratorium between France and Germany.

After his meeting with Stimson, Henderson went to the Colonial Exhibition for a dinner where he was the guest of honor of Colonial Minister Paul Reynaud.²³⁸ Henderson was contacted there by the British Embassy. Because Germany seemed unable to meet its private obligations to the Bank of England, grave financial problems were brewing in London, and MacDonald requested immediate action.

Because Laval present at the dinner, Henderson initiated an impromptu meeting with the premier. Laval called upon Reynaud to join them. Conveying the gravity of the British situation, Henderson, despite considerable resistance, "induced M. Laval to agree [. . .] to attend a conference in London on Tuesday (the 21st July) on the condition that the German Ministers would first visit Paris [. . .]."²³⁹ A later telegram informed Henderson that the conference had been moved up to Monday, 20 July. Henderson telephoned Laval, who made no objections as long as he could meet with the Germans beforehand. Henderson then called MacDonald to report the latest developments.

²³⁸ Paul Reynaud had the sad privilege to be premier during the phony war and the disaster of May-June 1940. Aware of the impending German threat yet incapable of imposing his views.

²³⁹ "Memorandum by the Secretary [...]," 20 July 1931, *BDF A, Germany, 1931*, Doc. 178, p. 200.

Some time after midnight, German ambassador in Paris Leopold von Hoesch came to the British Embassy at Henderson's request.²⁴⁰ Henderson communicated the urgency of a meeting and requested that the German Chancellor leave immediately for Paris.²⁴¹ Brüning could of course not comply immediately, as he was dealing with the consequences of the collapse of the Danat. The flight of capital compounded this problem and directly affected his government's capacity to meet payroll. In his desperation, Brüning even flew in Harvard professor and financial expert Oliver Sprague to help find a solution to the emergency.²⁴² Having contemplated and rejected the printing of "ersatz" money with Reichsbank President Luther and the director of the Commerz- und Privatbank, Friedrich Reinhart, Brüning enacted several decrees that allowed him to close the banks and the bond-market on 14 and 15 July for the rest of the week, leaving only the Reichsbank open for selected transactions.²⁴³ The one positive element to the financial chaos was that Hugenberg and Hitler did not have access to their funds to back anti-government manifestations.²⁴⁴

²⁴⁰ "Memorandum by the Secretary [...]," 20 July 1931, *BDFa, Germany, 1931*, Doc. 178, p. 200-201.

²⁴¹ "Sir H. Humboldt to Lord Tyrrell (Paris)," Berlin, 16 July 1931, *BDFa, Germany, 1931*, Doc. 160, p. 189.

²⁴² Brüning, *Memoiren*, 323.

²⁴³ *Ibid.*, 322. "Mr. Newton to Mr. A. Henderson," Berlin, 13 July 1931, *BDFa, Germany, 1931*, Doc. 164, p. 192. "Mr. Newton to Mr. A. Henderson," Berlin, 14 July 1931, *BDFa, Germany, 1931*, Doc. 151, p. 186.

²⁴⁴ "Sir H. Rumboldt to Lord Tyrrell (Paris)," Berlin, 16 July 1931, *BDFa, Germany, 1931*, Doc. 159, p. 189.

With Germany's finances under control, at least temporarily, at 2:00 a.m. on 16 July, Brüning heard from Bülow that the German Foreign ministry did not object to the voyage. It is possible that Laval's warm answer to Brüning's radio address of 23 June 1931 encouraged this willingness.²⁴⁵ Brüning also received the blessing of Hindenburg.²⁴⁶

Hoesch was informed that the German delegation would leave for Paris on Friday, 17 July, provided the French extend an invitation.²⁴⁷ Despite the certainty in France of right-wing opposition to a German visit, Laval and his cabinet extended an invitation to the representatives of the Weimar Republic, which in itself was a positive step for the Franco-German relations.

On 16 July at the American embassy, Secretary Stimson, Ambassador Edge and embassy staffer J. Theodore Marriner met with Premier Laval and the ministers Briand (Foreign Affairs), Pierre-Étienne Flandin (Finance), François Pietri (Budget), and Under-Secretary André François-Poncet (National Economy).²⁴⁸ Secretary Henderson and

²⁴⁵ Edge, *A Jerseyman's Journal*, 196. Julius Curtius noted that the French government did not react to Brüning's speech. Curtius, *Sechs Jahre*, 217. Possibly an example of Laval not using official channels or a mistake by Curtius as in a footnote he made ambassador François-Poncet responsible. François-Poncet would not be in office in Berlin until September. *Ibid.*

²⁴⁶ Brüning, *Memoiren*, 325.

²⁴⁷ "Memorandum by the Secretary [...]," 20 July 1931, *BDFA, Germany 1931*, Doc. 178, p. 200-201.

²⁴⁸ J. Theodore Marriner was Counselor of Embassy in Paris. He had been appointed on 1 April 1931. He participated to all major conferences such as the London Conference of Financial Experts. *Foreign Service List*, 1 July 1931 (Washington D.C.: United States Printing Office, 1931), 10. The American team also included Robert T. Pell, Edge's assistant and interpreter for the occasion and Allen Trafford Klots assistant to the Secretary of State (1931-1932), *Who was Who in America, with World Notables*, vol. IV, 1961-1968

Ambassador Tyrrell represented the British.²⁴⁹ The purpose of this gathering essentially aimed at setting the agenda of the upcoming meeting with the Germans and the London Conference.

Laval opened the talks by suggesting they should invite the Italian delegation, as they would pass through Paris on their way to London, to join the parties present. Stimson reported: "Henderson immediately objected indignantly to a conference on Sunday [19 July] of all nations."²⁵⁰ The compromise solution to Laval's proposal of a widening of the talks to include the Italian delegation was found. The French would meet with the Germans Saturday. On Sunday, in addition to the parties already involved, a general "conversation" would be held with the Italians, the Belgians and the Japanese.²⁵¹

Henderson's opposition to a widening of the "conversations" to include the Italians was due less to MacDonald's desire not to allow anything that would undermine the London Conference (Stimson had received similar directives from Hoover), than to his wish that the French and the Germans meet alone.²⁵² Henderson and MacDonald had

(Chicago: Macquisy, 1968), 535.

²⁴⁹ Stimson, *Diaries*, "Memorandum," 17 July 1931, 57.

²⁵⁰ Ibid.

²⁵¹ "Lord Tyrrell to Sir R. Vansittart" Received 17 July 1931, *BDFa, Germany, 1931*, Doc. 171, p. 196.

²⁵² "Sir R. Vansittart to Lord Tyrrell (Paris)." Foreign Office, 16 July 1931, *BDFa, Germany, 1931*, Doc. 163, p. 191.

diverging views on foreign politics and in this instance the British prime minister had called for the London Conference without consulting his foreign secretary.²⁵³

Henderson was thus prevented from going to Berlin and, in turn, from updating the French on the German situation. Against MacDonald's will, he invited the German ministers to come to France through the good offices of Hoesch.²⁵⁴ MacDonald was kept unaware of these developments and indubitably would have opposed had he known of them. Laval and Henderson agreed that nothing could be accomplished in London without prior negotiations.²⁵⁵

Another obstacle to full attendance at and success of the London Conference was MacDonald's prior allusion to a possible revision of the Versailles treaty. The timing of this suggestion was terrible. French public opinion could not possibly be asked to swallow another affront on the scale of the Hoover moratorium. Henderson understood this and so did Stimson, together they leaned on MacDonald so that only the financial situation in Germany would be discussed in London.²⁵⁶ There was added incentive for Stimson to control the scope of the London Conference, as Hoover did not want America involved in any discussion of reparations. The final obstacle for an effective London Conference was the as yet unresolved issue of the French attendance. Laval was under

²⁵³ Carlton, *MacDonald versus Henderson*, 205.

²⁵⁴ *Ibid.*, 206.

²⁵⁵ *Ibid.*

²⁵⁶ "Memorandum by the Secretary [...]," 20 July 1931, *BDFa, Germany 1931*, Doc. 178, p. 202.

great pressure not to consent to the London conference altogether, both from the press and members of his cabinet, namely Tardieu, Flandin and Maginot. British Ambassador Tyrrell hoped that Laval's moderation would prevail.²⁵⁷ From a conversation he had with Flandin on the 17 July and with Laval on the morning of 18 July, Stimson was hopeful as well.²⁵⁸ Nevertheless, if the French did not come to an agreement with the Germans at the upcoming meeting, Laval would have the greatest difficulties convincing his cabinet to participate in the London Conference.²⁵⁹

B. The Paris Meeting

The "ambassadors of German misery," Brüning and Curtius, arrived in Paris, Saturday, 18 July 1931, after a fourteen-hour trip.²⁶⁰ Bülow, the secretary-general of the German foreign ministry, and Graf Lutz Schwerin von Krosigk, Director at the Ministry of Finance, and the interpreter Paul Schmidt accompanied them.²⁶¹ Ambassador Hoesch

²⁵⁷ "Lord Tyrrell to Sir R. Vansittart," Received 17 July 1931, *BDFa, Germany, 1931*, Doc. 170, p. 196.

²⁵⁸ Stimson, *Diary*, Friday, 17 July 1931. Ibid., "Memorandum of a Conference with M. Laval," Paris Saturday Morning, 18 July 1931.

²⁵⁹ "Lord Tyrrell to Sir R. Vansittart" Received 17 July 1931, *BDFa, Germany, 1931*, Doc. 171, p. 196.

²⁶⁰ "Les ambassadeurs de la misère allemande." Kupferman, *Laval*, 1987, 91. Kupferman stated that the German delegation landed at Le Bourget. Brüning in his *Memoiren* recalled Laval receiving them at the station ("der Bahn"). Brüning, *Memoiren*, 327, 337. Curtius recalled that it was the first time a German Chancellor came to France since the "visit" of Chancellor Bismarck for the crowning of Wilhelm I in Versailles, on 18 January 1871. Actually Stresemann had come to France but a few years earlier for the Kellogg-Briand pact in August of 1928. Curtius, *Sechs Jahre*, 218. Duroselle, *L'Europe*, 332.

²⁶¹ André François-Poncet, *The Fateful Years, Memoirs of a French ambassador in Berlin, 1931-1938*. Translated by Jacques LeClerq. (New York: H. Fertig, 1972), 7. Kupferman, *Laval*, 1987, 91-92.

met his countrymen at Jeumont near the Franco-Belgian border to inform Brüning of the latest developments in Paris.²⁶²

Laval, Briand, and other members of the French cabinet, surrounded by a friendly crowd, received the German ministers at the train station.²⁶³ Outside the station, however, demonstrators of the Action Française were lying in wait. The adverse impression made by the protesters was in part mollified by pension minister Jean Champetier de Ribes, described by Brüning as "extraordinarily congenial."²⁶⁴ De Ribes told Brüning that he

Bernhard Wilhelm von Bülow (1885-1936) should not to be confused with Prince Bernhard von Bülow (1849-1929), Kaiser Wilhelm II's foreign minister and later ambassador to Italy. Bernhard Wilhelm was the prince's nephew and Secretary of State of the Foreign Office (1930-1934). *Webster's biographical Dictionary* (Springfield Massachusetts: G. & C. Merriam Company, 1974), 212.

As of 15 July, the following were also to be part of the delegation: Dr. Fritz Berger (Finance Ministry), Noeldeke (Ministry for Foreign Affairs), Litter (German Commissioner for Deliveries in Kind in Paris), Ronde (Ministry of Economics). "Mr. Newton to Mr. Henderson." 15 July 1931, *BDFa, Germany, 1931*, Doc. 152, p. 186. Their presence in Paris or London was not confirmed.

²⁶² Brüning, *Memoiren*, 327.

²⁶³ Kupferman wrote that the German delegation got off the plane. Kupferman, *Laval*, 1987, 91. Brüning in his *Memoiren* recalled Laval receiving them at the station ("die Bahn"). Heinrich Brüning, *Memoiren, 1918-1934* (Stuttgart: Deutsche Verlags-Anstalt, 1970), 327. Curtius, *Sechs Jahre*, 218.

²⁶⁴ "außerordentlich sympatische[r] Pensionminister Champetier de Ribes," Brüning, *Memoiren*, 327.

(Jean Jules Marie) Auguste Champetier de Ribes: During World War I he rose from the ranks and ended the war as a captain despite the loss of two fingers on his right hand. Founder of the Parti Democrate Populaire (center). Champetier de Ribes, was pension minister in the second Tardieu and the first, second and third Laval governments. The Parti Democrate Populaire would support Laval's fourth government in 1935. Champetier de Ribes was convinced of the necessity of a Franco-German rapprochement and was active during Brüning's visit. In 1940 he refused to vote for Pétain and organized the maquis "combat" in the Béarn. Arrested in 1942 he is freed in 1945. At Nuremberg he presented the accusation in the name of France, the Netherlands, Belgium and Luxembourg. He showed consideration for the vanquished by urging to keep the sentences in proportion to the crimes. He was immensely disappointed by the intractable verdicts. President of the National Assembly he was also an unsuccessful candidate to become the first President of the Fourth Republic. "Auguste Champetier de Ribes (1882-1947)" *Dictionnaire des Parlementaires Français, Notices Biographiques sur les Ministres, Députés et Sénateurs Français de 1889 a 1940*, tome III (Paris: Presses Universitaires de France, 1963), 951-956.

could trust Laval fully and hoped that after the meeting, the political questions could be laid to rest for the next ten years.²⁶⁵

Laval and Brüning "had an hour [and a half] long tête-à-tête" before the opening of the Franco-German talks later that afternoon.²⁶⁶ Briand conversed with Curtius.²⁶⁷ As Brüning was fluent in French, there were no translators nor any other witnesses.

According to Brüning's record of the conversation,

Laval began the conversation by apologizing for the demonstration of the Action Française at our [Brüning, Curtius . . .] arrival. He was extraordinarily amiable. No doubt, he fully understood the significance of the hour and heartily and completely believed in a reconciliation with Germany. He also spoke of hard opposition in his cabinet against this idea. I assumed that he meant Tardieu.²⁶⁸

Brüning expressed his regrets over the *Zollunion* misunderstanding and discussed the necessity of "economic cooperation in southeastern Europe" modeled after the Briand project. Laval's response to this argument was polite.²⁶⁹ Indubitably because of the *Zollunion* blunder, the position of Laval and especially Briand's was uncomfortable. As

²⁶⁵ Brüning, *Memoiren*, 327.

²⁶⁶ Warner, *Pierre Laval*, 37. The way Henderson's memorandum was formulated made it seem that Briand was present as well. "Memorandum by the Secretary [...]," 20 July 1931, *BDFFA, Germany, 1931*, Doc. 178, p. 202. Brüning, *Memoiren*, 331.

²⁶⁷ *Ibid.*, 328.

²⁶⁸ "Brüning s'exprime avec aisance en Français" (Brüning expresses himself with ease in French), *L'Europe Nouvelle*, 22 August 1931, L. Weiss, ed., 1137.

²⁶⁹ *Ibid.*

mentioned above, Briand's détente policy toward Germany had been greatly tarnished by this episode.²⁷⁰

Laval and Brüning further discussed the mood of Germany. Laval saw the rise of Nazism as a direct consequence of the Germans' toleration of anti-French agitation. Brüning responded that the anti-French feelings were the result of the oppression by French generals in the once-occupied territories. To moderate these words, the German Chancellor added that a solution should have been found in Geneva. Laval agreed.

The French premier then opened with the concept of a ten-year political moratorium. France would extend a loan of several billion francs, about 500 million dollars, in exchange for which Germany would not call for revisions for ten years.²⁷¹ Brüning wondered what this would mean with regard to the reparations. Assuredly Germany would be able to pay for reparations, but Brüning did not want that.²⁷² As François-Poncet, then under-secretary to the Premier, saw it, Brüning did not seek more loans for Germany. Loans had been Germany's downfall:

Truth to tell, what he wanted was the scrapping of reparation payments, That and that alone could allay nationalist agitation within the Reich. But he dared not say so; he feared quite rightly, that such pretensions must create a scandal and loose a new tempest in France if not elsewhere. He preferred to wait, to procrastinate, to prepare the ground, trying, meanwhile, to gain the sympathy of his interlocutors and to convince them

²⁷⁰ Kupferman, *Laval*, 1987, 91-92.

²⁷¹ Brüning, *Memoiren*, 329. Kupferman, *Laval*, 1987, 91-92. Mallet, *Pierre Laval, Des années obscures*, 48.

²⁷² Brüning, *Memoiren*, 330. Curtius 219.

of the honesty of his intentions. In point of fact his game was not so honest as he gave one to believe; it was full of mental reservations [. . .].²⁷³

It appeared, however, that Brüning rejected the loan on the bases of the conditions for later that day he discussed with the Americans: Germany's need for further credit.²⁷⁴ Brüning thought and said that the political moratorium was a political impossibility. He reported in his memoirs that he was particularly concerned that it would crush the glimmer of hope in Germany, especially that of the youth. Should he renounce the revision of the Versailles treaty he would be swept out of power.²⁷⁵ According to Geoffrey Warner -- who consulted the Documents of the German foreign ministry and chancellery at the Foreign Office Library in London -- Brüning agreed with the concept but proposed to limit it to one year.²⁷⁶

This short tête-à-tête was a turning point for Laval. He had prepared for a confrontation, and there the heavy hand of the hardliners Tardieu, Maginot, and Flandin, was apparent. The French had banked that Germany's desperate financial situation would induce her to any conditions, however, drastic. The scenario that would have had Germany accept a margin of international control over its finances and refrain from

²⁷³ François-Poncet, *The Fateful Years*, 8.

²⁷⁴ Stimson, *Diary*, "Memorandum of a conversation with Herr Heinrich Brüning, German Chancellor," Paris, 10:15 p.m., Saturday 18 July 1931.

²⁷⁵ Brüning, *Memoiren*, 330.

²⁷⁶ Unsigned memorandum, 18 July 1931, German Foreign Ministry GFM/3375/D731920-26 in Warner, *Pierre Laval*, 37-38.

political revisionism for a period of ten years, in exchange for a generous loan of 500 million dollars, was annihilated by Brüning's unexpected refusal.²⁷⁷

Joint Franco-German economic development was not in the plans for this meeting. Yet the two leaders found themselves discussing such a development as a basis for Franco-German understanding.²⁷⁸ This theme would be developed further in the coming months. This is not to say that Franco-German economic cooperation did not exist prior to this meeting. The International Steel Agreement of 1926 was an example. But this showed that Laval was able to reassess a situation at a moment's notice and embrace a new alternative.²⁷⁹

Not unnaturally the two statesmen rapidly developed an affinity. After all, Laval never shared in the virulent nationalism or the anti-German passion of some of his compatriots. And Brüning had nothing in common with the caricature of a screaming bloodthirsty Hun: he exuded honesty and moderation. His command of the French language could only ease the free exchange of ideas.

