

**British Foreign Policy
and the
Ruhr Occupation Crisis
1922-1924**

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PhD Thesis

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Abstract

This thesis provides a comprehensive examination of British policy during the Ruhr occupation crisis of 1922-1924. It addresses central questions raised in the historiography of the 1920s, shedding light both on Britain's policy and that of other powers, particularly France. Based on a thorough examination of the British archives, analysis also focuses on the process of policy-formation, revealing the significance for this of administrative and personal relationships and of domestic political constraints.

The thesis begins with an analysis of Britain's role at the onset of the crisis. It evaluates the influence on Britain's policy both of the international situation and of internal factors after the collapse of the Lloyd George coalition. Britain's ambiguous position of benevolent neutrality from January to April 1923 is then analysed and its inadequacy demonstrated by revealing the contradictions involved when implementing it on the spot in the Rhineland and Ruhr. The thesis explores the search for alternatives during the summer of 1923, when policy-makers tentatively tried to encourage negotiations, but in fact simply compounded Britain's difficulties.

Discussion then moves to events in the autumn of 1923. Once German passive resistance ceased the European situation became more fluid. Britain was at last able to pursue an effective policy. She distanced herself from events on the spot and played an important role both in establishing international enquiries to investigate reparations, and in ensuring that the experts' reports (particularly those of the Dawes Committee) were adopted at the London Conference in 1924.

This thesis explores Britain's attitude to reparations and to broader questions of post-war European reconstruction and stability, revealing the dilemmas caused by Britain's underlying strategic and economic weakness after the war. It highlights the difficulties Britain encountered when dealing with her European neighbours and provides a valuable insight into the complexity of British foreign policy during this brief but crucial period.

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Abbreviations

BT	Board of Trade
DNVP	National People's Party (Germany)
DOT	Department of Overseas Trade
FO	Foreign Office
HMG	His Majesty's Government.
KPD	Communist Party (Germany)
NSDAP	Nationalist Socialist Workers' Party (Germany)
SPD	Social Democratic Party (Germany)
WO	War Office

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Introduction

The occupation of the Ruhr marked the culmination of the bitter dispute over German reparations which had poisoned European relations since the signing of the Treaty of Versailles in 1919. On 26 December 1922 the Reparation Commission declared that Germany was in default on timber deliveries, and on 9 January that she had “voluntarily” defaulted on coal. On 11 January 1923 the governments of France and Belgium sent engineers accompanied by troops into the Ruhr valley in order to ensure coal and timber deliveries.¹

The resulting crisis quickly escalated. The Germans launched “passive resistance” (effectively a government-sponsored general strike), and the French reacted by increasing their presence. It was not until 26 September that the Germans finally announced the cessation of passive resistance. This decision was not taken in time to save Germany from political chaos, economic collapse and hyper-inflation, or to prevent serious challenges to the very structure of the Reich - from Separatists in the Rhineland and Ruhr, from Hitler’s Beer Hall Putsch in Bavaria, and from a revolutionary communist movement in Saxony. France, though ostensibly the victor, also suffered in real terms. Despite an agreement in November 1923 establishing international expert committees of inquiry into the reparations issue, she refused to evacuate the Ruhr. The occupation continued to take a huge economic toll and in January 1924 the franc collapsed, leaving France financially vulnerable and therefore, it has been argued, diplomatically constrained. When the experts’ reports were published, France had little alternative but to accept their proposals - in particular those of the Dawes

¹ The Italian Government sent a token few engineers.

committee - at the London Conference in July-August 1924.

These events have received considerable historiographical attention. Significantly, the majority of this has focussed on France, particularly since the French archives were opened in the 1970s. The trend has been to move away from viewing the occupation of the Ruhr as a calculated, vindictive attempt by France to attack, suppress and exploit Germany. Historians such as Stephen Schuker, Walter McDougall, Marc Trachtenberg and Charles Maier have distanced themselves from the traditional view of the 1920s as merely an era of illusions and a prelude to the 1930s and have come to view the decade as a time when the conditions for international stability were defined, the limits of the return to the pre-World War I status quo were reached, and developments took place which prefigured the post-World War II settlement.² Charles Maier has even explained the Ruhr crisis as part of a much broader progression towards eventual post- Second World War European stabilisation and integration and the ultimate triumph of conservative bourgeois forces.³

Walter McDougall has argued that throughout the post-war period, French policy was consistent, positive and rational. It was aimed at seeking parity and partnership with Germany and was based on the assumption that a weakened Germany and a strengthened France could have been integrated into the Western European community in the 1920s in the way that they were after World War II. Thus France sought to enlist the help of her allies to internationalise European stabilisation in order to solve her twin dilemmas of

² For an excellent overview of this revisionist literature, see J. Jacobson, 'Is there a new International History of the 1920s?', American Historical Review, Vol. 88, No. 3 (1983), pp. 617-645.

³ C.S. Maier, Recasting Bourgeois Europe: Stabilisation in France, Germany and Italy in the Decade after World War I, (Princeton, 1975).

security and reparation and avoid internal domestic conflict.⁴ Jacques Bariéty shares this supportive appraisal of French policy.⁵

Marc Trachtenberg and John Keiger are also sympathetic to France. While they do not attribute to her the farsighted consistency and clarity of purpose of McDougall, they see Poincaré as well-intentioned and justified in his German policy and desire for reparation. Facing an increasingly complex and difficult situation, both internationally and domestically, and - crucially - lacking the support of his allies, Poincaré was increasingly overwhelmed by events and his policy became essentially reactive in nature until, by January 1923 he had no real alternative but occupation.⁶

Stephen Schuker and Bruce Kent are more critical. Kent, like Trachtenberg and Keiger, emphasises the immense difficulties facing France and the influence on Poincaré of domestic-political factors. He also criticises Britain and the US for irresponsibly abandoning her. None of this, however, is sufficient justification for the Ruhr occupation - an act which he condemns as 'criminal folly'.⁷ Stephen Schuker argues that France was throughout motivated by considerations concerning the British and Americans. Her failure to overcome her post-war fiscal and budgetary problems (which, according to Schuker, could have been solved) left France dependent on reparation. When this was not forthcoming, France launched the Ruhr occupation in order to enlist British and American support. The plan backfired. The crisis left France immensely weakened, dependent on the US and Britain,

⁴ W.A. McDougall, France's Rhineland Diplomacy, 1914-1924: The Last Bid for a Balance of Power in Europe, (Princeton, 1978); W.A. McDougall, 'Political Economy versus National Sovereignty: French Structures for German Economic Integration after Versailles', Journal of Modern History, Vol. 51, No. 1 (1979), pp. 4-23.