Nevertheless, affinity, even friendship, did not mean the surrender of their respective goals. Brüning aimed to bring an end to reparations and the Versailles treaty. Laval would persist with the idea of the political moratorium. Still, they did find

²⁷⁷ Henderson described in some detail the aims of Laval with regards to the French loan. "Memorandum by the Secretary [...]," 20 July 1931, *BDFÄ, Germany 1931*, Doc. 178, p. 202.

²⁷⁸ Brüning, *Memoiren*, 330.

²⁷⁹ Marks, *The Illusion of Peace*, 84.

common purpose in the notion of economic cooperation.²⁸⁰ The hour and a half conversation ended with a note on the upcoming February disarmament conference.

By refusing the French loan, Brüning removed all means of French pressure, essentially putting France and Germany on equal footing.²⁸¹ This did nothing to ease the talks later that afternoon.

Brüning recalled, "The circle grew. Curtius and Briand entered, followed by Flandin, Pietri, Berthelot and briefly Champetier de Ribes."²⁸² They developed the themes of the previous conversation, again. Brüning did not go into detail but apparently Laval had to temper Flandin's undiplomatic sallies. Brüning was, however, able to explain his position to the other participants during a brief absence of Flandin.²⁸³

The ten-year moratorium was discussed again and more of the French demands were brought out such as: German disarmament or armament freeze, dissolution of the Stahlhelm and interdiction of nationalistic propaganda in the Universities.²⁸⁴ The German

²⁸⁰ Brüning, *Memoiren*, 331.

²⁸¹ Curtius, *Sechs Jahre*, 219.

²⁸² "Der Kreis wurde jetzt erweitert. Curtius und Briand kamen hinzu, ferner Flandin, Pietri, Berthelot und vorübergehend Champetier de Ribes." Brüning, *Memoiren*, 331. (Translation assistance M.E. Völcker Havelaar).

²⁸³ *Ibid.*, 334.

²⁸⁴ Curtius, *Sechs Jahre*, 220. Kupferman, *Laval*, 1987, 91-92. According to Pertinax (a.k.a. journalist André Géraud), Laval had also requested that Germany not question its eastern frontier for a period of ten years. Pertinax, *The Gravediggers of France, Gamelin, Daladier, Reynaud, Pétain, and Laval* (Garden City, New York: Doubleday, Doran & Company, 1944), 375. Chastenet did also mention a non-aggression pact. Jacques Chastenet, *Histoire de la Troisième République; Déclin de la Troisième, 1931-1938* (Paris: Hachette, 1962), 22.

delegation protested that they could not possibly agree to "a temporary sacrifice of their legal rights."²⁸⁵ To the relief of Brüning, Laval agreed with him and open to true Franco-German understanding. Unfortunately Laval was frequently called away to talk on the phone. Brüning surmised it was Tardieu, for every time Laval returned more determined and less amenable.²⁸⁶

In the face of these new difficulties Brüning is believed to have said: "Will the same tragedy always exist between our two countries? Will we never be able to pronounce the same words and make the same gestures at the same time?"²⁸⁷ Moved by the words of the Chancellor, Laval declared that he could not "dishonor the head of the German Government" by forcing demands upon Germany.²⁸⁸ Laval put an end to the moratorium discussions that day.²⁸⁹

Flandin stated openly that as finance minister he thought the London conference useless and that he would not go. It took the combined influences of Laval and Briand to

²⁸⁵ "Curtius to Foreign Ministry," 20 July 1931, German Foreign Ministry GFM/3375/D731954-5 in Warner, *Pierre Laval*, 37-38.

²⁸⁶ Brüning, *Memoiren*, 334.

²⁸⁷ "La même tragédie existera-t-elle toujours entre nos deux pays? Ne pourrions nous jamais prononcer en même temps les mêmes mots et faire les mêmes gestes?" Mallet, *Pierre Laval, Des années obscures*, 44. Kupferman, *Laval*, 1987, 91-92.

²⁸⁸ "On ne peut pas déshonorer le chef du gouvernement allemand." Mallet, *Pierre Laval, Des années obscures*, 44. Kupferman, *Laval*, 1987, 91-92.

²⁸⁹ Curtius, *Sechs Jahre*, 220.

convince Flandin to postpone such decision until the next day.²⁹⁰ At some point that day Laval had already specified publicly that he would go to London.²⁹¹

After a quiet dinner at the German Embassy, the exhausted Brüning, Curtius, and Bülow went for a stroll on the Champs Elysées. At ten thirty that evening, at the invitation of Edge, the Germans went to the American Embassy to talk with Mellon and Stimson.²⁹²

Brüning found Edge frosty and Mellon lukewarm. Stimson fortunately was friendly and they engaged in financial talks. On the whole, Brüning felt that the conversation was unfruitful and at 1:00 a.m. Edge broke up the meeting.²⁹³ Stimson and Edge had a more positive outlook of the evening. They were able to determine that Germany needed about 400 million (the currency was not specified but we can assume that they talked in dollars) of credit to make "Germany go." Stimson thought that "the whole talk was searching, thorough, frank, but entirely friendly and left us with a good

²⁹⁰ "Der Kreis wurde jetzt erweitert. Curtius und Briand kamen hinzu, ferner Flandin, Pietri, Berthelot und vorübergehend Champetier de Ribes." Brüning, *Memoiren*, 332. (Translation assistance M.E. Völcker Havelaar).

²⁹¹ Stimson, *Diary*, "Memorandum of a conversation with the President by telephone." This conversation was held circa 1:00 a.m., Sunday, 19 July 1931.

²⁹² Curtius, *Sechs Jahre*, 218. Brüning, *Memoiren*, 332. Stimson reported that the meeting went from 10:15 p.m., to to 12:30 a.m., Stimson, *Diary*, "Memorandum of a conversation with Herr Heinrich Bruening, German Chancellor," Paris, 10:15 p.m., Saturday, 18 July 1931.

²⁹³ Brüning, *Memoiren*, 333.

deal of respect for Bruening.”²⁹⁴ Brüning apparently misjudged Edge’s attitude, for the American ambassador in his memoirs spoke highly of the Chancellor.²⁹⁵

Laval’s invitation to have breakfast at his home with Madame Laval particularly touched Brüning.²⁹⁶ At eight in the morning, Brüning, a Catholic himself, had been invited, perhaps by Champetier de Ribes who was also present, to celebrate a mass for peace at Notre Dame de la Victoire. Brüning’s action was not appreciated in Germany.²⁹⁷

At half past ten the French and Germans met again. This time they were joined by Henderson, Tyrrell, Stimson, Edge, Italian Foreign Minister Dino Grandi, Belgium Prime Minister J. Renkin, Belgium Foreign Minister Paul H. Hymans, Belgian Emile Francqui, architect of the BIS, and the Japanese Ambassador Kenkichi Yoshisawa.²⁹⁸ Flandin, his usual undiplomatic self, greeted Brüning by announcing that he would not go to London without German political concessions. The group gathered in Laval's office at the interior ministry. Italy, Belgium and Japan said the habitual diplomatic niceties but offered nothing tangible.²⁹⁹ Laval and Flandin resumed their tug-of-war. This did not

²⁹⁴ Stimson, *Diary*, “Memorandum of a conversation with Herr Heinrich Bruening, German Chancellor,” Paris, 10:15 p.m., Saturday, 18 July 1931.

²⁹⁵ Edge, *A Jerseyman’s Journal*, 203.

²⁹⁶ Brüning, *Memoiren*, 334.

²⁹⁷ *Ibid.*, 333. “Auguste Champetier de Ribes (1882-1947)” *Dictionnaire des Parlementaires Français*, 951-956.

²⁹⁸ Stimson, *Diary*, 19 July 1931.

²⁹⁹ Brüning, *Memoiren*, 333. Stimson, *Diary*, 19 July 1931.

bode well for the London conference. Fortunately Briand awoke from an uremia induced slumber and expanded the scope of the discussion to the world crisis. Brüning was able to expose his fear of a Bolshevik takeover if a solution was not found to the present crisis and to emphasize the importance of French participation in the London conference.³⁰⁰ Apparently this was enough to win over Flandin, for the French did partake in the London conference. The meeting was closed by a dinner at the French foreign ministry. Stimson and Henderson did not attend for they had already departed for London that afternoon.³⁰¹

Preparation of the Communiqué for the newsreels proved difficult, but eventually Briand was able to smooth things over.³⁰² The joint declaration stated that they were “in agreement in the recognition of the importance of this encounter” and that it affirmed the “beginning of a trusting collaboration.”³⁰³

During the gala dinner at the Quai d'Orsay, Brüning talked with Caillaux. Briand also gave Brüning the task of winning over Herriot. Though Herriot remained opposed to any alleviation of the reparation problem, the friendly exchange boded well.

³⁰⁰ Brüning, *Memoiren*, 334.

³⁰¹ Ambassador Edge commented that the early departure of Henderson and Stimson indicated that “all was not well.” Edge, *A Jerseyman's Journal*, 203.

³⁰² Brüning, *Memoiren*, 334.

³⁰³ "... d'accord pour reconnaître l'importance de cette rencontre et pour affirmer qu'elle doit marquer le début d'une collaboration confiante." *Déclaration Commune des Ministres Allemands et Français*, (Paris, 19 July 1931), Archives Diplomatiques du Ministère des affaires Etrangères, Paris. Microfilm, *Serie Y: Internationale, 1918-1940*. Copie P, vol. 61, 19 July 1931.

A spectacular Franco-German reconciliation was not to be, but Laval and Brüning understood and appreciated each other's difficulties. In a letter he wrote to Chambrun after the war, Brüning recalled Laval's honesty toward him and Laval's true appreciation of the Nazi threat.³⁰⁴ If Brüning had not gained any major French concessions, The French had received him with dignity, which in itself was an accomplishment.

C. The London Conference of Experts

On the morning of 20 July 1931 all the parties to the earlier meetings who had not left already took the train for Boulogne. While Brüning and Curtius were boarding the train, Laval appeared and invited them to join him in the French government saloon carriage. Already present in the Pullman car were Briand, Flandin, Pietri, Berthelot and the Belgian Foreign Minister Paul H. Hymans. Brüning immediately directed Curtius to talk with the Belgian. Onlookers on board a commuter train and on the quay, convinced that the Franco-German reconciliation was imminent, cheered Briand on. Laval, Briand and Brüning conversed over the fate of Europe for over an hour and a half. As the train ran through the valley of the Eure, Briand poetically remarked about how the Americans and the Russians, unlike the Europeans, did not have hills to limit their ambitions: "I fear

³⁰⁴ Heinrich Brüning to René de Chambrun in Chambrun, *Pierre Laval devant l'Histoire*, 340-341.

the people of the steppes and of the prairies, and I apprehend to see our poor old Europe crushed between them."³⁰⁵

Berthelot, the Quai d'Orsay secretary, sat next to Brüning pretending to read documents. Each time Laval or Briand tended to agree with Brüning's vision on current affairs, Berthelot would join in and redirect the conversation.³⁰⁶ On board the ferry, Brüning sought respite from the traveling and the negotiating. He pretended not to have his sea legs and took a nap in his cabin.³⁰⁷ On the train from Dover to London, the French and the Germans discussed the schedule of the conference. Dr. Hans Schäffer of the finance ministry and Dr. Herman Schmitz of the giant chemical conglomerate IG Farben, met the Germans at the London train station.³⁰⁸

Even though the British had called the meeting, they had no solution for what ailed Germany and the world economy. The London conference started on the afternoon of 20 July. Similar conferences had been held in 1923 and 1929.³⁰⁹ Seven countries were present: Great Britain, France, the United States, Japan, Italy, Belgium, and Germany. The colloquium opened with the "usual unimportant speeches."³¹⁰ France and Germany

³⁰⁵ "J'ai peur des peuples des steppes et des prairies, et je crains de les voir écraser entre eux notre pauvre vieille Europe." (French in the text) Brüning, *Memoiren*, 336.

³⁰⁶ Ibid., 336.

³⁰⁷ Ibid., 337.

³⁰⁸ Ibid.

³⁰⁹ Hjalmar Schacht, *The End of Reparations*, 62, 68-69.

³¹⁰ "...üblichen belanglosen Eröffnungssitzung." Brüning, *Memoiren*, 337.

reaffirmed "their desire for collaboration and confidence between the two countries."³¹¹

Stimson was particularly pleased with Laval's "very temperate [and] good statement full of good feelings toward Germany."³¹² Laval's friendliness did much to extinguish the hostility unleashed by the French press against Britain and America.³¹³

It was not until later that day that the conference truly began when more intimate groups formed to discuss the matters at hand. Brüning, supported by Schmitz and Dr. Vocke, a director of the Reichsbank, attempted to convince Flandin of the benefit of a purely commercial loan of 500 million marks guaranteed by German industry.³¹⁴ This conversation, referred to in the British documents as the Committee of Finance Ministers was chaired by MacDonald.³¹⁵ In the meantime, Curtius and Bülow discussed with Henderson and Vansittart, the issues of the pocket battleships and the *Zollunion*.³¹⁶

The next morning at 10:00 o'clock, the French, the Germans and the English met at the Treasury. Snowden, at the instigation of Brüning, proposed the cancellation of the

³¹¹ "Mr A. Henderson to His Majesty's Representatives at Paris, Berlin, Rome, Washington and Brussels." Foreign Office, 21 July 1931, *BDFFA, Germany 1931*, Doc. 189, p. 210.

³¹² Stimson, *Diary*, "Minutes of the Secretary's telephone conversation with the president, from London," 10:15 p.m., Monday, 20 July 1931.

³¹³ *Ibid.*

³¹⁴ Brüning, *Memoiren*, 337.

³¹⁵ "Mr A. Henderson to His Majesty's Representatives at Paris, Berlin, Rome, Washington and Brussels." Foreign Office, 21 July 1931, *BDFFA, Germany 1931*, Doc. 189, p. 210.

³¹⁶ Brüning, *Memoiren*, 337.

debt. Mellon, echoed by the French, protested the suggestion.³¹⁷ Stimson's and MacDonald's objectives were twofold. First, they wanted to help stabilize Germany's short-term credit, second they wanted to convince Germany and the other conference participants that loans were not the answer. Neither Stimson nor MacDonald offered an indication as to how the short term credit should be stabilized. As to their reluctance to offer a guaranteed government loan to Germany, that was directed by President Hoover on the one hand and Bank of England Governor Norman on the other.³¹⁸ At 4:00 p.m. Stimson met with Curtius to examine the possibility of Stimson's visit to Berlin and halting the construction of pocket battleships, in particular the *Deutschland*.³¹⁹

On Wednesday the situation worsened for the Germans in London. Back home, the Reichstag was in turmoil. In Brüning's absence, the ministry of agriculture had imposed a new export tax, and in protest the tax collection agencies were flooded with worthless checks from the bankrupt Danat.³²⁰ Brüning even received a hate-filled telegram from Hugenberg and Hitler.³²¹ Brüning had given the impression that the finances of Germany were under control. The conference participants now confronted

³¹⁷ Ibid., 338.

³¹⁸ Stimson, *Diary*, Tuesday, 21 July 1931.

³¹⁹ Ibid., "Memorandum of the Secretary's conversation with Dr. Curtius, the German foreign minister, at the Hyde Park Hotel in London" 4:00 p.m., Tuesday, 21 July 1931.

³²⁰ Brüning, *Memoiren*, 338.

³²¹ Ibid., 337.

him with pointed questions regarding Germany's foreign exchange. Brüning faced the barrage of questions alone. Vocke, who wanted to speak in the defense of the beleaguered Reichsbank, collapsed in utter frustration. Bülow discreetly urged Brüning not to run the conference by himself and let the German experts talk. Schäffer and Schmitz were able to explain the situation of the Reichsbank.³²²

The Committee of Finance Ministers was encountering difficulties in coming to any sort of agreement. Gold outflow from the Bank of England had Snowden on tenterhooks. To make matters worse, he believed the uncomfortable financial situation was the deliberate work of the French government.³²³ As mentioned above, France frequently used money as a political and diplomatic tool: in this instance, though, the franc rose in relation to the pound -- as did the dollar -- the French government, according to economist Barry Eichengreen, was not implicated.³²⁴ Laval needed Britain's finances to remain solid to back the German economy and preserve the diplomatic gains in Franco-German relations. The rush on British gold stemmed from the commercial banks of Belgium, the Netherlands, Sweden, and Switzerland, "which having lost liquidity through the blocking of German credits, sold sterling to increase their gold reserves."³²⁵

³²² Ibid., 339.

³²³ Stimson, *Diary*, Wednesday, 22 July 1931.

³²⁴ Eichengreen, *Golden Fetters*, 282.

³²⁵ Kindleberger, *The World in Depression*, 154.

One of the items that Stimson and Mellon wanted to implement was the “rediscounting of certain commercial paper held by the Reichsbank [and] by the central banks of various countries.” This proposition, however, met with the opposition of the Federal Reserve Bank, and Hoover would not pressure the Fed.³²⁶ Had the Federal Reserve not opposed this idea, it would have been taken out by Snowden: the distraught Chancellor of the Exchequer attempted scrap the entire proposal. Stimson intervened and with the help of Laval and Flandin offered an alternate solution to the rediscounting; the conference was put back on track. In his *Diary* Stimson did not specify what this solution was.³²⁷ The Committee of Finance Ministers came up with a declaration that met the following day with the approval of the conference at large. It stated that the “lack of confidence [was] not justified by the economic and budgetary situation” of Germany. The conference participants agreed, as far as was “within their power, to restore confidence” and to maintain credit already extended to Germany. A BIS loan of one hundred million dollars was renewed for an additional three months to stabilize the short term credit crisis.³²⁸ The participants further agreed to create a commission to study the

³²⁶ Stimson, *Diary*, Tuesday, 21 July 1931.

³²⁷ *Ibid.*, Wednesday, 22 July 1931. *Ibid.*, Thursday, 23 July 1931.

³²⁸ Note that the BIS loan is not a guaranteed intergovernment loan.

credit situation in Germany.³²⁹ In effect, the conference agreed to do very little. They hoped that their display of goodwill alone would do much to redress the situation.

At the conclusion of the conference, the Germans received the French at their embassy. Though Briand had slept through most of the conference and never read a book, Brüning was amazed at how knowledgeable the old diplomat was on international finances.³³⁰ A garden party at Buckingham Palace hosted by King George V, Queen Mary, followed the conference. Brüning found the royal family “charming.”³³¹ Stimson discussed the situation of South America with the Prince of Wales.³³² The reception for the foreign press ensued.

To close the day, Brüning invited Stimson, Mellon and Hugh Gibson, the American ambassador in Brussels, for dinner at the Carlton Hotel. Brüning hoped that the recent events in Germany would at least shake America from its isolationism. Brüning and Stimson came to talk about their mutual World War I experience and found out that they fought each other in Bourslon (near Bapaume).³³³ Delighted by their near

³²⁹ "Mr Ramsay MacDonald to President, Bank for International settlements, Basle." Foreign Office, 23 July 1931, *BDF A, Germany 1931*, Doc. 194, p. 213. "Conference de Londres, Declaration, approuvée à la séance finale du Jeudi 23 Juillet 1931" *ADMAE Serie Y*. Stimson, *Diary*, "Memorandum the Secretary's telephone conversation with Mr. Castle, from London," 9:30 p.m., Wednesday, 22 July 1931.

³³⁰ Brüning, *Memoiren*, 340.

³³¹ *Ibid.*, 341.

³³² Stimson, *Diary*, Thursday, 23 July 1931.

³³³ Brüning, *Memoiren*, 341. Stimson, *Diary*, "Memorandum of the Secretary's conversation with Chancellor Heinrich Brüning, at dinner and after dinner, at the Carlton Hotel, London," Thursday, 23 July 1931.

encounter, Stimson, according to Brüning, worked to obtain from Mellon a productive loan for his "friend" Brüning. Within a half-hour, Mellon agreed to lend nearly half a billion marks for the purchase of cotton, copper, wheat and silver.³³⁴ This portion of the conversation was not reported by Stimson in his *Diary*. Instead Stimson stated that a "fool story" from the Associated Press reported that a loan was made between him and Brüning but that "nothing like that took place."³³⁵ At half past eleven Stimson called up a press conference for the American journalists and talked with relish of Brüning's and his battle in the woods of Bourlon.³³⁶

On the morning of Friday, 24 June 1931, Laval met with Stimson, and the two discussed the events of the last days. The French Ambassador in London, Aimé Fleuriat, joined in towards the end of the conversation and helped Stimson with his French. Laval expressed his "warm appreciation" for Stimson's visit in Paris and how encouraged he was by his conversations with Brüning. They discussed the Polish Corridor and how Laval thought it was the sole obstacle to improved Franco-German relations. Stimson mentioned the necessity of a naval agreement between France and Italy. They discussed Mussolini and how they thought, notwithstanding the military blustering, that Mussolini wanted peace. Laval brought up the financial situation of Britain and how he intended to

³³⁴ Brüning, *Memoiren*, 341.

³³⁵ Stimson, *Diary*, "Memorandum of the Secretary's conversation with Chancellor Heinrich Brüning, at dinner and after dinner, at the Carlton Hotel, London," Thursday, 23 July 1931.

³³⁶ Brüning, *Memoiren*, 342.

pressure the French banks to stop their withdrawals of gold. They parted on excellent terms. Laval hoped that Stimson would be able to come to Paris again before leaving for America, for he felt that in the chaos of the last few days he had not received him in proper fashion.³³⁷

That same Friday, the Germans and the French left London together. On board the vessel *Canterbury*, Laval and Brüning were able to converse some more about the possibilities of a French visit to Germany.³³⁸ Laval took the opportunity to introduce André François-Poncet as an expert in finance and foreign affairs in general and in "Briand-diplomacy" in particular. In an intimate conversation with Brüning, Laval asked what he thought of replacing the French Ambassador in Berlin, Pierre de Margerie, with François-Poncet.³³⁹ Laval thought François-Poncet an ideal choice, to represent and foster the new found Franco-German understanding.³⁴⁰ Brüning recognized the high qualities of François-Poncet but did not think him quite suitable for the task. Brüning preferred Margery who was of the "old school," but would not oppose the wishes of the French government.³⁴¹ André François-Poncet, the under-secretary to the Premier, would

³³⁷ Stimson, *Diary* "Memorandum of the Secretary's conversation with M. Laval, Prime Minister of France, the Carlton Hotel, London," Friday, 24 July 1931.

³³⁸ Brüning, *Memoiren*, 341.

³³⁹ Pierre de Margery, French Ambassador in Berlin (1922-1931).

³⁴⁰ Brüning, *Memoiren*, 342.

³⁴¹ *Ibid.*

become the ambassador to Berlin.³⁴² In Calais, Laval and Brüning bade each other farewell. Briand had returned to France by way of Boulogne to meet up with some old friends.³⁴³

Stimson pursued his European tour to Berlin. He had always had a poor opinion of Germany. In 1870 in Berlin, he had seen his pregnant mother knocked off a sidewalk by a drunk saber-rattling German officer on horseback, causing the immediate leave of Stimson's father for Paris. This initial impression had only been worsened by the War. But Brüning was able to show him a gentler Germany. Brüning reassured the American secretary of state that the end of reparations would not mean massive rearmaments in Germany. They left each other on excellent terms. Stimson promised to return to Berlin in six months to discuss disarmament.³⁴⁴ Stimson also talked with Hans Luther, president of the Reichsbank, of the need for Germany to show "courage and self-help," adding "that bankers would not loan money to a man who said he was broke."³⁴⁵ Stimson had similar talks with Dr. Adam Stegerwald, the German labor minister, whom Stimson

³⁴² François-Poncet, *The Fateful Years*, 8. Mallet, *Pierre Laval, Des années obscures*, 49.

³⁴³ Brüning, *Memoiren*, 342.

³⁴⁴ "Ein säbelrasselnder Offizier," Brüning, *Memoiren*, 345. Stimson, *Diary*, "Memorandum of the Secretary's conversation with members of the German Government at Embassy Dinner," Berlin, 25 July 1931. A Virginian was also present at the dinner in the person of Senator Claude Swanson. Stimson gave no indications as to his purpose in Berlin.

³⁴⁵ *Ibid.*

dubbed a “weak sister.”³⁴⁶ Stimson met with Hindenburg before flying to Amsterdam where he had dinner with members of the Dutch government before crossing over to England.³⁴⁷

On 28 July, MacDonald and Henderson made a goodwill visit to Berlin.³⁴⁸ They discussed disarmament, the overall financial situation, and especially the English gold losses. Brüning was convinced, incorrectly, that the French were exerting financial pressure on the British to alter their policy.³⁴⁹

D. The collapse of the pound sterling and the forsaking of the Gold Standard

Without a doubt the British were under enormous pressure. Britain’s rate of unemployment was a constant concern with roughly 2.5 million jobless in 1931.³⁵⁰ As the world crisis developed, new factors came into play: trade and tourism dropped by £10 million each from 1930 to 1931, revenue from financial transactions fell by £25 million, and more than £60 million in interest, profits and dividends were lost. The latter

³⁴⁶ Ibid., “Memorandum of the Secretary’s conversation with Chancellor Brüning while walking at Postdam,” Sunday, 26 July 1931.

³⁴⁷ Ibid., “Memorandum of the Secretary’s conversation with President von Hindenburg, at Berlin,” 11:30 a.m., 27 July 1931.

³⁴⁸ Curtius, *Sechs Jahre*, 221.

³⁴⁹ Brüning, *Memoiren*, 347.

³⁵⁰ For unemployment numbers, see page 27, see footnote 73.

stemmed in large part from the financial collapse of South America which had already cost Britain £40 million the previous year. The crisis in Germany, Austria, and Hungary froze over £75 million of British deposits in these countries.³⁵¹ As mentioned above, Belgium, the Netherlands, Sweden, and Switzerland had assets blocked in Germany as well and sought to balance their losses by trading in their pound sterling for gold at a moment that Great Britain could least afford it.

Laval was still in London when he was approached to relieve the Bank of England. In the name of solidarity, Laval had the Banque de France purchase £50 million. The pound was under attack; it was only a matter of time before another catastrophe would send the British currency tumbling.³⁵² In August after drastic budget cuts and tax hikes Great Britain was able to borrow \$200 million from J.P. Morgan & Co. with a matching loan from Paris.³⁵³

The catastrophe came in September. On 18 September in the middle of the night, in the absence of Ambassador Tyrrell, Chargé d'Affaires Ronald Campbell called Laval at home. Campbell requested a meeting to be held right away. Laval agreed, and they met at the ministry of the interior, Place Beauvau. Campbell explained that the Bank of

³⁵¹ Eichengreen, *Golden Fetters*, 280-281.

³⁵² Kupferman, *Laval*, 1987, 95. Brüning, *Memoiren*, 362.

³⁵³ Eichengreen, *Golden Fetters*, 284.

England was in dire straits.³⁵⁴ In two months two hundred million pounds in gold had been withdrawn. At this rate in a few days the Bank of England would have to cease to honor its payment in gold. According to the British, President Hoover had already declined to offer assistance because Congress held the purse strings.³⁵⁵ Laval promised to help. Campbell was moved to tears and said: "Mr. President, my country will never forget."³⁵⁶

Laval immediately contacted the Banque de France. The French vaults were already stacked with British paper. With much reluctance the Banque de France opened a credit of three billion francs in gold.³⁵⁷ Campbell transmitted to Laval the British government's appreciation.³⁵⁸

Three days later, without even a courtesy warning to Laval the British government abandoned the gold standard *and* devaluated the pound by 40 percent, the French were left with depreciated paper pounds. London being one of the largest international financial centers, the world followed the British example. The gold standard was only

³⁵⁴ Letter of Josée de Chambrun to Winston Churchill in Chambrun, ...*et ce fut un crime judiciaire...*, 351-352.

³⁵⁵ Kupferman, *Laval*, 1987, 95-96.

³⁵⁶ Pierre Laval in Chambrun, ...*et ce fut un crime judiciaire...*, 61. "Deux larmes coulèrent le long des joues de Monsieur Campbell" (Two tears rolled down the cheeks of Mr. Campbell) "Letter of Josée de Chambrun to Winston Churchill" *ibid.*, 351-352.

³⁵⁷ The Bank of France until the changes implemented in 1995 by Edouard Balladur as prime minister had always been dependent of the executive branch of the French Republics. Chastenet mentioned a credit of £40 million. Chastenet, *Déclin*, 23.

³⁵⁸ Kupferman, *Laval*, 1987, 95-96.

maintained by a handful of nations: France, the Netherlands, Belgium, Switzerland, Italy, Poland, South Africa and the United States.³⁵⁹

³⁵⁹ Kupferman, *Laval*, 1987, 97. From 1931 to 1935 France, Belgium, Italy, Switzerland and the Netherlands formed the bloc-or (gold-block). Duroselle *L'Europe l'Histoire de ses Peuples*, 364.

Warner suggested that Laval did not support the pound stating that (1) the pound still went off the gold standard and (2) that no mention of Laval's help was made in the published documents on British foreign policy. Warner, *Pierre Laval*, 41. The Bank of England was forced off the gold standard simply because the outgoing gold exceeded the incoming gold despite the French influx. I have not consulted the unpublished British documents, however, Laval's aid was common knowledge as Time Magazine's article clearly indicated. "1931 Man of the Year: Pierre Laval" *Time*, 4 January 1932, also in Appendix D on page 171.

CHAPTER

V

A CHANCE FOR RECONCILIATION IN BERLIN

In the Summer of 1931, Briand was still at the helm of the Foreign Ministry but because of his illness not always in full control. Berthelot began to define his own foreign policy, hiding behind the authority that befell him as Briand's right-hand man. In collaboration with the radical Edouard Herriot, Berthelot engaged in talks with Soviet Ambassador Valerian Dovgalevski.³⁶⁰ The Soviet Union was not Laval's immediate concern: Germany and the United States were.

The first encounter in Paris between Laval and Brüning had been a positive step, albeit a small one. The dividends of a true reconciliation between France and Germany would be tremendous. The fire would be taken out of the nationalists both in France and in Germany. It would put hope in the heart of Germans and Frenchman alike.

A. Invitation

On 15 August 1931 Leopold von Hoesch, the German ambassador in Paris, officially invited Laval and Briand to come to Berlin.³⁶¹ Half a century had passed since

³⁶⁰ Herriot and Dovgalevsky signed the Franco-Soviet Non-Aggression Pact on 29 November 1932.

³⁶¹ "2. Außerhalb der Tagesordnung: Gegenbesuch Lavals und Briands in Berlin." *Akten der Reichskanzlei, Weimarer Republik, Die Kabinette Brüning I u. II, 30. März 1930 bis 10. Oktober 1931, 10.*

French minister William Henri Waddington had been in Germany to sign the Berlin treaty of 1878.³⁶²

The Frenchmen accepted the invitation. Briand unfortunately was so sick that he could not go immediately. Brüning was torn between relief -- because he feared protests from the Nazis, *Stahlhelms* or the Communists, all equally opposed to the *Diktat* of Versailles -- and disappointment. The chancery even thought it might be a "diplomatic disease."³⁶³ Breaching protocol once again, Laval called Brüning on the phone. He promised his German counterpart that Briand wanted and would come as soon as possible to save peace. In a matter of minutes, Laval solved what would have taken days and numerous dispatches through the regular channels. While he had Brüning on the phone, Laval also read him passages of a speech he was about to give at the national assembly and that might be offensive to the Germans.³⁶⁴

Oktober bis 1. Juni 1932. Tilman Koops, ed. (Boppard am Rhein: Harald Boldt Verlag, 1982), 14. 8. 1931, 1557.

³⁶² Cointet, *Pierre Laval*, 105.

³⁶³ Kupferman, *Laval*, 1987, 92.

³⁶⁴ *Ibid.*, 92. Brüning, *Memoiren*, 364.

B. The threat of demonstrations

Reassured that his guest would come, Brüning addressed his key concern regarding the visit: demonstrations. The situation in Germany was catastrophic. Government payroll was met with the greatest difficulties, private bankruptcies occurred in regular succession, hoarding was endemic and met with the blocking of accounts, and purchasing power was declining. All these ailments had a dreadful impact on the German moral, and the extremes exploited this.³⁶⁵ Yet the talks could not be sullied by the Nazis.

Brüning let the Nazis know that any disruption would be severely dealt with. What helped Brüning most was that Dr. Josef Goebbels, the SA *Gauleiter* for Berlin, had his hands full. The recent beatings of Jews Goebbels had ordered along the *Kurfürstendamm* on the Jewish New Year had resulted in the arrest of his two lieutenants.³⁶⁶ Furthermore, Hitler was engaged in a seduction campaign of the German elite.³⁶⁷ Violent demonstrations against foreign dignitaries did not fit in such perspective. Since Walter Stennes, who had contested Hitler's leadership, had been replaced in April by Ernst Röhm as head of the SA, the SA were for the time being sufficiently compliant

³⁶⁵ Ibid., 362-366.

³⁶⁶ Kupferman, *Laval*, 1987, 93. Brüning, *Memoiren*, 411. Fest, *Hitler*, 311
Kurfürstendamm: Josef Goebbels had ordered his SA leaders Graf Wolf Heinrich von Helldorff and Karl Ernst to rough up Jews along the *Kurfürstendamm* in Berlin on the Jewish New Year. The SA were arrested. Helldorff and Ernst were very lightly sentenced and served no time, the SA foot soldiers on the other hand served one to two years in prison. David Irving, *Goebbels, Mastermind of the Third Reich* (London: Focal Point, 1996), 128.

Jewish New Year is Rosh Hashanah which would have been 12 September 1931.

³⁶⁷ Fest, *Hitler*, 60, 194.

to bend to the will of the political wing of the NSDAP.³⁶⁸ Also talk of a visit by Laval to the United States showed that France was not isolated from the other major powers as some in Germany liked to believe.³⁶⁹ Brüning's government and France's representatives would not to be embarrassed.



Briand & Laval on the train to Berlin
courtesy René de Chambrun

On 27 September 1931, the German government grandly received Premier Laval and minister Briand. Present in the French delegation were Berthelot and Alexis Léger.³⁷⁰ The *Friedrichstraße* train station was decked out in the French and German colors, and

³⁶⁸ "Sturmabteilung" *The Encyclopedia of the Third Reich*, eds. Christian Zentner and Fiedmann Bedürftig, trans. Amy Hackett (Newyork: Macmillan, 1991), 928-929. "Stennes Revolt" *Ibid.*, 916-917.

³⁶⁹ "The Ambassador in France (Edge) to the secretary of State," Paris, 25 September 1931. FRUS, 1931, vol. II, 242.

³⁷⁰ Alexis Léger was also a poet under the name St. John Perse. In 1933 he succeeded to Berthelot as general secretary at the Quai d'Orsay. Cointet, *Pierre Laval*, 106.

little girls greeted the visitors bearing wild flowers.³⁷¹ Instead of the dreaded SA, Secretary of State Dr. Robert Weismann lined the streets leading to the Hotel Adlon with plain clothed policemen who cheered the foreign visitors.³⁷² The German police proved to be very effective in averting disruption, and no incidents occurred.³⁷³ Briand, who must have guessed what Brüning had to do to avert troubles, greeted heartily the Chancellor with: "Ah, there is the young man who learns his craft better and better!"³⁷⁴

C. Hindenburg

President Paul von Hindenburg, the revered World War I Field Marshal, received the French delegation in a formal setting. Despite his mixed feelings toward the Weimar Republic, Hindenburg performed his task adequately. The conversation was mundane, save for an unexpected quip reported by André François-Poncet the new French ambassador in Berlin. Pointing to an exhausted Briand, the Reich president whispered to François-Poncet: "The journey must have been very tiresome for that old gentleman."³⁷⁵

³⁷¹ Kupferman, *Laval*, 1987, 93.