⁵ J. Bariéty, Les relations franco-allemandes après la première guerre mondiale, 10 novembre 1918- 10 janvier 1925, de l'exécution à la négociation, (Paris, 1977).

⁶ M. Trachtenberg, Reparation in World Politics: France and European Economic Diplomacy 1916-1923, (New York, 1980); J.F.V. Keiger, Raymond Poincaré, (Cambridge, 1997).

⁷ B. Kent, The Spoils of War: the Politics of Reparations, 1918-1932, (Oxford, 1989), pp. 203.

and so forced to surrender in the post-Ruhr settlement.⁸

All these works attribute great importance to the role of Britain throughout the crisis. Keiger and McDougall claim that much of the confusion in French policy resulted from Poincaré's inability to secure what he really wanted - a pact with Britain; Trachtenberg and Kent point to the problems Britain's refusal to cooperate caused France; while Schuker sees French policy as continually motivated by the need for British and American financial support.

The same is true for the historiography on Germany. Here two key works stand out amongst the many more general accounts of Weimar.⁹ These are Hermann Rupieper's work on the Cuno government, which makes extremely detailed and thorough use of the German archives, as well as some use of French, American and British materials,¹⁰ and Gerald Feldman's monumental and exhaustively researched work on the German inflation.¹¹ Together these comprise a highly detailed examination of the German side of the equation. Interestingly, they too point to the importance of Britain's role and criticise Britain for adding confusion and uncertainty to an already volatile situation. It is therefore somewhat surprising that very little attempt has been made to

⁸ S.A. Schuker, The End of French Predominance in Europe: the Financial Crisis of 1924 and the Adoption of the Dawes Plan, (Chapel Hill, 1976). For an extremely interesting critique of this, see R.W.D. Boyce, 'Review', Historical Journal, Vol. 21, No. 3 (1978), pp. 757-759.

⁹ See for example J. Hiden, Germany and Europe, 1919-1939, (London, 1977); A.J. Nicholls, Weimar and the Rise of Hitler, (MacMillan, 1991); E. Kolb, The Weimar Republic, (London, 1988); and M.M. Lee & W. Michalka, German Foreign Policy 1917-1933: Continuity of Break?, (Berg, 1987). There is also a vast wealth of material on the role of Gustav Stresemann. See for example, M. J. Enssle, 'Stresemann's diplomacy fifty years after Locarno: some recent perspectives', Historical Journal, vol. 20, no. 4 (1977), pp. 937-948; R. Grathwol, 'Gustav Stresemann: Reflections on his foreign policy', Journal of Modern History, vol. 45, no. 1 (1973), pp. 52-70; R. Grathwol, 'Stresemann revisited', European Studies Review, vol. 7, no. 3 (1977), pp. 341-52; K.P. Jones, 'Stresemann, the Ruhr Crisis and Rhenish Separatism: a case study of *Westpolitik*', European Studies Review, vol. 7, no. 3 (1977), pp. 311-340; and L.E. Jones, 'Gustav Stresemann and the Crisis of German Liberalism', European Studies Review, vol. 4, no. 2 (1974), pp. 141-163.

¹⁰ H.J. Rupieper, The Cuno Government and Reparations 1922-23: Politics and Economics, (The Hague, 1979).

¹¹ G. Feldman, The Great Disorder: Politics, Economics and Society in the German Inflation, 1914-1924, (Oxford, 1993).

analyse the content and dimensions of British policy in the same depth as those of France and Germany. Only Stephen Schuker has looked in any real detail at the British archives, and then only for 1924.

This imbalance has not been redressed by the historiography on Britain's role. Very little has been written from the British perspective on the Ruhr crisis, and no attempt has been made to address the criticisms and questions raised by the revisionist historians outlined above. What commentary there is is scattered through a range of works and lacks a thorough grounding in the British archives. For example, F.S. Northedge, The Troubled Giant, and M. Howard, The Continental Commitment provide broad overviews.¹² J.R. Ferris' work on the evolution of British strategic policy, while concentrating on strategy and security, and not on diplomatic concerns such as the Ruhr, is interesting on the decision-making process and conflicts within and between Whitehall departments.¹³ More recently, G.H. Bennett's work on foreign policy¹⁴ and Ephraim Maisel's on the Foreign Office and foreign policy during the early 1920s¹⁵ do cover the Ruhr crisis, but only sketchily, while Anne Orde's work on European reconstruction after World War I centres on the Genoa Conference of 1922.¹⁶

¹² F.N. Northedge, The Troubled Giant: Britain among the Great Powers, 1916-1939, (London, 1966). Basing his account primarily on DBFP and Cabinet records, Northedge takes the traditional line of British common sense and reasonableness towards Germany contrasted with French vengefulness. M. Howard, The Continental Commitment: the Dilemma of British Defence Policy in the Era of the Two World Wars, (London, 1972). Howard is concerned more with global developments than with specifically European events. He stresses the role of Empire and the attitudes of the Dominions. For more on the Dominions, see R.F. Holland, Britain and the Commonwealth Alliance, 1918-1939, Basingstoke, 1981). Other works of general interest are C.J. Lowe and M.L. Dockrill, The Mirage of Power: British Foreign Policy 1914-1922, (Vol. II, London, 1972); F.L. Carsten, Britain and the Weimar Republic: the British Documents (London, 1984); and R.W.D. Boyce, British Capitalism at the Crossroads, 1919-1932, (Cambridge, 1987).