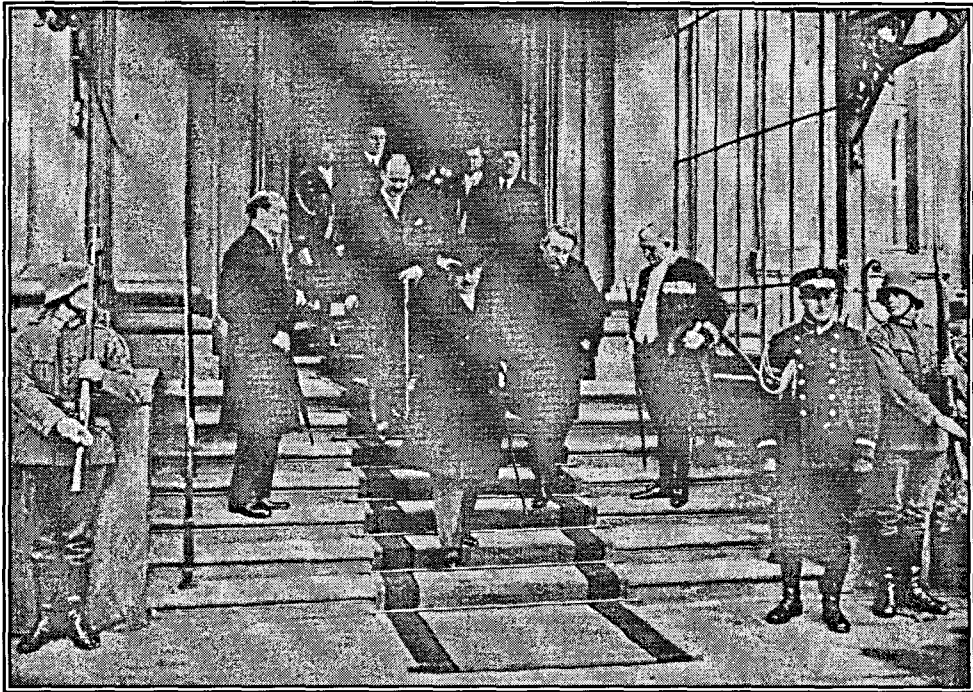
³⁷² Brüning, *Memoiren*, 411. Hotel Adlon survived the bombing of Berlin to burn a few days after the capture of the city. In 1997 the rebuild hotel reopened.

³⁷³ René Albrecht-Carrié, *France, Europe and the Two World Wars* (New York: Harper & Brothers, 1961), 207.

³⁷⁴ In French in the text "Ah, voila le jeune homme qui apprend son métier de mieux en mieux!" Brüning, *Memoiren*, 411.

³⁷⁵ François-Poncet, *The Fateful Years*, 10. Bernard Houdin, *Briand*, 548.

Hindenburg repeated his concern to his State Secretary Otto Meißner.³⁷⁶ The victor of Tannenberg was then eighty-four, Briand only sixty-nine.³⁷⁷



Laval & Briand (François-Poncet in Back) leaving Hindenburg's palace

L'illustration, 10 October 1931

³⁷⁶ Curtius, *Sechs Jahre*, 225.

³⁷⁷ Hubert Cole reported the following: Hindenburg's "staff, providing him with background information in readiness for Laval's visit, mentioned that the French Prime Minister was also Mayor of Aubervilliers. 'Aubervilliers?' repeated the Field Marshal. 'I was stationed there in 1871. Excellent billets!' [...] On Laval's arrival [...] Hindenburg's first words were: 'So you're the Mayor of Aubervilliers? My congratulations. Excellent billets!' Laval, with a twinkle and a side-glance at a more recent war, replied: 'Thank you for that tribute, Marshal. Aubervilliers has always known how to receive its guest in proper fashion.'" Cole, *Laval*, 48. Cole did not cite a source for this anecdote.

D. "Vive Briand"

The poor health of Briand was obvious to all: He collapsed at the side of Mrs. Curtius, he dozed during speeches, and fell asleep in the car while driving with Curtius. The shouts of "*Vive Briand*" and "*Vive la paix*" (long live peace) calmed the old diplomat's heart as he turned to Laval and said: "Ils m'ont compris" (they understood me).³⁷⁸ Of course the German who shouted "*Frieden! Nie wieder Krieg*" (Peace! War never again) demanded great concessions from France on the Versailles Treaty and on the Reparations. Biographer Bernard Oudin described Briand as consumed by the ephemeral moment of glory, not knowing or not wanting to know.³⁷⁹ The popularity of Briand was great among German pacifists. His efforts to reconcile France and Germany had not been forgotten. On 28 September, while the French delegation was dining at the French embassy a crowd of Germans shouted "Briand, *retten Sie uns!*" (save us!) which, according to journalist Lambel, deeply touched the old minister.³⁸⁰ François-Poncet reports the same incident somewhat differently: "Suddenly a cry rose, uttered in French. We thought we understood what the purport was: '*Sauvez-nous!* Save us!' But Briand, whose ear was still keen and whose mind was still shrewd, set us right. 'No' he explained.

³⁷⁸ Kupferman, *Laval*, 1987, 93.

³⁷⁹ Bernard Oudin, *Aristide Briand, La paix: une idée neuve en Europe* (Paris: Laffont, 1987), 548.

³⁸⁰ Robert Lambel, "Les ministres français à Berlin," *L'illustration* (Paris), no. 4623, 10 October 1931, 190.

That voice said: '*Sauvez-vous!* Get out of here!'"³⁸¹ It is possible that Lambel did not think it would be good copy to have the foreign minister cracking jokes. Kidding notwithstanding, this diplomatic voyage would be Briand's last.

E. Laval and Brüning

The two-day conference had been thoroughly prepared in advance. Laval and Brüning were well aware that public opinion in their respective nations had to be nudged gently on the path of reconciliation. They had agreed not to talk in public about the great concessions such as the repudiation of Versailles, and the resolution of the war reparations and debts.³⁸²

The two premiers, free from any onlookers, met for an hour in the library of the Hotel *Adlon*. Brüning, who had to swallow the rejection of the *Zollunion* by the International Court of The Hague fifteen days earlier, did not have the energy to endure another offensive from the right. Laval, whose freedom of movement was hindered as well, could only concur. Brüning, exhausted by many months of nonstop crisis, demanded to know whether the French politicians would prefer to do deal with "Hugenberg, Hitler, or Schacht." If so, he would gladly step aside. Laval urged Brüning to remain steadfast. Laval knew that only Brüning and he were capable of bringing

³⁸¹ François-Poncet, *The Fateful Years*, 11.

³⁸² Kupferman, *Laval*, 1987, 94.

France and Germany together. Laval added that Madame Laval, whom Brüning had met in Paris, shared in this intimate belief.³⁸³

This confidence reassured Brüning, yet he was puzzled to hear that Laval, invited by Hoover, did not wish him to go to Washington at the same time. But this did not overly concern Brüning, as he trusted in his new found friendship with Stimson and Mellon. Besides, he had not yet been invited to America.³⁸⁴ Furthermore, Brüning was convinced that "Laval wanted a fair understanding with Germany." Not any Germany, but as Stimson qualified it, "the Germany of Dr. Brüning."³⁸⁵ The two heads of government agreed to keep each other well informed by telephone of the developments in each other's countries, and to make every effort to improve Franco-German relations.³⁸⁶

To the German press Laval spoke of restoring the trust between the two nations, candidly acknowledging that some of the more controversial items were not on the agenda. Instead, in the face of "crisis without precedents," an economic cooperation had

³⁸³ Brüning, *Memoiren*, 412.

³⁸⁴ *Ibid.*, 412-3.

³⁸⁵ "Ich bezweifelte nicht, daß Laval die ehrliche Verständigung mit Deutschland wollte." *Ibid.*, 412.

³⁸⁶ *Ibid.*, 413.

been deemed the best solution.³⁸⁷ Laval concluded: "The entente has to realize itself, for through it will come salvation."³⁸⁸ The official communiqué stated:

The representatives of the German and French governments hope[d] in this fashion to have laid the foundation of a constructive work open to all, a first step in a global effort responding to the needs of the moment.³⁸⁹

A substantial portion of the stay was dedicated to official ceremonies and symbolic gestures designed to lay the bases of the Franco-German friendship in the mind of public opinion of both nations. After the conference Laval, Brüning, Briand, and Curtius held a reception for various French and German delegations. Laval and Brüning visited the Pergamon museum and the Zoo while Briand went to the grave of Stresemann and paid his respects to the widow. The whole trip was punctuated by excellent photo opportunities of the four statesmen dining, drinking and conversing together.³⁹⁰

Brüning and Curtius did their utmost to make the visit of the Frenchmen as pleasant as possible. Curtius recalled:

Especially enjoyed, on the second day, was the trip on the Havel in beautiful weather. It was a delight to see with what appetite both

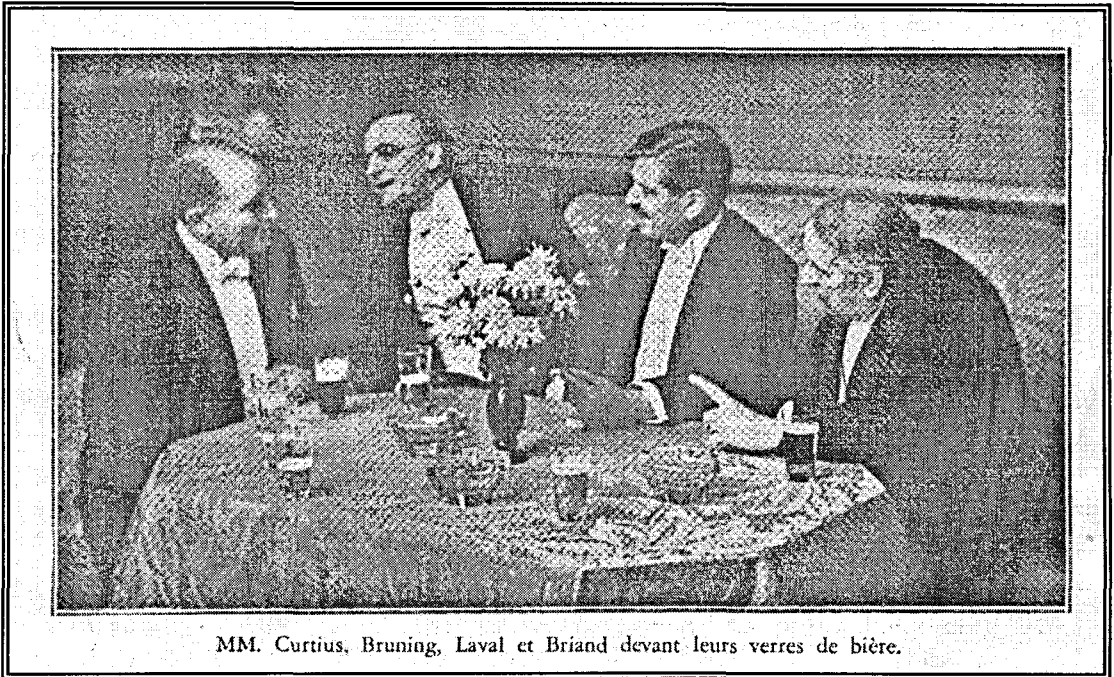
³⁸⁷ *Papiers 1940*, "Alexis Léger." No. 6. Notes pour la période 1929-1931, ADMAE. Kupferman, *Laval*, 1987, 94.

³⁸⁸ *Papiers 1940*, "Alexis Léger." No. 6. Notes pour la période 1929-1931, ADMAE. Kupferman, *Laval*, 1987, 94. Robert Lambel, "Les ministres français à Berlin," *L'Illustration*, 190-191.

³⁸⁹ "Communiqué Officiel constituant la résolution adoptée d'un commun accord par les délégations allemande et française comme conclusion de leurs délibérations lors du voyage de MM. Laval et Briand à Berlin." ADMAE; also Lambel, "Les ministres français à Berlin," *L'Illustration*, 191.

³⁹⁰ Lambel, "Les ministres français à Berlin," *L'Illustration*, 190-191. Brüning, *Memoiren*, 414.

gentlemen [Laval and Briand] ate heartily of the pike-perch with butter and new potatoes and the pheasant with sauerkraut[. . .].³⁹¹



MM. Curtius, Bruning, Laval et Briand devant leurs verres de bière.

L'illustration, 10 October 1931

However much Laval enjoyed the pheasant with sauerkraut, according to François-Poncet, he was still very disappointed not to have "been served frankfurters and sauerkraut at any of the official banquets." So on the last evening after the dinner at the embassy Laval ordered the coveted dish to share with his associates. For Laval, who always had a delicate stomach, this resulted in acute indigestion. He tried to walk off his

³⁹¹ Sie haben vor allem die Fahrt durch die Havelseen bei schönstem Wetter am zweiten Tag genossen. Köstlich war es zu beobachten, mit welchem Appetit beide Herren dem Zander mit Butter und frischen Kartoffeln und dem Fasan mit Sauerkraut zusprachen, [...]" Curtius, *Sechs Jahre*, 225. (Translation assistance M.E. Völcker Havelaar).

queasiness by going "up and down Unter den Linden -- to the discomfort of the sentries detailed to do him appropriate honors, for every time Laval passed, the guard of honor had to present arms."³⁹²

Upon their return Briand and Laval were welcomed at the train station by thousands of war veterans and "gueules cassées" as well as the entire cabinet. When they got into their cars, Tardieu's vehicle was assailed by a group of communists. Fortunately Laval's very own security team formed of the furniture movers and other strong arms from Aubervilliers dispersed the spoilsports.³⁹³

F. The Franco-German commission

The Franco-German commission was established to help in developing the existing economic ties between the two countries and creating new ones. The French had the funds and the Germans the industrial might and know-how. The Germans even proposed a customs union, but it would be too much to the advantage of Germany because of her enormous industrial output and her devalued currency.³⁹⁴

No doubt the commission was a far cry from lofty pacts to outlaw war. The popular impact was not comparable. Laval simply tried to tackle the world problems at

³⁹² François-Poncet, *The Fateful Years*, 10-11.

³⁹³ Chambrun, *Pierre Laval devant l'histoire*, 34.

³⁹⁴ Fred Kupferman, *Laval*, 1987, 94. Curtius, *Sechs Jahre*, 227.

their root. By preserving and enhancing the well being of the citizen one inhibits the need for emigration, revolution, or war. This was Laval's equivalent of the American "pursuit of happiness."³⁹⁵

Laval named his economist Claude-Joseph Gignoux as the French representative to the commission. The Premier took the project very much to heart, even chairing the commission when it met in Paris. Within a few months agricultural and industrial agreements were put together. Projects of collaboration in air transports were on the drawing board.³⁹⁶

The Franco-German Commission was modest in scope but was only intended to be the beginning of a larger diplomatic endeavor which would take Laval to America. All Laval and Brüning needed was good will and time.

Unhappily these commodities were scarce in Germany. France's new ambassador to Berlin wrote:

The very day after the Laval-Briand visit the hopes and illusions which had brought me to Germany began falling away one by one, as so many leaves off a tree in autumn. The cause of Franco-German amity met with no sympathy brave enough to declare itself either in Berlin or in the Country at Large. Only a few newspapers, the *Berliner Tageblatt* for instance, dared openly uphold it. The new Economic commission and its subcommissions pursued their task amid general indifference.³⁹⁷

³⁹⁵ "Happiness" as a philosophical concept was developed by John Locke and immortalized by Thomas Jefferson in the Declaration of Independence. John Locke, *An Essay Concerning Human Understanding* (Forge Village, Massachusetts: Meridian, 1974), 173-174.

³⁹⁶ Mallet, *Pierre Laval, Des années obscures*, 49.

³⁹⁷ François-Poncet, *The Fateful Years*, 11.

Brüning's position had been uncomfortable from his first day in office. He would discover that the military tapped his phone line, that strangers listened in on his conversations through the flue of his chimney, that his office was searched, and, worst of all, that important documents were secretly duplicated. The text of conversations and documents found their way either to the press (*Vossische Zeitung*), the Nazis or both.³⁹⁸

³⁹⁸ Brüning, *Memoiren*, 396-398.

CHAPTER
VI
COMING TO AMERICA

A. American Isolationism circumvented

President Hoover was well aware that American public opinion, and especially his party in the United States Senate, were staunchly isolationist. The president's personal beliefs might have been otherwise: Indeed his orchestration of American relief for Belgium during World War I and his later endowment of the Hoover Institution on War, Revolution and Peace at Stanford University showed a man with keen interest in international matters. The Hoover Moratorium itself, however flawed, demonstrated a grasp of world affairs. Yet Hoover had remained a conscientious Republican deferring to the isolationists led by of Borah of Idaho. Hoover would never on his own accord have invited the French Premier so soon after the debacle of the Hoover Moratorium.³⁹⁹ Not all Americans, however, thought like Hoover or Borah.

On 18 September, a week before Laval's departure for Berlin, James G. McDonald, Chairman of the Foreign Policy Association, stirred the Franco-American

³⁹⁹ Claudius O. Johnson stated that on 19 January 1929, President-elect Hoover offered Borah the office of Secretary of State. Johnson, *Borah*, 432.

relations.⁴⁰⁰ McDonald, with the help of journalist Comte Fernand de Brinon, of the evening financial organ *L'Information*, arranged a meeting with Premier Laval. De Brinon was also Laval's confidential advisor on foreign affairs.⁴⁰¹ During the conversation MacDonal suggested that Laval should visit with Hoover. De Brinon discussed in his article the benefits of personal contacts between the heads of state. He cited the meeting of President Hoover and Premier MacDonal, and that of Brüning and Laval and deemed a Hoover-Laval acquaintance the logical next step.⁴⁰² Ambassador Edge who had been sounded out privately rapidly contacted Secretary Stimson before the article was put to press.⁴⁰³

⁴⁰⁰ In 1918 James Grover McDonald (1886-1964) and a group of internationalists formed the "League of Nations Association," a study group on peace and international relations. After the Senate's failure to ratify Versailles in 1921, the association became the "Foreign Policy Association." McDonald was its chairman from 1919 to 1933. The association's goal was to achieve United States entry into the League of Nations and, failing that, to enlighten the public on matters of foreign policy. Warren F. Kuehl, "McDonald, James Grover" in *Dictionary of American Biography*, Supplement Seven, 1961-1965, (New York: Charles Scribner's Sons, 1981), and, *The Greenwood Encyclopedia of American Institutions, Political Parties and Civic Action Groups*, ed. s.v. "Foreign Policy Association (FPA)" (Westport, Connecticut: Greenwood Press, 1981).