¹³ J.R. Ferris, Men, Money and Diplomacy: the Evolution of British Strategic Policy, 1919-1926, (Ithaca, 1989).

¹⁴ G.H. Bennett, British Foreign Policy during the Curzon Period, 1919-1924, (London, 1995).

¹⁵ E. Maisel, The Foreign Office and Foreign Policy 1919-1926, (Brighton, 1994).

¹⁶ A. Orde, British Policy and European Reconstruction after the First World War, (Cambridge, 1990). See also, A. Orde, Great Britain and International Security, 1920-26, (London, 1978).

Two articles are devoted solely to Britain's role in the crisis. The first, by D.G. Williamson, does not take into consideration the revisionist literature on France and adheres to the traditional line of a Britain pursuing a consistent and positive approach to Germany but frustrated by an irresponsible France.¹⁷ The second is a brief, but much more recent article by Alan Sharp, centring on the personal role of Curzon.¹⁸ Thus in order to find any real detail on Britain's role in the crisis it is necessary to turn to biographies of the major actors: for example, Robert Blake on Andrew Bonar Law, David Gilmour on Lord Curzon, Keith Middlemas and John Barnes on Stanley Baldwin, David Marquand on Ramsay MacDonald, and Sybil Crowe and E.T. Corp on Sir Eyre Crowe.¹⁹

This thesis provides a detailed study of Britain's policy and the Ruhr occupation from the onset of the crisis in November 1922 to its resolution at the London Conference in July-August 1924. It both addresses the broad issues raised by the revisionist literature and examines the influences, tensions, and constraints shaping British policy. At times it is critical of the British - particularly in August and September 1923 - for their inconsistent and contradictory behaviour and for spreading uncertainty and confusion abroad. However, just as Trachtenberg and Keiger emphasise the mushrooming combination of factors which so compromised Poincaré, so this study points to the range of constraints and influences - both external and domestic-political - affecting British policy-makers. None the less, the picture

¹⁷ D. G. Williamson, 'Great Britain and the Ruhr Crisis, 1923-4', British Journal of International Studies, 3 (1977), pp. 70-91.

¹⁸ A.J. Sharp, 'Lord Curzon and British Policy towards the Franco-Belgian Occupation of the Ruhr in 1923' Diplomacy and Statecraft, vol. 8, no. 2 (July 1997), pp. 83-96.

¹⁹ R. Blake, The Unknown Prime Minister: the life and times of Andrew Bonar Law, (London, 1955); D. Gilmour, Curzon, (London, 1994); K. Middlemas and J. Barnes, Baldwin, a Biography, (London, 1969); D. Marquand, Ramsay MacDonald, (London, 1977); and S. Crowe and E. Corp, Our Ablest Public Servant: Sir Eyre Crowe, GCB, GCMG, ICCB, KCMG, 1864-1925, (Braunton, 1993).

presented is one not of a country shortsightedly ignoring its responsibilities but rather of policy-makers trying to steer a middle path towards stability and cooperation in an increasingly polarised Europe.

As the French and German stances hardened, Britain's options diminished until she was essentially left with a choice between two unwelcome alternatives - to align either with France or with Germany. British policy-makers were unable to make this choice. Had they done so it would have had huge implications for the European situation. The result was to leave Britain's middle position increasingly squeezed. Thus, as Chapters I to IV show, the most difficult time for the British was when the crisis was at its height - from January to September 1923. With Germany and France resolutely and diametrically opposed to each other, the British appeared wavering, indecisive and unsure. On the other hand, when the positions of France and Germany became more fluid, the pressure on Britain eased. After the end of September the height of the crisis had passed, leaving both the French and Germans exhausted and weakened. Their stances became less rigid, and so the preferred British middle ground position became a more viable policy alternative once again. Chapters V to VII demonstrate how from the autumn of 1923, Britain, aided by a shift in United States policy, once more played a more active role in European affairs.

What follows rests on an extensive examination of the British archives. In order to explore fully the true nature of policy formation it has been essential to adopt an inter-departmental approach. Thus a wide range of official documents has been consulted, including the records of the Cabinet (CAB), Foreign Office (FO), War Office (WO), Board of Trade and Department of Overseas Trade (BT), Colonial Office (CO), and Intelligence (HW). Foreign Office correspondence files (FO371) have proved the most fruitful, especially

as sadly little embassy or consular information has survived for this period from either France or Germany. In particular, the reparations and Ruhr files for 1923 (C1/18 and C313/18 respectively) are colossal and contained countless hundreds of immensely interesting and relevant documents.

But to rely solely on FO371 gives a distorted picture. The centrality of reparations to the whole crisis meant that the Treasury had a great input into developments. Treasury files have been vital for this study and have provided important information not only on the content of policy, but also on its formation and on the relationship between the Treasury and the Foreign Office. The Bank of England Archives have also provided some interesting insights into Britain's financial role. Newspapers and Hansard have been used to gauge the influence of external factors such as public and parliamentary opinion, while private papers have added a more personal dimension. Particularly enlightening have been those of the key figures - Curzon, Baldwin and MacDonald.