⁴⁰¹ Edge, *A Jerseyman's Journal*, 205. Brinon would be in the Laval cabinets between 17 April 1942 and August 1944. Mallet, *Pierre Laval*, Part II, *De la reconquête du pouvoir a l'exécution* (Paris: Amiot-Dumont, 1955), 62-65. Covering the latter period, Hubert Cole described Fernand de Brinon as "shady," "pro-nazi," "the principal Nazi spy within the Government." Cole, *Laval*, 51, 110, 234.

⁴⁰² Fernand de Brinon, "Les collaborations franco-américaines, Un entretien Hoover-Laval?," *L'Information* (Paris), 19 September 1931.

⁴⁰³ Ambassador Walter E. Edge, Paris to Henry L. Stimson, Washington D.C., "Personal", 18 September 1931, 033.5111, Pierre Laval 62, *United States National Archives*, Washington, D.C. "The Ambassador in France (Edge) to the Secretary of State," Paris, 19 September 1931, *FRUS*, 1931, vol. II, 237.

B. Invitation

Laval could not have planned it any better himself. A meeting with Hoover was an idea that perfectly suited his diplomatic style. The French public welcomed the idea of a visit to America. Laval could not show too great enthusiasm of course; Hoover could reject the concept. He let it be known, however, that his government was not opposed to the idea. On 19 September, Edge sent another cable reporting the article and the French enthusiasm.⁴⁰⁴ It was up to the Hoover administration to extend an invitation to the French government. Stimson reacted rapidly and that same day sent a positive response in the hopes of coordinating it with the celebration of the Battle of Yorktown.⁴⁰⁵ During his stay in Europe that summer Stimson "had formed a high opinion of Laval."⁴⁰⁶

⁴⁰⁴ Ambassador Walter E. Edge, Paris to Henry L. Stimson, Washington D.C., "In reference to *L'Information*," 19 September 1931, 033.5111, Pierre Laval 1, *USNA*, Washington D.C.

⁴⁰⁵ Henry L. Stimson, Washington D.C., to Ambassador Walter E. Edge, Paris, "To the Ambassador", 19 September 1931, *USNA* 033.5111, Laval, Pierre/2. "The Secretary of State to the Ambassador in France (Edge)," Paris, 19 September 1931, *FRUS, 1931*, vol. II, 238.

⁴⁰⁶ "Memorandum by the Secretary of State" (Stimson), 24 September 1931, *FRUS, 1931*, 240. "Memorandum of Conversation with the Italian Ambassador Nobile Giacomo de Martino," 24 September 1931, *USNA* 033.5111 Laval, Pierre/27. "Memorandum of Conversation with the German Ambassador Herr Friedrich W. Von Prittwitz und Gaffron," 24 September 1931, *USNA* 033.5111 Laval, Pierre/26.

C. Preparing the encounter

Laval naturally reacted favorably. He had to wait of course for the approval of his cabinet and the Chamber of Deputies but on the 21 September 1931 he had already taken several steps to show his willingness to talk with President Hoover. He telephoned Edge to let him know that he had conferred with Doumer who advised him to "go to the United States."⁴⁰⁷ Laval also issued a statement to the press in which he expressed the satisfaction of French public opinion with the invitation.⁴⁰⁸ Laval contacted Director of the United Press Association in France Ralph E. Heinzen, and an old friend, to arrange a press interview.⁴⁰⁹ Heinzen, accompanied by journalist Karl Bickel, conferred with Laval that same evening. Bickel wrote:

Personally I was tremendously and favorably struck with Laval, particularly so because I had gained a rather different idea of him prior to his visit. I have met most of the French leaders of the past six or eight years. This chap is really different. While he is essentially French in appearance, short, dark, very mobile expressive face, which his photographs do not indicate, with particular fine eyes, the dominant strain of Norman [sic] blood in him, gives him almost an American or English directness and frankness in his conversation.⁴¹⁰

During this discussion Laval laid out what he intended to discuss with Hoover so that Heinzen and Bickel could pass it on to the president. The use of this unofficial channel

⁴⁰⁷ "Edge to Secretary of State" 21 September 1931, *USNA* H-W 033.5111 Laval, Pierre/4 (Section One).

⁴⁰⁸ *Ibid.*, (Section Two).

⁴⁰⁹ Ralph E. Heinzen was also a friend of Tardieu.

⁴¹⁰ Karl Bickel, Paris to Roy W. Howard, New York, "Confidential talk with Heinzen and Laval," 22 September 1931, *USNA*, 1.

was necessary because the voyage had not yet been approved. It was designed to offer Hoover a view freed from official diplomatic burden. Laval was, as always, building the bases of a personal rapport. In addition, the recent anti-American feelings caused by the moratorium would have bridled any communication through the normal channels of the Quai d'Orsay. Laval deemed the trip to the United States essential to avoid "surprises" like the moratorium in the future.⁴¹¹ Laval hoped to talk about two great problems: reparations as a cause of trouble in Europe, and disarmament in anticipation of the Geneva conference to be held on the subject. Laval spoke of a partial reduction of reparations but could not for economic reasons allow an unrestricted abolition of the payments. For example, the profits of the German railroads served to pay reparations. If the railroads were released of this burden "they could then carry freight at very low cost [. . .] [and] dump coal [and] other materials into France and ruin certain of [. . .] [the French] industries."⁴¹² On the subject of disarmament, Laval felt that Hoover was "the most sincere and the most serious."⁴¹³ In this, Laval felt that Hoover differed from Mussolini and MacDonald who called for disarmament as well. The former could not afford a larger army, and the latter had difficulties meeting the cost of the British fleet. Laval wanted to be able to explain the French position on disarmament to come to an

⁴¹¹ Ibid., 1-3.

⁴¹² Ibid., 3.

⁴¹³ Ibid.

agreement and give Geneva a good chance of success. On a personal note, Laval mentioned he would like to take advantage of his stay in America to have a glance at the cattle operations in Chicago, an area of particular interest to him because of his own farms. On the whole he did not wish to accept any engagements save the governmental ones, as he was not fond of ceremonies and honors.⁴¹⁴ Also, Laval most certainly did not want the talks to be sidetracked or, worse, lost in the fanfare.

Ambassador Edge extended the official invitation to Laval and Briand on 25 September 1931 after the French Council of Ministers unanimously approved Laval's visit to the United States.⁴¹⁵ This was also the opportunity for Edge and Mellon to offer, on behalf of the United States, "silver inkstands in the eighteenth century American Colonial style appropriately engraved" to the participants of the moratorium talks, an elegant gesture which was well received by the French press as was the invitation itself.⁴¹⁶ Gabriel Perreux of *Paris Midi* was simply elated, hoping that this marked the beginning of the end of American isolationism. It was he wrote, an opportunity for Laval "to inscribe his name next to Clemenceau, Poincaré, and Briand on the frontispiece of the temple of great Statesmen."⁴¹⁷

⁴¹⁴ Ibid., 1-4.

⁴¹⁵ "The Ambassador in France (Edge) to the Secretary of State," *FRUS*, 1931, vol. II, 243.

⁴¹⁶ Edge, *A Jerseyman's Journal*, 206. "L'Amitié Franco Américaine," *Le Matin* (Paris), 26 September 1931.

⁴¹⁷ Gabriel Perreux, "M. Pierre Laval nouvel 'honnête courtier' de l'Europe," *Paris Midi* (Paris), 26 September 1931.

Laval and Briand had both been invited. "M. Laval was most anxious that Foreign Minister Briand be in his party, but the aged statesman demurred, claiming that the voyage was too long and too arduous for one of his years."⁴¹⁸ Later, French Ambassador Paul Claudel reported to Stimson that Briand was "peeved because Laval is coming without him."⁴¹⁹ However, contradictory, both statements might have been correct considering Briand's illness. More likely this was yet another rumor started by Briand's entourage at the Quai.

Laval prepared thoroughly for his journey. Capable of improvising a good speech from a few notes, he now studied the financial files with his team of experts: François Albert-Buisson, Judge at the Court of Commerce; Charles Rist, former sub-governor of the Banque de France; and finance inspectors Rueff, Boissard, and Henry Bizot.⁴²⁰ Heinzen and the Mayor of Versailles Henry Haye, were his consultants on American society. Laval handpicked the team that was going to accompany him.⁴²¹

⁴¹⁸ Edge, *A Jerseyman's Journal*, 206.

⁴¹⁹ Stimson, *Diary*, 9 October 1931. Also Warner, *Pierre Laval*, 44-45.

⁴²⁰ Cointet, *Pierre Laval*, 109. François Albert-Buisson (b. 1881) was also mayor of Issoire (1923-1941) and Senator of the Puy-de-Dôme. *Dictionnaire Biographique Français Contemporain* (Paris: Pharos, 1954), 21.

Henry Bizot (b. 1901) was secrétaire général adjoint of the Comptoir National d'Escompte in Paris in 1930. Croix de Guerre 1939-1945. "Henry Bizot" *Nouveau Dictionnaire National des Contemporains 1961-1962* (Paris: Editions du Nouveau Dictionnaire National des Contemporains, 1962), 135.

⁴²¹ Kupferman, *Laval*, 1987, 99.

In addition to these financial experts, the foreign ministry's legal consultant, Jules Basdevant, the naval specialist Louis Aubert, and a former official of the finance ministry, Jean Parmentier, would accompany Laval.⁴²² Laval also invited Marriner, the American embassy counselor, and Pell, Edges's personal secretary and translator. Laval had appreciated their efforts during Stimson's visit and thought that they would like to see their families.⁴²³ Laval's generosity caused some embarrassment to the American State Department. Inviting the two embassy staffs was one thing, but paying their way was quite another. This matter of protocol generated a few dispatches between Washington and the American Embassy.

Laval was well aware that general American sentiments vis-à-vis France were unfavorable as she was blamed for the chaos in Europe, especially in the Hearst press.⁴²⁴ In the weeks preceding Laval's voyage, the French press, namely the well respected *Le Temps*, started the rumor that the United States was about to abandon the gold standard. This of course caused a run on the dollar, infuriating Hoover.⁴²⁵ It was suggested that *Le Temps* yielded to French ammunition manufacturers as they did not look kindly on

⁴²² Cointet, *Pierre Laval*, 109.

⁴²³ Robert Pell was accompanied in Paris by his wife and two "youngsters." Edge, *A Jerseyman's Journal*, 149.

⁴²⁴ Part of William Randolph Hearst's hostility towards France could be explained by the following: while vacationing in France in the summer of 1930, Hearst had been expelled, probably per Premier Tardieu's instructions, because of the publication of a secret naval protocol between France and Great Britain. Months later Edge was able to convince Premier Laval to rescind the order of expulsion, but Hearst never returned to France. Edge, *A Jerseyman's Journal*, 177.

⁴²⁵ Stimson, *Diary*, 20 October 1931.

possible talks of disarmament. The Laval government had to pressure the Banque de France not to liquidate its dollars.⁴²⁶ The American press of course was justified, this time, in accusing the French of wrongdoing.

Yet Laval aimed to charm the American public. He acquired elegant formal attire, complete with top hat. On board the *Ile-de-France*, he practiced for American style press interviews with a rolling barrage of questions. He had a trump card in the person of his beloved daughter Josée, who had just turned twenty. Her smile, for she was lovely, would do marvels in New York. Jeanne Laval was not fond of social happenings, therefore "it was her delight -- and his [Pierre Laval's] -- to see their brilliant daughter accompany him on the journeys abroad [. . .]."⁴²⁷ Raymond and Jacqueline Patenôte, friends of Pierre and Josée, were also on board the steamer.⁴²⁸ Raymond Patenôte was a member of the national assembly and a press baron with precious American connections.

D. Le Havre-New York

Pierre and Josée Laval, the Premier's entourage, and a plethora of journalists boarded the *Ile-de-France* at Le Havre on 16 October 1931. Laval was careful to temper the extravagant enthusiasm engendered by the trip. He cautioned that if "frank

⁴²⁶ Approximately \$600,000,000. "The Ambassador in France (Edge) to the Secretary of State," 21 October 1931, *FRUS, 1931* vol. II, 249.

⁴²⁷ Cole, *Laval*, 49. Cole also reported that Mrs. Laval was said to own only one formal dress, coat and hat. *Ibid.*

⁴²⁸ Cointet, *Pierre Laval*, 109.

explanations between heads of state appear as the surest method to reclaim the rules of a normal economy, it would be excessive to expect definitive solutions."⁴²⁹

The journey was divided between work and leisure where Laval was seen participating in the life and games of the ship. The *Ile-de-France* reached New York on 22 October. Stimson had travelled to New York to welcome the French delegation. Johnny Walker, the flamboyant mayor of New York, grandly received Laval. In the early morning, Laval and Heinzen strolled Broadway, and visited the subway incognito. To the press who asked him what he thought of America he answered: "if I were twenty again, I would come and live here . . ." ⁴³⁰ At New York's City Hall after the welcoming words of Johnny Walker; Laval pronounced his first speech in America to "the great American people."⁴³¹

Laval spoke of his "pilgrimage among the capitals," explaining that unusual times required unusual diplomatic means. In response to the American press's criticism of France's position vis-à-vis Germany in particular and on disarmament in general, he clearly stated France's desire for peace albeit without compromising her security.⁴³² He noted the American people's aspiration for "self-containment," but appealed to the

⁴²⁹ Pierre Laval in François de Tesson, *Le Président Hoover et La Politique Américaine* (Paris: Editions Baudinière, 1931), 267.

⁴³⁰ Kupferman, *Laval*, 1987, 101.

⁴³¹ "Address of the President of the Council of Ministers of France" *Press Releases*, 4 July - 26 December 1931, 355-357.

⁴³² Kupferman, *Laval*, 1987, 100.

"generous impulse" and "noble idealism" of the American people to "respond if necessary to calls which may reach them from the old world."⁴³³

On that busy morning Josée Laval inaugurated the Empire State building by symbolically lighting the Statue of Liberty from the one-hundredth floor of the new skyscraper. Unknown to her, in the crowd cheering Pierre Laval was also her future husband René de Chambrun, a young French lawyer, who was captivated not so much by Pierre Laval as by his daughter's radiant smile and sky blue beret. The definitive encounter between René and Josée would not occur, however, until some three years later at a dinner at the home of the Patenôtres.⁴³⁴

The first leg of the American journey ended with the picture of Pierre Laval triumphantly riding down Broadway Avenue in a convertible under a shower of ticker tape.⁴³⁵ The ice was broken; Laval charmed the press. Yet the difficult part of the diplomatic mission had not yet begun.

⁴³³ *Press Releases*, 4 July - 26 December 1931, 356-357.

⁴³⁴ René de Chambrun, *Mes combats pour Pierre Laval* (Perrin: Paris, 1990), 230-231.

⁴³⁵ See cover of *L'Illustration*, at the front of this work.

E. The Washington Talks

Laval boarded the train at Pennsylvania Station, he arrived in Washington in the early afternoon.⁴³⁶ He was welcomed at Union Station by the Under Secretary of State William R. Castle, Jr. and Hoover's Military Aide Lieutenant-Colonel Campbell B. Hodges. As the French embassy could not accommodate the entire French delegation, Ambassador Edge had generously offered the use of his house.⁴³⁷

That same afternoon, Pierre Laval and Ambassador Paul Claudel met with Herbert and Lou Hoover at the White House. The social niceties rapidly gave way to serious talks between the heads of state which started at 3:30 p.m. For the substance of this meeting the Stimson Diary was essential. It would have been logical for Claudel to be present at the meeting, but he was excluded. Laval probably did not want details of the meeting to travel back to the Quai d'Orsay until he was ready.

It was a small gathering, Hoover and Stimson with Ogden L. Mills, Secretary of the Treasury, acting as the American interpreter and Laval with Albert-Buisson as his translator. The talks that first day were only interrupted by "the official dinner given in honor of the guests of the Yorktown Sesquicentennial Celebration."⁴³⁸ Having little taste for formal happenings and wishing his trip to focus on world affairs, Laval did his utmost

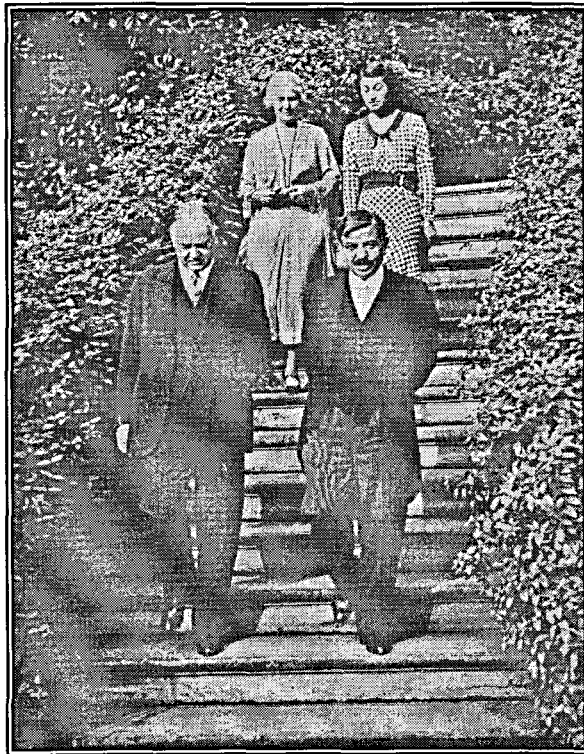
⁴³⁶ "Program of the Visit in New York and Washington." *Press Releases*, no date, 353.

⁴³⁷ Edge, *A Jerseyman's Journal*, 207.

⁴³⁸ "Program of the Visit in New York and Washington," *Press Releases*, no date, 354.

not to participate in the Yorktown celebration. Marshall Pétain represented France at Yorktown and Laval easily deferred the honors to him, protesting that he could not possibly infringe upon the position of the hero of Verdun. The gala dinner, however, was unescapable. Within an hour the formality was over. A mediocre meal served without wine because of the prohibition offered no reason to linger.

After the dinner, Laval, Stimson, and Hoover resumed their talks. Hoover,



Hoover & Laval followed by Lou Hoover & Josée Laval
courtesy René de Chambrun

nicknamed in the American press as the man who never smiled, was not a convivial host. He had opened the discussions by defining America's position toward Europe. The

United States had become involved in Europe at the cost of 75,000 men and some \$40 billion. Yet Europe was politically even more unstable than before. In light of this, the United States would do nothing more until the political and economic situation improved in Europe.⁴³⁹

Laval countered that German revisionism was a great obstacle to stability. Laval upheld the sanctity of international treaties and suggested that a ten-year political moratorium might allow the political climate to cool down enough to allow for a solution. Stimson did not think it was feasible without a concrete hope of a solution. Stimson alluded to Laval's view, put forth back in July at the London Conference, of a settlement of the problem of the Danzig corridor. While Laval concurred that he had indeed had such thought in July, he could not conceive of a solution that would be agreeable to both the Poles and the Germans.⁴⁴⁰ Unknown to Stimson, Laval had approached Brüning on this very topic, and was told by the chancellor in no uncertain terms that compromise over the eastern border was impossible.⁴⁴¹

On the question of disarmament Laval suggested that great strides could be made if the United States agreed to a Franco-American "consultative pact" on naval matters. Hoover thought it was politically impossible and proposed instead "a basic size for an

⁴³⁹ "Memorandum of Conference with Laval," Stimson, *Diary*, 23 October 1931. Cointet, *Pierre Laval*, 111.

⁴⁴⁰ "Memorandum of Conference with Laval," Stimson, *Diary*, 23 October 1931.

⁴⁴¹ "Pünder memorandum," 10 October 1931, GFM/K2083/K553564 in Warner, *Pierre Laval*, 44.

army, based upon a size large enough merely for an internal police force and then giving other nations additions to the basic need based upon their respective different needs."

Laval could of course not agree to such a ludicrous program. He very diplomatically brought up the impracticality of such a plan.⁴⁴²

Where they did agree was on helping Germany. Hoover suggested that Germany's payment capacity should be reevaluated at this time. Laval concurred as long as the commission would operate within the Young plan. Stimson recalled, "then Laval asked Hoover whether in case the committee reported for a reduction in reparations, would the United States cooperate[?] Mr. Hoover replied that he would cooperate of course." Laval then added, however, that he could not consider "an entire abolition of reparations." One of the Americans, possibly Hoover, then wondered if it would be possible to transfer the present reparation charge of the German government to German industry. To the Americans' surprise Laval responded affirmatively.⁴⁴³

The next day Hoover and Stimson met over lunch. Hoover expressed his frustration over French militarism and cockiness in general and Laval's rejection of his reduced military concept in particular. Stimson moderated the President's frustration by pointing out the progress made in France's attitude toward Germany.⁴⁴⁴

⁴⁴² "Memorandum of Conference with Laval," Stimson, *Diary*, 23 October 1931.

⁴⁴³ Ibid.

⁴⁴⁴ Ibid., 24 October 1931.

F. Laval's political moratorium

What Hoover missed and even keen Stimson did not grasp was that Laval had laid out the core of his foreign policy vis-à-vis Germany. Even the Franco-German Commission had been discussed. Laval had devised a plan, one which was known to very few. None of the biographers of Laval, not even Geoffrey Warner, who used the Stimson *Diary* as well, detected Laval's solution to the Franco-German dilemma.

As mentioned above, at the root of all the problems lay the Versailles treaty and the reparations. But, rather than attempt to abrogate the treaty and scrap the reparations and the payments to America, which he deemed politically unfeasible, Laval was going to use them in solving the puzzle.

One of the greatest difficulties for Germany was that the German government was to pay reparations in gold. Laval had devised a solution which was the same as the Garrard Winston plan referred to by Stimson. We should add that Flandin as finance minister, as well as Laval's team of experts, most certainly had a hand in conceiving this portion of the plan. Flandin had met with Ambassador Edge to discuss unofficially the possibility of the "transferral of reparation payments to bonded indebtedness," before Laval's departure for the United States. Edge wrote the State Department, and he was

certainly correct, that he thought "that Flandin made this visit [. . .] for the sole purpose of opening up these possibilities in an unofficial manner."⁴⁴⁵

The "Laval-Winston solution" (for lack of a better name) went as follows: The German government instead of paying the recipients of the reparations would instead pay the Bank for International Settlements (BIS) not in gold but in marks. The BIS would then lend its funds to the "German industry, public utilities, railroads, and possibly other private borrowers." The BIS would receive, from its borrowers, long-term obligations payable in gold. These obligations in turn would be used to pay the reparations.⁴⁴⁶ The obvious benefits would be threefold: The German government would be able to fulfill its reparation obligation at lesser cost, German enterprises would have access to secure credit, and the allied nations would receive their reparations.

Economically feasible, the Laval-Winston solution needed time to show a measurable impact on the German economy, just as the Franco-German commission needed time to develop its cross border links. Here German irredentism posed a problem. The solution was a ten-year political moratorium which would allow enough time to develop the German economy and Franco-German economic ties. In these ten years the Germans would refrain from demanding the revision of the Versailles treaty and the French right wing would have nothing to rail against.

⁴⁴⁵ "The Ambassador in France (Edge) to the Secretary of State," 1 October 1931, *FRUS, 1931*, vol. II, 245-246.

⁴⁴⁶ "Memorandum of Conference with Laval," Stimson, *Diary*, 23 October 1931.

As noted above, Laval had tested the concept of the ten-year moratorium with Brüning. In his memoirs, Brüning, rejected the idea of a moratorium. According to Warner, the Chancellor was receptive to the idea though the German statesman had countered with a one year moratorium. Unfortunately, Stimson thought such a moratorium was not feasible without a concrete promise about the outcome. But to Laval these promises would most likely have to involve either the end of reparations or the redrawing of the Eastern frontier of Germany, two items which were much too explosive to mention as a possible outcome to a political moratorium.

If Stimson was lukewarm at best, Hoover was an iceberg. This did not bode well for Laval's concept of a political moratorium. Stimson noted that Laval was not as open as he had been in Paris. Ike Hoover, the White House Chief Usher, remarked that Laval was markedly tense: "He was like a prize-fighter sparring for an opening."⁴⁴⁷ The opening was not forthcoming.

On Saturday, 25 October, Laval and his daughter were guests of Mr. and Mrs. Stimson at their Washington home. Laval and Stimson met alone over breakfast with Stimson's "own bad French" for interpreter.⁴⁴⁸ Laval brought up the political moratorium

⁴⁴⁷ Irwin Hood (Ike) Hoover, *Forty-Two Years in the White House* (New York: Houghton Mifflin, 1934), 212.

⁴⁴⁸ *Herbert Hoover Presidential Library, Post-Pres. Individual, Stimson, Henry L. Sunday, 25 October 1931.* (This is a copy of an excerpt of the Stimson *Diary* covering Laval's visit. Stimson had sent the documents to Hoover so he could review them before they were published in *Foreign Relations United States*. Fearing these documents would be used against him Hoover refused their publication.)

once more; Stimson rejected the idea again.⁴⁴⁹ At least the conversation was far easier in the absence of Hoover.

The body of the topics of discussion had been covered on the first day. All that was needed now was to compose the communiqué. To Stimson's surprise, Ambassador Claudel would excessively complicate this task. Stimson always had the best relations with the diplomat, but now Claudel was "captious and pettifogging and took all kinds of little objections to language." It would take two days to get a statement "as to a conversation which had taken [. . .] only seven hours."⁴⁵⁰ Possibly Claudel was out of sorts because of Laval's gentle rebuff of a speech he had prepared: "A Laval doesn't know how to speak like that," said Laval to his ambassador.⁴⁵¹ Putting together the communiqué, however, was a minor problem in light of Borah's intervention.

⁴⁴⁹ Stimson *Diary*, 25 October 1931.

⁴⁵⁰ *Herbert Hoover Presidential Library, Post-Pres. Individual, Stimson, Henry L.*, Friday, 23 October 1931.

⁴⁵¹ "Un Laval ne sait pas parler comme ça!" Mallet, *Des années obscures*, 30.

G. Borah: Irresponsible adviser to the world

James Hart conferred upon Borah of Idaho the sobriquet of "irresponsible adviser of the world" for his ill timed intervention during Laval's visit.⁴⁵² Senator William E. Borah of Idaho was the exceedingly influential Chairman of the Committee on Foreign Relations since the passing of Henry Cabot Lodge in December 1924.⁴⁵³ Borah was cordially despised in Europe where he was accurately seen as the chief opponent of the ratification of the treaty of Versailles and the League of Nations and *the* leading proponent of American isolationism. The French journalists who had accompanied Laval could not resist the opportunity of an interview with the American ogre on 23 October. He did not disappoint them. Borah called for the restoration of the Hungarian borders, the return of the Polish corridor to Germany, and the cancellation of the reparations, and opposed "any security pacts with France or any other Nations."⁴⁵⁴ Granted, Borah had not expressed anything new. Borah had met with Hoover on 21 October, before the arrival of Laval, and had discussed all these points, and according to Borah, the president had agreed with him.⁴⁵⁵ Regardless, Borah's statements had the effect of a bombshell. Borah had come out "vigorously and in an embarrassing way on nearly all the embarrassing

⁴⁵² James Hart, "National Personalities" in *The American Year Book, A Record of Events and Progress, Year 1931*, Albert Bushnell Hart, ed. (New York: The American Year Book Corporation, 1932), 15.

⁴⁵³ Johnson, *Borah*, 311.

⁴⁵⁴ *Ibid.*, 447.

⁴⁵⁵ Johnson, *Borah*, 446.

points there were," recalled Stimson.⁴⁵⁶ It was a slap in the face for Hoover, an insult to the French delegation. When Laval heard of it during the Friday meeting "he raised his hands and said, 'Why the man lives in Mars.'"⁴⁵⁷ Laval later answered the journalists who questioned him that he came to engage in talks with the president not to polemicize with whomsoever.⁴⁵⁸

On Saturday, 24 October 1931 Laval met with Borah at the home of Stimson, where they were to attend dinner. There was much anticipation regarding this encounter in the press. After "one of Mabel's [Mrs. Simpson] usual good dinners [. . .] that helped carry off the absence of wine for the French," Stimson brought his two guests into his study so they could debate at ease.⁴⁵⁹ "They sat on the sofa and continued it so long that it pretty nearly busted up the rest of the conversation. [...] So the rest of the [evening] was rather like Hamlet without Hamlet."⁴⁶⁰ Not surprisingly Laval and Borah disagreed on all points: the security pact, the Treaty of Versailles, Germany . . .⁴⁶¹ It was

⁴⁵⁶ Stimson *Diary*, 24 October 1931. Also Warner, *Pierre Laval*, 48.

⁴⁵⁷ *Herbert Hoover Presidential Library, Post-Pres. Individual, Stimson, Henry L.*, Saturday, 24 October 1931.

⁴⁵⁸ Mallet, *Pierre Laval, Des années obscures*, 50-51.

⁴⁵⁹ *Herbert Hoover Presidential Library, Post-Pres. Individual, Stimson, Henry L.*, Saturday, 24 October 1931.

⁴⁶⁰ *Ibid.*

⁴⁶¹ Johnson, *Borah*, 448-449.

unfortunate that Borah, the most influential man in American diplomacy, had such a limited vision of world affairs. Amazingly the conversation remained perfectly cordial.

All guests having departed, Laval, Rist, Bizot and Mills resumed their work on the communiqué, driving Stimson mad with repressed frustration as the tedious task prevented him from going to bed.⁴⁶²

H. The results of the Hoover Laval Conference

Stimson was not the only one experiencing frustration. Poor Hoover, his plan for a reduced military had been rebuffed -- albeit gently. A solution to the Danzig corridor had been retracted. The concept of introducing silver as a standard for the countries that went off the gold standard was disregarded as a frivolous proposal by Laval and Albert-Buisson. Hoover thought it might have helped "Mexico, India, China and South America," but Laval dismissed the silver solution as an inflationary proposition adding that "it was cheaper to inflate paper."⁴⁶³

Laval did not get a security pact without which the French would never consider disarmament, nor did he obtain an endorsement for the political moratorium. The promise to match any reduction of German reparations with a decrease of the French debt was not put in the communiqué. What was stated in the joint statement was the

⁴⁶² *Herbert Hoover Presidential Library, Post-Pres. Individual, Stimson, Henry L., Saturday, 24 October 1931.*

⁴⁶³ "Memorandum of Conference with Laval" Stimson, *Diary*, 23 October 1931.

attachment of France and the United States to the gold standard. The two governments also agreed that the Banque de France and the Federal Reserve would consult each other before the transfer of gold.⁴⁶⁴ This was welcome news after the run on American gold in the preceding weeks. In light of the financial crisis, they further agreed to review the economic situation of Germany before the Hoover moratorium ran its course.⁴⁶⁵

These were no doubt meager political results. Yet what could be expected from the American president a year away from the election, contending with an overall isolationist public opinion and Congress on the one hand and a French premier reined in by the very members of his cabinet on the other? The Hoover-Laval encounter, however, had quite an impact. The Swedish and Norwegian stock exchanges showed recovery for a time.⁴⁶⁶ The American and French press was positively smitten with Laval. *Time* made Laval man of the year, an honor never bestowed on a Frenchman before, following no less than Mahatma Gandhi and preceding Franklin D. Roosevelt. A conquering Laval riding down Broadway made the cover of *L'Illustration*. So there it was: a political draw could also be a personal triumph.

⁴⁶⁴ Tesson, *Le Président Hoover*, 268.

⁴⁶⁵ Kupferman, *Laval*, 1987, 102. Mallet, *Pierre Laval, Des années obscures* 50-51.

⁴⁶⁶ Brüning, *Memoiren*, 432.

CHAPTER
VII
WHEN IT RAINS . . .

A. International problems

Laval returned to France on board the *Ile-de-France* by way of New York. The revitalization of the Young Plan was his first order of business. Brüning's approval for a reevaluation of Germany's payment capacity was sought and obtained. The Reassessment Committee meeting in Basle from 7 through 23 December concluded that the Germany should be dispensed temporarily from paying the conditional portion of the reparations. The Young plan survived.

Nevertheless, Laval's string of successes began to meet with serious problems. On 9 January 1932 Brüning announced that Germany would not be able to meet its obligations. Though on 14 January Brüning moderated his position, and by 13 February the British aligned with Laval. The reparations were maintained with enormous difficulties.⁴⁶⁷

A major problem was that the World Crisis had reached France, with unemployment rising to 200,000, and the looming certainty that the 1932 budget would not balance. Free international trade was under threat, Sweden barred the entry of French

⁴⁶⁷ Mallet, *Pierre Laval, Des années obscures*, 51.

cheeses, the Netherlands and Spain imposed quotas on French imports, Poland raised their import taxes, and Italy denounced the Franco-Italian trade agreement.

The latter was possibly the latest obstacle to the possibility of a Laval trip to Rome. A voyage to Italy would certainly have fittingly concluded Laval's international tour. However, the project of such a visit would have met with the opposition of the Italophobes at the Quai d'Orsay and in the department of the Navy, who feared a Franco-Italian accord that would reduce the French fleet in the Mediterranean.⁴⁶⁸

B. National problems

Another source of concern was the possible collapse of Laval's support in the chambers. The *Cantonale* elections of October 1931 had seen a strong progression of the Left Radicals (Radicaux de Gauche). While the elections in the cantons -- administrative entities at the departmental level -- had no impact on the composition of the National Assembly or the Senate, it did cause the Radicals to rethink their position within the present assemblies in which they had assumed a somewhat benevolent neutrality toward Laval. Edouard Herriot remained favorable, at least for the time being, to the present course of the government, but Edouard Daladier, as the representative of the left branch

⁴⁶⁸ Cointet, *Pierre Laval*, 112-113.

of the Radical Socialists, was looking toward forming a new majority with the Socialists.⁴⁶⁹

All the while, an ailing Briand kept to his bed at the Quai d'Orsay. Laval was prevented by the "entourage" from visiting the old diplomat. Yet on 2 January 1932 Laval was called in by Briand. The two men talked at length about the political situation. Briand decided to leave the government, Laval promised to take him back as foreign minister as soon as he recovered. The old diplomat left for his farm of Cocherel.⁴⁷⁰

Worse yet, on 7 January 1932, Minister of War André Maginot died, poisoned by bad oysters. Laval was at his bedside.⁴⁷¹ Maginot had enjoyed the full confidence of Laval and had full control over his ministry. The disarmament conference in Geneva opened on 2 February 1932. France needed a credible representative and Laval urged Tardieu to take over Maginot's ministry.⁴⁷² Tardieu accepted. Laval attempted to widen his majority by including the Radicals in his government. With the departure of Briand the Radicals pretended to fear that the government would abandon the policy of peace and they refused participation and all voted against the third Laval government. Laval,

⁴⁶⁹ Ibid., 113.

⁴⁷⁰ Kupferman, *Laval*, 1987, 103-104.

⁴⁷¹ Edouard Bonnefous, *Histoire Politique*, tome cinquième, 105. Chambrun, *Pierre Laval devant l'Histoire*, 36. Chastenet, *Déclin*, 27.

⁴⁷² Mallet, *Pierre Laval, Des années obscures*, 51.

however, did win the confrontation. On 23 January, 1932, the chamber voted for the new Laval government, 312 to 261.⁴⁷³

Laval had recast his government with the same ministers, promoting the under secretaries, Cathala and Achille Fould, to their respective ministries of the Interior and Agriculture, reserving the foreign ministry for himself. Still, without the participation of the Radicals or their neutrality, Laval's center right coalition was in jeopardy.

This was evident to all, and the conservative deputy Georges Mandel -- once Clemenceau's gray eminence -- proposed an electoral reform which would replace the plurinominal ballot with an uninominal one. This would favor the right as it would do away with the reciprocal standing down of the Radicals and the Socialists between two ballots. A very important amendment giving women the right to vote had been attached to the reform by Anatole de Monzie.⁴⁷⁴ Tardieu, because he associated his vision of a modern France with that of a strong conservative party -- and also because of the amendment, as he was a proponent of woman's suffrage -- convinced Laval to put the weight of the government behind this proposal.⁴⁷⁵ The reform passed the assembly on 12 February 1932.⁴⁷⁶

⁴⁷³ Bonnefous, *Histoire Politique*, tome cinquième, 108.

⁴⁷⁴ Ibid., 110.

⁴⁷⁵ André Tardieu, "Les Projets Constitutionnel de Tardieu (1934)," *L'Heure de la Décision* (Paris: Flammarion, 1934), 176-178, in Eric Cahm, *Politique et Société; La France de 1814 à nos jours* (Paris: Flammarion, 1977), 106-108.