This thesis sheds light on both Anglo-French and Anglo-German relations and contributes to a more complete understanding of the ramifications of reparations, the fate of the Treaty of Versailles and the origins of Germany's international rehabilitation. It explores British perceptions of the European situation and demonstrates the dilemmas caused by underlying strategic and economic weaknesses after the war and how the overwhelming desire to avoid dangerous commitments constrained and at times undermined British diplomacy. It analyses Britain's policy on the spot in the Ruhr and particularly regarding the British zone of occupation in the Rhineland, and evaluates the impact which this had on Britain's high policy and diplomacy at each stage in the crisis. Finally, the thesis provides a valuable insight into the process of policy-formation. It considers the role of individuals and the influence of

domestic considerations and party politics, of public opinion and of inter-departmental administrative conflicts in shaping the policy pursued.

Chapter I covers the origins of the crisis, from November 1922 to January 1923. It shows how the critical European situation was compounded for the British by internal domestic-political fluidity. The following chapter examines Britain's initial policy of 'benevolent neutrality'. It demonstrates the ambiguities and difficulties this entailed for Britain on the ground in the Ruhr and Rhineland, and reveals how, as the pressures on Britain's position increased, the quest for alternatives began. By April a change had taken place and benevolent neutrality became a way of tentatively intervening and offering mediation. Chapter III chronicles British attempts to nudge France and Germany towards a settlement and shows how, as successive attempts failed, discontent over Ruhr policy increased within Britain. Conflicting views surfaced, particularly in the Cabinet, and when British policy continued to seem inadequate, domestic-political and administrative differences combined to seriously undermine Britain's position. During August and September 1923, dealt with in Chapter IV, Britain's policy vacillated between France and Germany, her policy-makers unable to choose between them. Thus, when passive resistance ended on 26 September British policy was in disarray. It recovered only because Poincaré threw away the initiative. The next chapter evaluates events in the autumn of 1923, demonstrating how Poincaré became increasingly embroiled in chaotic and confused events on the spot. In contrast Britain distanced herself from these practical difficulties, intervening only when absolutely necessary. Instead, Britain concentrated on securing an international settlement of the reparation issue. Chapter VI details Britain's role in establishing the committees of experts and analyses the recovery of British policy, in particular showing how Baldwin's ministry operated with greater unity and clarity of purpose than previously. Finally, Chapter VII

examines the impact on Ruhr policy of the new Labour government, revealing MacDonald to have built on the achievements of the preceding ministry, working with great success for the adoption of the experts' reports at the London Conference in July-August 1924. The findings of this thesis are summarised and their implications explored in the conclusion.

Chapter I

The Bonar Law Cabinet and the Origins of the Ruhr Crisis.

The context within which foreign policy is formulated is of crucial importance to the study of any country's diplomacy. An examination of the primary actors concerned - their political relationships and career ambitions - and of with the tensions and factions among their officials - adds an enlightening and often neglected insight into the true workings of any policy-making machine. British foreign policy during the Ruhr occupation crisis is no exception.¹ In the closing months of 1922 an escalating diplomatic confrontation in Europe coincided with a fluid domestic political scene. This combination of circumstances was to have a profound effect on the origins of the Ruhr crisis.

This chapter will be divided into three sections. First the scene will be set with a brief overview of the domestic-political position in Britain. Next the reparation issue will be outlined and the full extent of the dilemma facing the British government will be evaluated. In the third and longest section, the government's responses to this dilemma and the course of events from the end of November 1922 to the beginning of January 1923 will be subjected to detailed analysis. This last section will deal first with the London Conference of December 1922, before looking at developments between the London and Paris Conferences and culminating in an examination of the Paris Conference from 2 - 4 January 1923.

¹ The importance of analysing the High Political setting has been emphasised by Maurice Cowling. See M. Cowling, The Impact of Labour: the Beginning of Modern British politics, (London, 1971).

Setting the Stage: the Domestic-Political Scene.

In the autumn of 1922 the governing coalition of Conservatives and Liberals which had guided Britain since the war dramatically broke down. On 19 October 1922, at a meeting of Conservative backbenchers at the Carlton Club, a majority of MPs voted against continuing under Lloyd George's leadership. While unhappiness with Lloyd George had long been festering, the catalyst for the revolt was anger at Lloyd George's warmongering tactics towards Turkey and the subsequent climb-down by Britain over the Chanak affair in October 1922.

Yet although the backbenchers revolted, most prominent Conservatives, including Austen Chamberlain, Lord Birkenhead and Lord Balfour, remained loyal to the Coalition. The most senior Conservative to abandon Lloyd George was his Foreign Secretary, Lord Curzon.² Although he kept his silence at the Carlton Club, on 23 October he proposed and Stanley Baldwin seconded Andrew Bonar Law as leader of the Conservatives. The result was that Bonar Law, though in failing health, emerged from one and a half years' retirement to form a new and largely inexperienced Conservative administration.³ He quickly proved himself by leading his party to victory at a hastily called general election.

Curzon's political manoeuvring secured him continuation at the Foreign Office, while the previously unknown Baldwin became Chancellor of the Exchequer.

² As David Gilmour explains: "The sulky giants of the Coalition flung derisive epithets at Law's grey and modest-looking team, dismissing as 'second-class brains' and a 'Government of the second eleven' a Cabinet most of whose members had far higher academic qualifications than themselves". D. Gilmour, *Curzon* (London, 1994), pp. 555.

³ On 6 October 1922 Bonar Law had signalled his return to the limelight by warning in a letter to the Times that: "We cannot alone act as policeman of the world". R. Blake, *The Unknown Prime Minister: the life and times of Andrew Bonar Law 1858-1923* (London, 1955), pp. 448.