⁴⁷⁶ Chastenet, *Déclin*, 27-28. Bonnefous, *Histoire Politique*, tome cinquième, 110-111.

The Radicals and the opposition parties were upset. In the senate, on 16 February Albert Peyronnet (gauche démocratique) called for an immediate debate on the overall policies of Laval's government. Laval asked for a postponement of such a debate for a few days, because Tardieu was at that very moment putting forth, to the Disarmament conference, the creation of an international military force that would give teeth to the League of Nations. This would satisfy France's craving for security, and allow for disarmament. Laval appealed to the Senators to choose the superior interest of the nation. In order to emphasize his point Laval risked the survival of the government on a vote to postpone the debate. On 16 February 1932, Laval was defeated in the Senate, 157 to 132.⁴⁷⁷

The Laval government collapsed over a calendar issue putting an end to the last diplomatic effort to bring France and Germany together; the window of opportunity was closed. When Laval returned to power three years later he would direct a policy of containment *against* Germany.

⁴⁷⁷ Ibid., 111.

CONCLUSION

ASSESSMENT OF PIERRE LAVAL IN 1931

The first international crisis Laval faced was the Hoover Moratorium and, despite the pronouncements of authors such as John W. Wheeler-Bennett, we have seen that Laval did his utmost to make the Moratorium work. Though the parliamentary coalition that made Laval's government was not wholly behind him at first, Laval was able to gather enough outside support to preserve his government and approve the one-year Hoover Moratorium.

Unfortunately, the German economy was so flawed that the reprieve afforded by the Hoover moratorium was short-lived. From this renewed financial disaster, however, an opportunity for improvement of Franco-German relations arose. Laval's first encounter with Brüning was, something of a missed opportunity. Had Laval been able to offer Brüning the half a billion dollars without the conditions, history might have taken a different turn. It is unlikely, nonetheless, that the loan would have been enough to make Germans forget the so-called "war guilt clause" and the Danzig corridor. Still, it was to Laval's credit that the meeting did not turn into a diplomatic disaster.

Over the course of the Laval-Brüning meeting, the two grew to appreciate each other. From this first missed opportunity arose the French visit to Berlin. Though the

results were meager, it too was a positive step toward Franco-German understanding.

Laval said of the meetings with Brüning:

I did my best, I was ever conscious of embodying my country. It gave me great courage and great strength. I always spoke honestly with my interlocutors. I recall a poignant moment when Mr. Brüning and I sensed the insurmountable chasm between us. His face was so sad that I felt sorry for him. ["In my situation,"] I told him, ["you would not speak otherwise."] He acquiesced with a nod. I added then: "Mr. Brüning, let us put forth all efforts so that we may one day meet again."⁴⁷⁸

The encounter with Hoover was not all it could have been. Author James E.

Pollard wrote that Hoover changed upon becoming President; where he had been open, willing to communicate, upon taking office he became inflexible, controlling, and secretive.⁴⁷⁹ It was apparent during Laval's visit that Hoover was not willing to try to compromise on anything. This must have been very disconcerting to Laval, especially after his candid meetings with Stimson. Granted Hoover had a lot on his plate: with the national income dropping to half in the span of his presidency, the Bonus Marchers camping on the Mall, the invasion of Manchuria, to name but a few problems Hoover faced. Laval had thoroughly prepared for the visit, won over the American press, and

⁴⁷⁸ "J'ai fait de mon mieux, j'avais le sentiment toujours présent d'incarner mon pays. Cela m'a donné un grand courage et une grande force. J'ai toujours parlé loyalement à mes interlocuteurs. Je me souviens d'une minute poignante où Mr. Bruning [sic] et moi nous avons senti le fossé infranchissable entre nous. Il avait un visage si triste que j'avais de la peine pour lui. A ma place, lui ais-je dit, vous ne parleriez pas autrement. Il a acquiescé de la tête. Alors j'ai ajouté: "Mr. Bruning [sic], faisons tous nos efforts pour que nous puissions un jour nous rejoindre." Laval quoted by Jean de Pierrefeu in Herman Dons, "Le Voyage de M. Pierre Laval, l'homme qui personifie la vieille Europe," *L'Etoile Belge*, 26 October 1931.

⁴⁷⁹ James E. Pollard, *The Presidents and the Press* (New York: Octagon Books, 1973), 737-742.

handled the Borah incident with skill -- but he could not get through to the humorless president.

Being able to conduct any sort of policy in France's Third Republic was a remarkable achievement in itself. As to the length of Laval's stay in power, it was equivalent to the better performing governments. Yet the key question for any statesperson is whether the goal(s) of his or her administration were accomplished? Unfortunately, with Laval the answer is *no*. Laval was unable to convince Brüning and Stimson of the viability of a ten-year political moratorium. Yet Laval's year in office was not bereft of accomplishments. It was a year of positive beginnings which saw improved diplomatic relations with Germany, the United States, and even Great Britain. It was a year of personal successes: In 1931 Laval was a popular politician at home and as in the case of the United States, abroad. Had Laval's political career ended here he might have been remembered like Louis Barthou as a man who could have averted war "if only." But, as the French say, with "ifs" one can put Paris in a bottle. The reality was that Laval's career did not end in 1931; he went on to serve a very difficult term as premier in 1935 and to serve in the Vichy government during World War II.

Many have thought to draw parallels between Laval's dealing with Germany in the 1930s and the 1940s. Such endeavors have little merit for circumstances were obviously very different. In 1931 Laval was the head of a strong and free state; in 1940

he was not. In 1931 Laval was dealing with a democratic Germany; in 1940 he was not. In 1931 Laval was negotiating with an honest and upstanding man; in 1940 he was not.

Did this study give any insights to Laval's personality, which would explain Laval in 1940? Perhaps, but in order to explain one would have to agree as to what he did. To borrow Chambrun's words, was Laval a "traitor or a patriot?" This question cannot be answered in a paragraph. But if he did betray France, he did not do it for the common motivations of money, ideology, sex, or even power. If one can agree that betrayal without motivation is not possible, then Chambrun must be deemed correct in his affirmation that Laval sacrificed himself to protect the French. However, when betrayal is loosely defined to mean that all who do not fight provide aid to the enemy, then Laval must be a traitor. Over the last few years, although I have spent thousands of hours with Laval in 1931, I cannot answer that enduring question. The chief objective of this study was to show Laval as he might have been seen by his contemporaries in 1931. I hope the reader feels I reached that goal.

EPILOGUE

When Briand, feeling better, returned to Paris in March, Laval was no longer in power to give him back his post at the Quai d'Orsay.⁴⁸⁰ Laval had returned to the Labor ministry in the third Tardieu government. Briand died on 7 March 1932. The old diplomat was given a national funeral in Paris. His long time opponent Tardieu gave the eulogy.

Heinrich Brüning's government outlived Laval's by a few months. Hindenburg, victorious over Hitler in the presidential elections of 1932, blamed his chancellor for his difficult victory and replaced him with Franz von Papen. In 1934, Brüning fled from Nazi Germany -- first to the Netherlands, then to Switzerland and England. He eventually came to the United States in 1939 to become a professor at Harvard. Upon his death in 1970 in Norwich, Vermont, Brüning's body was repatriated to Germany and given a national funeral. On that solemn occasion he was recognized by the entire German parliament, both right and left, as a man of integrity and as a selfless leader.⁴⁸¹

At the Lausanne conference (16 June-18 July 1932), the new Premier Edouard Herriot fought the German request for the total abandonment of the war reparations. Papen had the support of MacDonald. Although the debt was reduced to three billion

⁴⁸⁰ Kupferman, *Laval*, 1987, 103-104.

⁴⁸¹ Brüning, *Memoiren*, 681-682, 687.

gold marks, it would never be paid. Papen also wanted France to annul the “war guilt clause.” Herriot refused emphatically. Von Papen, livid, left screaming “You’ll get Hitler, you’ll get Hitler.”⁴⁸²

⁴⁸² Bonnet, *Le Quai d'Orsay*, 109-110.

Appendix A
The composition of the Laval governments 1931-1932
and party affiliation(s) when known⁴⁸³

27 January 1931 - May 1931

Président du Conseil & ministre de l'Intérieur Pierre Laval, (S)(indépendant)
 Vice-président du conseil
 et Garde des Sceaux Léon Bérard, (S)(Parti Républicain Démocratique et Social/URD)*
 Affaires étrangères Aristide Briand (D)(indépendant)
 Guerre André Maginot (D)(Action démocratique et sociale)
 Marine Charles Dumont (D)(gauche démocratique)
 Air Jacques-Louis Dumesnil (D) (indépendant)
 Instruction publique Mario Roustan (S)(gauche démocratique)
 Finances . Pierre-Étienne Flandin (D)(Président of alliance démocratique/républicain de gauche)
 Budget François Piétri (D)(alliance démocratique/républicain de gauche)
 Travaux Public Maurice Deligne (D)(gauche radicale)
 Travail Adolphe Landry (D)(gauche radicale)
 Commerce Louis Rollin (D)(républicain de gauche)
 Agriculture . André Tardieu (D)(parti républicain démocratique et social/républicain de gauche)
 Marine marchande Charles De Chappedelaine (D)(gauche radicale)
 Pensions Auguste Champetiers de Ribes (D)(Parti Democrate Populaire)
 Santé Publique Camille Blaisot (D)(URD)
 P.T.T. Charles Guernier (D)(gauche radicale)
 Colonies Paul Reynaud (D)(alliance démocratique/action démocratique et sociale)

Sous-secrétaires d'Etat.

Présidence du Conseil
 et Economie nationale André François-Poncet (D)(Parti Rép. Démocratique et Social)**
 Intérieur Pierre Cathala (D)(gauche sociale et radicale/radical indépendant)
 Beaux-Arts Maurice Petsche (D)(républicain de gauche)
 Colonies Blaise Diagne (D)(indépendant)
 Agriculture Achille Fould (D)(URD)
 Commerce Charles Frey (D)(action démocratique et sociale)
 Travaux publics et Tourisme Gaston Gérard (D)(gauche radicale)
 Travail Maurice Foulon (D)(no label)
 Air Etienne Riché (D)(gauche sociale et radicale)

⁴⁸³ Note that the political label is only given as an indication and should not be taken as an absolute. Mallet, *Pierre Laval, Des années obscures*, 41-42. Jacquemin, *La Vie Publique*, 73-74. *Dictionnaire Biographique Français*, 276, 380. *Dictionnaire de la politique Française*, Henry Coston, pub. (Paris: la Librairie française, 1967).

Marine Marchande Pierre Dignac (D)(républicain de gauche)
 Education physique Emile Morinaud (D)(gauche sociale et radicale)
 Enseignement technique Charles Pomaret (D)(républicain socialiste)

May 1931

Representation of the same to the new president Paul Doumer

12-14 January, 1932

Few changes after Aristide Briand's retirement and the death of André Maginot on 7 January 1932:

Présidence du Conseil & Affaires Etrangères Pierre Laval
 Guerre André Tardieu
 Interieur Pierre Cathala
 Agriculture Achille Fould

(S) Sénator

(D) Deputy

*URD = Union républicaine démocratique

**André François-Poncet upon becoming ambassador to Germany was replaced by C.-J. Gignoux (D) (Action démocratique et sociale).

Appendix B

French presidents and Premiers from 18 February 1906 to 10 July 1940⁴⁸⁴

Armand FALLIERES : président du 18 février 1906 au 18 février 1913

- Maurice ROUVIER (3) du 18 fév. 1906 au 7 mars 1906
- Ferdinand SARRIEN (1) du 14 mars 1906 au 20 oct. 1906
- Georges CLEMENCEAU (1) du 25 oct. 1906 au 20 juil. 1909
- Aristide BRIAND (1) du 24 juil. 1909 au 2 nov. 1910
- Aristide BRIAND (2) du 4 nov. 1910 au 27 fév. 1911
- Ernest MONIS (1) du 2 mars 1911 au 23 juin 1911
- Joseph CAILLAUX (1) du 27 juin 1911 au 11 jan. 1912
- Raymond POINCARÉ (1) du 14 jan. 1912 au 21 jan. 1913
- Aristide BRIAND (3) du 21 jan. 1913 au 18 fév. 1913

Raymond POINCARÉ : président du 18 février 1913 au 18 février 1920

- Aristide BRIAND (4) du 18 fév. 1913 au 18 mars 1913
- Louis BARTHOU (1) du 22 mars 1913 au 2 déc. 1913
- Gaston DOUMERGUE (1) du 9 déc. 1913 au 2 juin 1914
- Alexandre RIBOT (4) du 9 juin 1914 au 12 juin 1914
- René VIVIANI (1) du 13 juin 1914 au 26 juil. 1914
- René VIVIANI (2) du 26 juil. 1914 au 29 oct. 1915
- Aristide BRIAND (5) du 29 oct. 1915 au 12 déc. 1916
- Aristide BRIAND (6) du 12 déc. 1916 au 17 mars 1917
- Alexandre RIBOT (5) du 20 mars 1917 au 7 sept. 1917
- Paul PAINLEVÉ (1) du 12 sept. 1917 au 13 nov. 1917
- Georges CLEMENCEAU (2) du 16 nov. 1917 au 18 jan. 1920
- Alexandre MILLERAND (1) du 20 jan. 1920 au 18 fév. 1920

Paul DESCHANEL : président du 17 février 1920 au 21 septembre 1920

- Alexandre MILLERAND (2) du 18 fév. 1920 au 23 sept. 1920

Alexandre MILLERAND : président du 23 sept. 1920 au 11 juin 1924

- Georges LEYGUES (1) du 24 sept. 1920 au 12 jan. 1921
- Aristide BRIAND (7) du 16 jan. 1921 au 12 jan. 1922

⁴⁸⁴ Gouvernement France, Premier Ministre, *Chronologie des Gouvernements sous la IIIe République*, Adit, Agence pour la Diffusion de l'information Technologique, ed. (<http://www.premier-ministre.gouv.fr/>), 3-5.

- Raymond POINCARÉ (2) du 15 jan. 1922 au 29 mars 1924
- Raymond POINCARÉ (3) du 29 mars 1924 au 1er juin 1924
- Frédéric FRANÇOIS-MARCHAL (1) du 8 juin 1924 au 10 juin 1924

Gaston DOUMERGUE : président du 13 juin 1924 au 13 juin 1931

- Edouard HERRIOT (1) du 14 juin 1924 au 10 avr. 1925
- Paul PAINLEVÉ (2) du 17 avr. 1925 au 27 oct. 1925
- Paul PAINLEVÉ (3) du 29 oct. 1925 au 22 nov. 1925
- Aristide BRIAND (8) du 28 nov. 1925 au 6 mars 1926
- Aristide BRIAND (9) du 9 mars 1926 au 15 juin 1926
- Aristide BRIAND (10) du 23 juin 1926 au 17 juil. 1926
- Edouard HERRIOT (2) du 19 juil. 1926 au 21 juil. 1926
- Raymond POINCARÉ (4) du 23 juil. 1926 au 6 nov. 1928
- Raymond POINCARÉ (5) du 18 nov. 1928 au 26 juil. 1929
- Aristide BRIAND (11) du 29 juil. 1929 au 22 oct. 1929
- André TARDIEU (1) du 3 nov. 1929 au 17 fév. 1930
- Camille CHAUTEMPS (1) du 21 fév. 1930 au 25 fév. 1930
- André TARDIEU (2) du 2 mars 1930 au 4 déc. 1930
- Théodore STEEG (1) du 13 déc. 1930 au 22 jan. 1931
- **Pierre LAVAL** (1) du 27 jan. 1931 au 13 juin 1931

Paul DOUMER : président du 13 mai 1931 au 6 mai 1932, assassiné

- **Pierre LAVAL** (2) du 13 juin 1931 au 12 jan. 1932
- **Pierre LAVAL** (3) du 14 jan. 1932 au 16 fév. 1932
- André TARDIEU (3) du 20 fév 1932 au 10 mai 1932

Albert LEBRUN : président du 10 mai 1932 au 10 juillet 1940, réélu

- Edouard HERRIOT (3) du 3 juin 1932 au 14 déc. 1932
- Joseph PAUL BONCOURT (1) du 18 déc. 1932 au 28 jan. 1933
- Edouard DALADIER (1) du 31 jan. 1933 au 24 oct. 1933
- Albert SARRAUT (1) du 26 oct. 1933 au 24 nov. 1933
- Camille CHAUTEMPS (2) du 26 nov. 1933 au 27 jan. 1934
- Edouard DALADIER (2) du 30 jan. 1934 au 7 fév. 1934
- Gaston DOUMERGUE (2) du 9 fév. 1934 au 8 nov. 1934
- Pierre-Étienne FLANDIN (1) du 8 nov. 1934 au 31 mai 1935
- Fernand BOUISSON (1) du 1er juin 1935 au 4 juin 1935
- **Pierre LAVAL** (4) du 7 juin 1935 au 22 jan. 1936
- Albert SARRAUT (2) du 24 jan. 1936 au 4 juin 1936
- Léon BLUM (1) du 4 juin 1936 au 21 juin 1937
- Camille CHAUTEMPS (3) du 29 juin 1937 au 14 jan. 1938

- Camille CHAUTEMPS (4) du 18 jan. 1938 au 10 mars 1938
- Léon BLUM (2) du 13 mars 1938 au 8 avr. 1938
- Edouard DALADIER (3) du 12 avr. 1938 au 11 mai 1939
- Edouard DALADIER (4) du 11 mai 1939 au 14 sept. 1939
- Edouard DALADIER (5) du 14 sep. 1939 au 20 mars 1940
- Paul REYNAUD (1) du 22 mars 1940 au 16 juin 1940
- Philippe PÉTAIN (1) du 16 juin 1940 au 11 juil. 1940

Régime de Vichy (10 juillet 1940 - 2 novembre 1945)

Gouvernement provisoire de la République française (3 juin 1944 - 2 novembre 1945)

Appendix C

Notes on the Third Republic; Constitutional laws, Institutions and the party system

France's Third Republic was born in 1875. Its constitutional laws were drafted not so much as a reaction to the previous regime -- Napoleon III's empire -- but as a compromise between the dominant forces of the Republicans, the Conservatives, the Monarchists and the Bonapartists. The Republicans upheld the universal suffrage and the national assembly, the Monarchists the presidency and the senate. The Royalists were in this unusual position of supporting a presidency because the pretenders -- Henri Comte de Chambord (Bourbon) and Henri Comte de Paris (Orléans) -- did not dare seize the power within their reach. The Royalists hoped that the house of Orléans would eventually produce a King who would, in time, take the place of the president.

From this compromise was born a republic with a chamber of deputies, a senate, and a president. The deputies and eventually all the senators were elected by direct universal suffrage. The president was elected by the joint chambers. The president had the power to name the premier and to dissolve the chambers. The extent of the power of the presidency was tested in 1877. President Patrice de MacMahon challenged the Republican majority by choosing as premier the Duc de Broglie, defender of order and religion against Republican anti-clericalism. De Broglie was also an Orleanist. The Republicans won the elections, establishing the sovereignty of the National Assembly. The Senate, which had been sought by the conservatives and the monarchists as a bulwark against the National Assembly, would rapidly evolve through the pressure of the Universal Suffrage into a republican institution as well.

The President would at best exert a power of influence. With rare exceptions, such as Raymond Poincaré, the presidents chosen by the combined chambers were not significant politicians. Their greatest quality was often not to have offended anyone.

The executive power rested with the President du Conseil des Ministres (Premier) *and* the ministers. "They were responsible to both houses and were obliged to countersign (individually) every act of the President."⁴⁸⁵ This meant that the defection of one minister could cause the collapse of the entire government. Although not mandated by the constitution, ministers would normally resign over the defeat of a measure. This

⁴⁸⁵ Chris Cook and John Paxton *European Political Facts, 1918-1973* (Macmillan Press LTD, New York, 1975), 54.

explains why “between 1870 and 1934 France had no less than 88 ministries with an average life of less than nine months”⁴⁸⁶

The executive was further weakened by the party fragmentation. Modern political parties did not develop until the turn of the century. The tables below only show a portion of the party division in 1928 and 1932, as parties such as the Union républicaine démocratique were often associations of like-minded parties. The division between right and left is highly subjective when it came to the center parties such as the Radicaux Socialistes who shifted their weight from one side of the assembly to the other as circumstances dictated.

The political labels could also be misleading: the *Republicains de Gauche* (Left Republicans), for example, was one of the conservative parties. The *gauche* label probably meant they were not Catholic. The religious divide among the conservative parties signified that a government of the Right was never sustainable for long. One should also know that conservatives in France endorsed centralized government; by the same token the Socialists did not want the collectivization of the land since a large portion of their electorate in the south were independent farmers. To further complicate matters the politicians did not always keep their political labels from one election to the next. Perhaps the most unusual behavior was exhibited by the true leftist parties such as the Socialists and communists who would often refuse to participate in or head a government for governing was decidedly too Bourgeois.

Though the Third Republic was only suspended in July 1940, it did not survive the war, it officially came to an end on 2 November 1945 giving way to the Fourth Republic. The Fourth Republic suffered the same instability as the previous republic, it experienced twenty-five cabinets from its investiture on 27 October 1946 to its abrogation on 4 October 1958. The Fifth Republic, under the guidance of De Gaulle, was given a very strong executive power in the person of a president elected by direct universal suffrage for seven years. France has since then enjoyed great stability, only experiencing twenty-one governments over the last forty years.

⁴⁸⁶ Ibid.

The Mai 1928 legislative elections, victory of the Right⁴⁸⁷

11,396,000 registered voters

9,470,000 voted

Seats in the National Assembly

Conservateurs	8
Union républicaine démocrate	90
Indépendants	26
Républicain de gauche	101
Démocrates Populaires	19
Radicaux indépendants	90
Radicaux socialistes	109
Républicains socialistes	32
Socialistes	112
Socialistes communistes	5
Communistes	10

The October 1929 senatorial elections⁴⁸⁸

Seats in the Senate

Droite	10
Union républicaine	84
Union démocratique et radicale	29
Gauche républicaine	15
Gauche démocratique radicale et radicale socialiste	150
Socialistes (SFIO)	10
Non-Inscrits	10

The Mai 1932 legislative elections, victory of the Left⁴⁸⁹

11,561,751 registered voters

9,579,482 voted

Seats in the National Assembly

Conservateurs	5
Union républicaine démocrate	76
Indépendants	28
Républicain de gauche	72
Démocrates Populaires	16
Radicaux indépendants	62
Radicaux socialistes	157
Républicains socialistes	37
Socialistes	129
Socialistes communistes	11
Communistes	12

⁴⁸⁷ Numbers are given as an indication only. Peter Campbell, *French Electoral Systems and Elections since 1789* (Hamden, Connecticut: Archon Books, 1965), 99. Chris Cook and John Paxton, *European Political Facts, 1918-73* (New York: Macmillan Press Ltd, 1975), 122.

⁴⁸⁸ Numbers are given as an indication only. Edouard Bonnefous, *Histoire Politique*, tome quatrième, 202, 367.

⁴⁸⁹ Numbers are given as an indication only. Peter Campbell, *French Electoral Systems*, 99. Chris Cook and John Paxton, *European Political Facts*, 122. Bonnefous, *Histoire Politique*, tome cinquième, 119-20.

Appendix D

1931 Man of the Year:

Pierre Laval⁴⁹⁰

This article appeared in "Man of the Year" issue featuring Pierre Laval as he might have appeared in 1931 by the Americans, inaccuracies included.

On the last day of 1931, who loomed calm, masterful and popular as Man of the Year?

"It has been a lean year for everyone," said Prime Minister James Ramsay MacDonald with suppressed emotion. Then, faced by the conference that is to meet Jan. 18 to do something about Reparations, he burst out, "For God's sake let us meet now!"

"From this terrifying spectacle which the world presents we must raise our eyes to Heaven!" cried Pope Pius XI in his Christmas message. "It is to be feared that God will leave men to themselves and that would be most terrible ruin."

The year 1931 pitched even Colonel Lindbergh into heathen waters; sent Mahatma Gandhi disgruntled back to India; faced Josef Stalin with ragged gaps in the Five-Year Plan; failed to produce a Fascist government under Adolf Hitler (potential Man of 1932). But who rose from obscurity to world prominence, steered a Great Power safely through 1931, closed the year on a peak of popularity among his countrymen?

Only one man did these things and at the height of his sudden greatness wagged an explanatory finger at President Hoover. The keynote of 1931 was sounded by Man-of-the-Year Pierre Laval as he sailed for Washington: "A severe correctional and disciplinary period is indicated."

French Coolidge. Twelve months ago Pierre Laval was as obscure -- even in France -- as Governor Calvin Coolidge before the Boston police strike.

Swart as a Greek, this compact little Auvergnat (son of a village butcher in Auvergne, south-central France) was a Senator of no party, an Independent. The public neither knew that he always wears a white wash tie (cheapest and unfading) nor cared to

⁴⁹⁰ "1931 Man of the Year: Pierre Laval" *Time*, 4 January 1932 was generated from RTF source by rftohtml version 2.7.1 through America-On-Line.

figure out that his name spells itself backward as well as forward. Addicted to scowling, didactic (he once taught school), possessed of mellow but unexciting voice, identified with no conspicuous cause or movement, Senator Laval was also too young to be noticeable in France in January 1931. He was only 47 and France likes its Premiers to be over 60. The extreme youth of Pierre Laval was made glaring by the fact that France had just dispensed with a Premier whom many considered "much too young," brilliant Andre Tardieu, 54, whose Cabinet was brought down by the Oustric scandal.

Worst of all, a good many Frenchmen who had vaguely heard of "The Man in the White Tie" understood that during the War he was a slacker and afterwards a Communist. In 1914, being already Mayor of the proletarian Paris suburb of Aubervilliers, he was elected to the Chamber of Deputies by his old constituents as a Socialist. He did not enlist in the Army. When drafted he served briefly at the front [sic] as a common poilu. His Socialist views caused him to orate directly after the War against the Treaty of Versailles. In 1919 he lost his seat as Deputy, quarreled with some of his Socialist colleagues, remained friendly with others and is said to have been briefly enrolled at one time as both a Socialist [sic] and a Communist [sic], not being sure which way the cat of popular sentiment would jump [sic].

Aubervilliers was the irresolute young statesman's salvation. He was and he remains today Mayor of Aubervilliers. Unshakably rooted in this Paris suburb he cultivated the friends he had made as a Deputy, notably that bald, enigmatic millionaire Joseph Caillaux, onetime Premier. In 1924 Mayor Laval again sought and won election as a Deputy, not as a Socialist this time but as a moderate Republican.

Shrewd Aubervilliers understood. Her beloved Pierre was doffing his radical cap and putting on a moderate political coat to match those of his moneyed friends. Why not? Great Aristide Briand had made exactly the same switch; so had Alexandre Millerand, President of the Republic.

Less than a year later the Auvergnat, diligent in his attendance upon both M. Caillaux and M. Briand, was rewarded by the minor portfolio of Public Works in a Painlevé Cabinet which starred Foreign Minister Briand and Finance Minister Caillaux. When Patron Briand shortly came in as Premier he took Protege Laval under his wing, gave him a course in Chamber intrigue as secretary general of the Prime Minister's office, graduated him prematurely in 1926 as Minister of Justice.

Unfortunately Premier Briand had no head for finance. The collapse of the franc drove him back to his favorite post of Foreign Minister. In came great Premier Raymond Poincare to save the franc, and incidentally to blight the careers of several Briand

satellites. Ousted Pierre Laval contrived to get himself elected a Senator from the Department of the Seine (which he has since represented). He dropped back for several years into obscurity as a quiet Independent. Still close to Old Brer Briand, he also made himself close to Young Andre Tardieu.

In 1929-30 the Tardieu skyrocket went up, twice. In the first Tardieu Cabinet there was no Pierre Laval; in the second he was unobtrusively Minister of Labor; and when this Cabinet fell his chance almost came. Briand and Tardieu both insisted that Laval be asked to form a Cabinet. He tried and he failed, because by a typical quirk of "loyalty to my friend André" (Tardieu) he insisted that in a Cabinet of which he was Premier his friend must be a Minister. To form a cabinet including Friend André at that moment proved impossible. Again M. Laval slipped into obscurity; but 1931 was just around the corner. Briefly Theodore Steeg, former French Resident General of Morocco, headed a shaky, stop-gap Cabinet.

Laval's Year. On the morning of Jan. 24, 1931 there was again a French crisis. The Steeg Cabinet had fallen following charges that the Minister of Agriculture had speculated in wheat. Importunate telegrams flashed from the President's Palace to Brer Briand at Geneva begging him to become Premier for the twelfth time.

Surfeited with such honors Briand wired his courteous but absolute refusal, suggesting Pierre Laval. By this time the Oustric scandal was somewhat cold, the constantly shifting line-up of the Chamber had altered, and sturdy Auvergnat Laval was able not only to form a Cabinet but to smuggle into it as Minister of Agriculture his friend Andre Tardieu.

Thoroughly befuddled were such correspondents as supposed André Tardieu to be roughly ten times as big a man as Pierre Laval. One cabled: "The Tardieu Cabinet has been reformed with Laval as Premier." Others assumed that Protege Laval would dance inevitably to Patron Briand's tunes. Scarcely anyone realized the tremendous will-to-rule of the Man of the Year. Perhaps Georges Mandel, long the most intimate colleague of "Tiger" Clemenceau, had a glimmering of what was coming. "The Laval Cabinet has nothing to fear," he wrote. "It will last if it gives the impression that it is working.... This country likes a Government that really governs."

Straight through 1931, while other Premiers or Presidents hesitated, wavered and in some cases fell, Pierre Laval gave month after month the consistent impression that he and his Government were working, are working:

February: Just getting into his stride, Premier Laval leaned on the stooped shoulder of old Brer Briand in Chamber debate, backed him in pledging France to observe the One-year Naval Holiday proposed by Foreign Minister Dino Grandi of Italy.

March: Faced by Red riots in French Indo-China, the Premier convened the High Colonial Council in Paris for the first time in three years and studied critically the results of guillotining 700 native Communists in the past two years--with the result that Minister of Colonies Paul Reynaud is now in the Far East "sympathetically examining native grievances."

April: Foreign Minister Aristide Briand's conciliatory policy toward Germany having been discredited in French eyes by the revelation that Germany and Austria planned a zollverein (customs union), Premier Laval put tactful pressure on his own Foreign Office, forcing Old Brer Briand to take a "stronger line" which later forced zollverein into the World Court, where it died.

May: When the Chamber and Senate sit together as the National Assembly at Versailles and vote for the President of France, who shall vote first is determined by opening the dictionary at random. Last spring the dictionary opened at L. Alphabetically no other L name in the National Assembly could beat Laval. Having cast the first vote Premier Laval saw his shaggy old mentor Aristide Briand heartbreakingly defeated for the Presidency, which fell to water-drinking, penny-pinching Paul Doumer.

Opening in May the French Colonial Exposition proved phenomenally successful in a bad year, strengthened the "impression" that the Laval Cabinet was "working."

June: Premier Laval showed his tough Auvergnat mettle by holding up the Hoover One-Year Moratorium single-handed, hurling his famed defy--"President Hoover can entrench himself behind his Congress and I can entrench myself behind the Chamber"--and hanging on doggedly until the Moratorium was modified into a form acceptable to France.

July: M. Laval signed the Moratorium Accord after negotiations at the French Foreign Office with Statesman Stimson and Secretary Mellon, "to which Briand was brought in like an aged grandmother whom it is desired not to leave out of the family festivities," as venomous "Pertinax" remarked in L'Echo de Paris.

August: The Premier in his character of Worker, Driver, Leader recuperated in the grand manner by taking the cure at Vichy where go so many French, United States and British tycoons.

September: Taking Old Brer Briand in tow, Premier Laval junketed to Berlin, conferred with Chancellor Brüning and Foreign Minister Curtis (since resigned), achieved little or nothing, but boosted his fame enormously and is said to have made a warm friend of Dr. Brüning. ("What a man!" Visitor Laval exclaimed to beaming German newshawks. "I wish there were more such men in France!")

October: Leaving his Foreign Minister and his wife behind and taking his daughter Josée (Josette to him) along, Pierre Laval made the journey to Washington. D.C. that stamped his name upon millions of United States minds and swelled his fame throughout the world.

President Hoover is well known to dislike almost all Frenchmen. He and Premier Laval had high words which they called "free and frank." Smoking United States cigarettes at the furious rate of 80 per day, the didactic Frenchman in striped trousers, black jacket, white tie and suede-topped buttoned shoes wagged his short forefinger at the President in high-laced shoes and conservative business suit, making hotly such points as that France will not stand for having another Moratorium thrust forward from the United States "suddenly and brutally." (Never understood in the United States, the French position was and still is that President Hoover had a perfect right to be as "sudden" as he liked about sacrificing for one year \$257,000,000 due the United States (that being his own business and Congress not being in session): but that the President had no right "brutally" to insist that France make a similar abrupt sacrifice of \$97,000,000, that being Premier Laval's business and the French Chamber being not only in session but twice as angry as Congress when Congress finally convened and voted.) Equally blunt was Mr. Hoover, according to some reports, in challenging the French thesis of "Security before Disarmament," insisting on "real disarmament" when the Disarmament Conference meets.

Concrete result of the White House negotiations was almost nil, Premier Laval departing vastly puffed and pleased by a verbal agreement that he should summon the German Ambassador on his return to Paris and start Germany taking the initiative for a final settlement of her troubles by appealing under the Young Plan for a committee to study them, which has now been done.

November: The complete dominance of Premier Laval over what was once supposed to be someone else's Cabinet was dramatically pointed up when 69-year-old Aristide Briand collapsed in the Chamber Nov. 17 and lay for a few moments crumpled down upon his desk. As chairman of the League Council (both before and after this collapse) Old Brer Briand lost further prestige by failing utterly to restrain the aggression of Japan in Manchuria. Meanwhile short Premier Laval and his tremendously tall, broad-

shouldered and aggressive Finance Minister, Pierre Etienne Flandin, were fighting through the Chamber their fiscal program for next year.

December: Chamber and Senate passed not only numerous routine Budget bills and the like but also approved several highly controversial steps involving the personal prestige of Premier Laval and Finance Minister Flandin:

1) The loaning from the Treasury to the Bank of France of \$100,000,000 to cover the Bank's present paper loss on Sterling which it still holds. Premier Laval, it was revealed, kept the Bank under pressure during the summer to "stand by the pound" when its directors wanted to sell Sterling.

2) The loaning of \$12,000,000 to the French Line to complete their unnamed super-super-liner.

3) The adoption of a \$140,000,000 program of public works to relieve French unemployment, two-thirds of this sum to be furnished by the Treasury and one-third by local bodies. According to Laval Cabinet official estimates there are unemployed some 500,000 Frenchmen, compared to some 7,200,000 United States citizens.

On Christmas Eve the Chamber gave Premier Laval a straight vote of confidence 315 to 255, then adjourned to the second Tuesday in January, leaving the Man of the year unshaken, triumphant. How great is his achievement may be measured by the fact that only four French Premiers since the War have been able to remain in power for as much as one year.

Pierre Laval in his year-end public address at Chapelle-la-Reine nailed to his Cabinet's mast a French policy (practical or impractical) respecting Reparations which was endorsed next day by virtually the whole French press: "We will not allow Reparations to be sacrificed to private debts!"

"Tenez bon! Hold tight!" shouted a delighted auditor.

"I always do!" cried the Man-of-the-Year. "We will not let the Young Plan be torn up!"

Nation of the Year? France closed 1931 with vastly greater gold stocks than any other European state (the United States has half again as much); she could count her unemployed in hundreds of thousands while Britain and Germany counted theirs in millions; but her trade balance has turned adverse: her United Statesmeric tourists

dwindled from 300,000 in 1929 to 100,000 in 1931. The conviction is strong among Frenchmen that they are just entering hard times.

ABBREVIATIONS

<i>ADMAE:</i>	<i>Archives Diplomatiques du Ministère des Affaires Étrangères, Paris.</i>
<i>ARWR:</i>	<i>Akten der Reichskanzlei, Weimarer Republik</i>
<i>DBFP:</i>	<i>Documents on British Foreign Policy</i>
<i>BDFA:</i>	<i>British Documents on Foreign Affairs</i>
<i>DIA:</i>	<i>Documentation on International Affairs</i>
<i>FRUS:</i>	<i>Foreign Relations of the United States</i>
<i>USNA:</i>	<i>United States National Archives</i>

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