Curzon, however, was motivated not merely by personal career ambitions, but also by longstanding grievances over Lloyd George's handling of foreign, and particularly European, policy. Ever since his participation in the negotiation of the Treaty of Versailles Lloyd George had maintained a close interest in European policy, trying to use his personal charisma and oratorical skills to solve problems through conference diplomacy. Unsurprisingly, this had quickly led him into conflict with that bastion of the traditional diplomatic administration - the Foreign Office. Lloyd George tended to bypass the Foreign Office whenever possible, using his private secretaries and his notorious "Garden Suburb" as instruments of diplomacy. The result of this high-handed approach was to provoke internal administrative tensions and inefficiencies.⁴

Curzon's frustration with the situation is clear not only from his actions on 23 October, but also from a memorandum which he wrote while attending the conference on the Near East at Lausanne in November 1922.⁵ Lloyd George, he wrote,

"had no instinctive appreciation of diplomacy, no knowledge of his subject, no conception of policy. He despised and disliked the instrument through which he was obliged steadily to work - viz. the F.O., never losing an opportunity in Cabinet or elsewhere of denouncing its officials and their work. He set up his own personal Secretariat to operate behind the back of the F.O., conducting intrigues, sending messages, holding interviews of which we were never informed until it was too late or only heard by accident..."⁶

Curzon went on to say that the only reason he was able to tolerate the situation was because Lloyd George tended to confine his meddling to the issue of European policy: "...outside the main lines of European Policy - as shaped at Paris - he took little interest in foreign affairs and left the Foreign Office

⁴ See G.H. Bennett, Foreign Policy during the Curzon period, (London, 1995), pp. 3-4.

⁵ This conference was held after the war scare over Chanak in September 1922. Its aim was to formulate a final peace settlement for Turkey after World War I to replace the 1920 Treaty of Sevres.

⁶ Curzon Papers MSS Eur. F 112/319 Memo by Curzon (Lausanne), 30.11.22

alone.”⁷ It is very significant that Curzon had for several years acquiesced in leaving the financial issue of reparation and hence European policy to someone else. He was to continue to do this even after the fall of Lloyd George because, as Foreign Secretary in the new administration, he felt that his first priority should be to redress the blow to British prestige dealt by Chanak. Curzon therefore gave top priority to the Lausanne Conference, and the division of the Foreign Secretary’s attentions, which began under the Lloyd George administration, continued into the Bonar Law one.

At first the implications of this were not recognised. Despite its rather chaotic origins in domestic-political confusion and party fluidity, the Bonar Law administration began on an optimistic note regarding all aspects of foreign policy. In his November election manifesto Bonar Law emphasised that his foreign policy aims were: “tranquillity and stability both at home and abroad”.⁸ He was also adamant that his administrative practice would prove a sharp break with Lloyd George’s style and that the work of the Foreign Office would be removed from the Cabinet Secretariat and returned to the Foreign Office.⁹ A rather disgruntled note by the Cabinet Secretary, Sir Maurice Hankey, shows that this did in fact occur:

“The political rumpus is having a reaction on the work of this office. Bonar Law intends to keep the system of recording Cabinet conclusions, but for political reasons the Office [Cabinet Secretariat] will have to be a good deal cut down. There has been some scurrilous and wholly baseless press attack, suggesting that this Office has intruded into foreign affairs and influenced the foreign policy of the country...”¹⁰

⁷ *ibid*

⁸ Blake, *Unknown*, pp. 466. Austen Chamberlain wrote: “B.L. struck the right note when he said that the change in Government would be rather of temperament than of policy and when he promised tranquillity - though as L.G. pertinently said tranquillity depends on the sea and not on the ship.” [Austen Chamberlain Papers: AC5/1/252: Austen to his sister Ida, 21.11.22.]

⁹ Bonar Law’s stated aim was that: “The work of the Foreign Office will in future be done by the Foreign Office, subject to the control of the Cabinet, and, of course, under the personal supervision of the Prime Minister.” [Bonar Law papers, Box 113, folder 10, doc. 1: Cambray to Waterhouse, 10.11.22 enclosing “Principles of Unionist Foreign policy.”]

¹⁰ D’Abernon Papers, Vol. 48927B: Hankey (London) to D’Abernon (Berlin), letter, 24.10.22.

Bonar Law intended his approach towards foreign policy to improve efficiency.¹¹ Yet at the very time when Bonar Law was returning autonomy over foreign policy to the Foreign Office, his Foreign Secretary was leaving for Lausanne.¹² Moreover, the reparation dispute was once more intensifying. It remained to be seen whether the Bonar Law government would prove any more successful than Lloyd George had been in dealing with the deteriorating situation in Europe.

¹¹ K. Middlemas and J. Barnes, Baldwin, a Biography (London, 1969), pp. 126.

¹² Curzon left London on 17.11.22.

The Reparation Question and the Dilemma Inherited by Bonar Law.

Bonar Law assumed office at precisely the time when the reparation controversy was taking on critical proportions. Reparation had been a running sore ever since the end of the First World War.¹³ The cost of the First World War was huge. Not only were millions killed and injured, but vast areas of Europe were left devastated, industries and coal mines were destroyed and countless ships sunk. It was natural for the allies, flushed with victory, to desire Germany to shoulder this burden. But the issue of reparation quickly proved immensely complicated. Rather than easing the problems the allies faced in the post-war world, it added to them by exacerbating divisions between the victors.

Traditionally France has been viewed as the villain of the reparation saga. However, more recent research has questioned such a conclusion. Marc Trachtenberg has demonstrated the relative moderation of France's claims, given the physical destruction she suffered.¹⁴ Rather, it was Britain, who, anxious for a share in any spoils on offer, forced up the demands on Germany.¹⁵ Under pressure from the Dominions to compensate them for their war effort, and facing a general election with a newly enfranchised working class electorate, Lloyd George adopted a harsh stance towards Germany in the autumn of 1918. Although he won the election, he was left dependent politically on Conservative support, and compromised in his dealings with

¹³ For more background on reparations, see Kent, Spoils; Trachtenberg, Reparation; Maier, Recasting, especially Chapter 4; Schuker, End, pp. 1-28. A very detailed account of negotiations at Versailles is given in P.M. Burnett, Reparation at the Paris Peace Conference from the Standpoint of the American Delegation, (2 vols), (New York, 1940). For a comprehensive but concise account, see A. Sharp, The Versailles Settlement, Peacemaking in Paris, 1919, (Basingstoke, 1991).

¹⁴ Trachtenberg, Reparation, pp. 32.

¹⁵ See R. E. Bunselmeyer, The Cost of War 1914-1919: British Economic War Aims and the Origins of Reparation, (Hamden, Connecticut, 1975).

Germany by his need to deliver on his electoral promises. Consequently, despite a superficial show of moderation towards Germany - epitomised by the Fontainebleau Memorandum of March 1919 - Lloyd George sought to postpone agreement regarding reparation at the Paris peace negotiations.

Interallied negotiations at Paris were extremely problematic. Aside from its domestic-political connotations, reparation was in itself immensely complex. Agreement had to be reached concerning Germany's liability, over her capacity to pay, over how she was to pay, and for what period. Differences between the allies - particularly between Britain and France - hindered agreement.

Some progress was made on the first issue. In order to justify reparation, the allies decided that Germany must accept that she had been responsible for the outbreak of the war, and therefore that she was liable to compensate the victors for all loss and damage resulting. This was incorporated in the Treaty of Versailles as Clause 231 - the famous war guilt clause:

“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 the war imposed upon them by the aggression of Germany and her Allies.”¹⁶

But rather than simplify matters, this allied agreement over German liability exacerbated the reparation problem. Germany did not accept that she had been responsible for the war, and so always opposed the reparation demands.¹⁷ Similarly, although at Paris the Allies did manage to establish the categories of claims for which Germany was liable to pay compensation, this too involved

¹⁶ For relevant sections of the Treaty of Versailles, see J.A.S. Grenville, The Major International Treaties, 1914-1945. A History and Guide with Texts, (London, 1987), pp. 59-71. The full text of the Treaty of Versailles can be found in F[oreign] R[elations] of the U[nited] S[tates], The Paris Peace Conference 1919, vol. XIII, (Washington, 1947), pp. 57-742..

¹⁷ See S. Marks, 'Smoke and mirrors: in smoke filled rooms and the galerie des glaces. Reparations at the Paris Peace Conference', An unpublished paper from 'Versailles: 75 Years After', (Conference at Berkeley, California, 1994).

hidden difficulties.

All agreed that Germany should pay for the physical destruction caused by the war. However, while under such terms the British would get compensation for the losses to their shipping, the lion's share of payments would go to Belgium and France for the reconstruction of their devastated areas. In order to increase their own share of the spoils, the British therefore pushed for the inclusion of pensions for allied servicemen and their dependents, effectively doubling the figure Germany was expected to pay.

Fixing German liability so high immediately raised other questions. As there was no way Germany could pay everything she was liable for, the question became one of deciding how much Germany could pay - in other words, on fixing German capacity to pay. This in turn raised questions of how Germany was to pay (for example in cash or kind) and when she was to pay, especially as German capacity might increase as time went on. Agreement on these issues proved impossible, despite protracted negotiation. Rather than settling issues, the Treaty of Versailles simply shelved them. It provided for the establishment of a Reparation Commission, on which each of the major powers involved would have a representative.¹⁸ The Commission was to examine reparation and in May 1921 was to announce the sum for which Germany was liable. The Commission was also to decide the means and time-scale for payments. In the meantime, Germany was to make an interim payment of 20 billion Gold Marks by 1 May 1921.¹⁹

¹⁸ In the event, the refusal of the US Congress to ratify the Treaty of Versailles meant that the US had only an unofficial representative on the Reparation Commission. As a result France, which chaired the Commission, had the casting vote.

¹⁹ For excellent summaries of the historiographical debate over reparation at Versailles, see W.M. McDougall, 'Political Economy versus National Sovereignty: Structures for Germany Economic Integration after Versailles'; M. Trachtenberg, 'Reparation at the Paris Peace Conference'; and C.S. Maier, 'The Truth about the Treaties', all in a special issue of the *Journal of Modern History*, vol. 51, no. 1 (1979) devoted to this debate.

Little had really been solved by the reparation clauses of the treaty. As the allies had been unable to agree on a sum at Paris, it was unrealistic to expect the Reparation Commission to manage this. Moreover, by making the war guilt clause the foundation for reparation, the treaty provided the Germans with all the justification and ammunition they needed to adopt delaying tactics regarding the initial payment of the 20 billion gold marks.²⁰

Interallied differences continued. A succession of conferences at Spa (July 1920), Brussels (December 1920) and London (March 1921) failed to produce any real consensus. In Britain there was a reaction against reparation, fuelled by publications such as Keynes's, The Economic Consequences of the Peace,²¹ which argued that German recovery was essential for post-war international and therefore British prosperity. On the other hand, for France, reparation had become linked to her fundamental security dilemma.²² The refusal of the Americans to ratify the treaty deprived France of the vital Anglo-American guarantee. France was left isolated and vulnerable. Her safety depended on the survival of the integrity of the Versailles Treaty, and therefore she was determined that it must be upheld, including this first real test of its provisions: reparation.²³

In March 1921 France - angry at Germany's continued default over the initial payments stipulated under the Versailles Treaty - insisted on the allied occupation of three Rhineland towns, Duisburg, Ruhrort and Düsseldorf. The

²⁰ For an excellent article on the effects of the war guilt clause on the politicisation of reparations, see H.H. Herwig, "Clio Deceived": Patriotic Self-Censorship in Germany after the Great War', International Security, Vol. 12, No. 2 (1987), pp. 5-44.

²¹ J.M. Keynes, The Economic Consequences of the Peace, (London, 1919).

²² See below, pp. 28.

²³ See Schuker, End, pp. 3-5.

crisis passed when Germany accepted the London Schedule of Payments in May 1921. But by now Germany's delaying tactics and propaganda against war guilt and reparation were having some effect, at least on the British. Although the London Schedule of Payments set the total German indemnity at 132 billion Gold Marks, it was in reality not as harsh as it appeared. Of the overall total, 82 billion marks were to be payable in essentially worthless 'C' bonds, which would only be paid at some future, unspecified point when the German economy had sufficiently recovered and when 'A' and 'B' bonds had already been discharged. Therefore, Germany's immediate obligations in 1921 were under 50 billion Gold Marks (roughly the sum recommended by Keynes). Germany was to make annual payments of around 2,000 million Gold Marks, coupled with 26% of the value of Germany's annual exports.²⁴

Germany, however, failed to meet even these more limited payments. On 14 December 1921 the German Government applied for a suspension of certain of the payments due in 1922 under the Schedule of Payments, and on 21 March 1922 the Reparation Commission agreed to reduce payments due in 1922 by approximately a third. Yet Germany still failed to meet the instalments and on 14 July asked for another reduction for 1922 as well as for 1923 and 1924. The allies met this July request by persuading the Belgians to accept German treasury bills in lieu of cash payments. This basically amounted to the granting of a moratorium until 15 January 1923. The question of 1923 and 1924 payments remained unresolved and was to be raised immediately for Bonar Law when on 14 November (the eve of the British general election) Germany put fresh proposals to the Reparation Commission, asking for a further moratorium on the grounds that payments were impossible until the mark was stabilised.²⁵

²⁴ N. Ferguson, 'Constraints and room for manoeuvre in the German inflation of the early 1920s', *Economic History Review*, Vol. 49, No. 4 (1996), pp. 635-666; S. Marks, 'The Myths of Reparations', *Central European History*, Vol. 9, No. 3 (1978), pp. 232-236.

²⁵ CAB 24, 140 CP 4348: Foreign Office Memorandum on the Reparation Position, 5.12.22.

Germany's reasons for failing to meet her obligations were extremely complex. Historians disagree over whether Germany could, from a purely economic perspective, have made the payments. For example, Gerald Feldman argues that the allied peace terms made impossible demands on the Germans.²⁶ Niall Ferguson, on the other hand, claims that it was possible for Germany to have fulfilled the more limited allied demands embodied in the London Schedule of Payments and that a tighter fiscal and monetary stance would in fact have proved a more effective weapon against reparation than the inflationary policies pursued.²⁷

However, whether or not it was economically possible for Germany to have met the payments, the politicisation of reparation stemming from its association with war guilt made payment in practical terms an unviable option. Reparation had implications not only for the economic situation but also for domestic-political cohesion and indeed for the very survival of Weimar democracy. The governments of Weimar at this time were weak and frequently changing coalitions. They were leading a republic born in defeat, burdened by association with an unpopular peace and merely tolerated by many of the entrenched elements within German society. They rejected the war guilt clause and the reparation which it justified. Moreover, they were unwilling to pay reparation because to do so would have meant fundamental reform of the taxation system - a reform which would have opened class conflict and exacerbated tensions within German society.²⁸

When in May 1921 the allies forced the Germans to accept the London Schedule of Payments, the existing Cabinet fell and was replaced by another

²⁶ G. Feldman, The Great Disorder: Politics, Economics and Society in the German Inflation, 1914-1924, (Oxford, 1993).

²⁷ Ferguson, 'Constraints', pp. 642-3. Also see Trachtenberg, Reparation, pp. 337-342.

²⁸ Maier, Recasting, pp. 249.

coalition, under Chancellor Joseph Wirth. Wirth hoped to put pressure on the West to reduce their demands of Germany. He tried various strategies. For example, he sabotaged the Genoa Conference for European Reconstruction in the spring of 1922 by concluding the Rapallo Treaty to establish economic links with the Soviets, thus alarming the West with the bogey of a bolshevik bloc.²⁹ He also attacked reparations with an “Offensive of Fulfilment,”³⁰ hoping to prove by genuine attempts to meet the reparation demands that to do so was impossible. It was hoped that the allies would then abandon reparation in favour of credit-based reconstruction. Yet as the situation dragged on, Germany faced mounting economic turmoil. This is clear even from a cursory glance at the mark exchange rate:

1 January	1921	288	marks to the £
1 January	1922	771	marks to the £
1 June	1922	1,188	marks to the £
1 September	1922	5,725	marks to the £
1 November	1922	20,000	marks to the £ ³¹

The political situation was also degenerating. In November 1922 Wirth's governing coalition collapsed and he resigned. His resignation posed the problem of who should replace him. As the parties failed to reach any kind of agreement, President Friedrich Ebert presented his own candidate and authorised Wilhelm Cuno, the head of the Hamburg-Amerika shipping line, to form a Cabinet. Cuno's first attempt to do this failed. But rather than dissolve the Reichstag and hold an election, which under the circumstances would merely have added to the economic, social and political chaos already existing in Germany, Ebert authorised Cuno to have a second try. He also

²⁹ See Kent, *Spoils*, pp. 177-9; and A. Orde, *British Policy and European Reconstruction after the First World War*, (Cambridge, 1990). On the Genoa Conference as a whole, see C. Fink, *The Genoa Conference: European Diplomacy, 1921-2*, (Chapel Hill, 1984)

³⁰ Kent, *Spoils*, pp. 151.

³¹ CAB 24 140, CP 4348: FO Memorandum: 'The Reparation Position', 5.12.22.

persuaded the parties to agree to allow their members to work independently in a Cuno Cabinet. After difficult negotiations Cuno was finally able to form a 'Government above Parties', commonly referred to as the 'Business Cabinet'. The fact that Ebert had had to resort to such extreme measures is indicative of the extent of the crisis of parliamentary democracy already existing in Germany even before the occupation of the Ruhr.³²

Just as for Germany the reparation issue was tied to domestic political stability, so too was it for France. France, like Germany, had borrowed to pay for the war. Subsequently, rather than attempt unpopular fiscal reform, French politicians preferred to try to make Germany pay. Moreover, reparation for France also represented part of her much broader security problem, stemming from her geographical location next to a naturally stronger Germany. As the Germans procrastinated and avoided paying reparation, so the French public lost patience. In January 1922, Raymond Poincaré assumed office, promising to turn the reparation illusion into a reality.³³

Poincaré increasingly lost patience with German evasion of the reparation demands throughout the opening months of 1922. By the summer of 1922, (at the London Conference in August) Poincaré insisted that any further grant of a moratorium should be dependent on allied possession of "productive pledges" or "gages."³⁴ Poincaré was prevented from seizing these "gages" when the Belgians were persuaded to accept German treasury bills, thus granting a moratorium in effect though not in name. Poincaré was angry at this, viewing

³² For a full commentary on the situation in Germany at this time, see: H. Rupieper, The Cuno Government and Reparations, 1922-1923, (The Hague 1979).

³³ Schuker, End, pp. 11-18.

³⁴ In August 1922 Poincaré said that these "gages" should comprise Allied control of all German customs tariffs; the establishment of a customs barrier between occupied and unoccupied Germany and around the Ruhr basin; the levy by the allies of certain taxes in the occupied territory; and delivery to the Allies of certain state mines and forests. (CAB 24 140, CP 4348 F.O. memo on Reparation Position, 5.12.22.) Poincaré subsequently began to fix his sights on the Ruhr Valley.

it as yet another ploy by Germany to evade her responsibilities. He blamed Britain for taking Germany's side, and throughout the autumn months of 1922 his relations with British officials and policy makers became increasingly strained and acrimonious. That British officials and policy makers had difficulty dealing with Poincaré is clear. When negotiating with him in September 1922 over the Near East, Curzon described him as "that horrid little man", and said that: "...it was hard to deal with a man who [was] always a lawyer and sometimes a lunatic."³⁵ The British Ambassador in Paris, Lord Hardinge, wrote of Poincaré: "I have seldom come across, in my diplomatic career, an official who I dislike more."³⁶ Sir William Tyrrell, Assistant Under Secretary of State at the Foreign Office, commented: "The more I see and hear of him the more convinced I am that he is a very shifty customer..."³⁷

With Lloyd George out of office, Poincaré saw a chance to try to push Britain into adopting a firmer stance towards Germany. As Hardinge reported: "...Poincaré has got it into his head that we are ready now, since the disappearance of Lloyd George, to back him up in his enterprises against Germany."³⁸ Poincaré's sense of urgency in foreign policy was directly related to his own domestic-political position. He relied on support from an uneasy coalition of parties in the French Chamber. While using domestic policy to appease the Left, he tried to woo the Right with a strong foreign policy. Unless he could deliver results his position would be far from secure.³⁹ Reports soon

³⁵ Gilmour, *Curzon*, pp. 544

³⁶ Curzon Papers, MSS Eur. F.112/200b: Hardinge to Curzon, 1.11.22

³⁷ FO 800/ 243: Tyrrell (Lausanne) to Crowe, 7.12.22.

³⁸ Curzon Papers, MSS Eur. F.112/200b: Hardinge to Curzon, 2.12.22.

³⁹ The British were well aware of Poincaré's predicament. On 1 November, Hardinge reported from the French embassy: "Signs have not been wanting for some time that the 'union sacrée' of parties, formed under the stress of war, was breaking up..." [FO 425 390: W9078/4/17: Hardinge, disp. 2551, 1.11.22.] Mr. Campbell (also of the Paris Embassy) added: "For some months M. Poincaré has been thought to be drifting towards the Left in internal politics. At the same time his foreign policy has, on the whole, been of a completely 'Nationalist' complexion... As regards the Right, M. Poincaré has mainly relied, in order to preserve their favour, on a blustering foreign policy towards Germany and on intransigence in his dealings with ourselves." [Memo by Campbell (n.d.) encl. in FO 425 390: W9078/4/17: Hardinge, disp. 2551, 1.11.22.]

suggested, however, that Poincaré's tactics were not working. On 12 October Poincaré's reparation policy was criticised in the French Chamber, and a major attack was also launched on the government's 1923 budget proposals, culminating in a heated debate on 6 and 7 November.⁴⁰

The whole issue of reparation became even more critical when the Germans requested a fresh moratorium on 14 November. The German proposals for stabilisation of the mark now needed to be considered by the allies. These proposals contained only vague and ineffective measures, requesting a four year moratorium but providing no guarantee of future payment. Even the Foreign Office, usually more sympathetic to German requests, concluded that they were absolutely inadmissible.⁴¹ Poincaré was angrier still. He began to put pressure on Britain to hold an interallied conference at Brussels, and he became more vociferous in his demand that no further moratorium should be granted without the implementation of "productive pledges" - which by this stage meant the occupation of the Ruhr. By the end of November he began to threaten independent action, and on 27 November Poincaré issued a press communiqué saying that independent coercive action would be taken by France unless her financial problems were solved by a comprehensive settlement of reparations and war debts. But Poincaré had not at this stage finally decided on military action. He hoped to bully the allies into co-operation by bluster so that he could silence his Rightwing critics in France without having actually to act. Two days later, on 29 November, he admitted as much to the Senate, saying he only wanted to use the threat of occupation for bargaining purposes.⁴²

⁴⁰FO 371 7486, C15331/99/18: Hardinge, disp. 2601, 8.11.22. Hardinge reported that the Socialist Léon Blum had said in the French Chamber on 7 November that: "The various schemes which have been advocated by successive French governments for the payment of reparations were illusory... The occupation of the Ruhr would be merely an expense to France..." Louis Loucheur had agreed with Blum. Hardinge added, however, that as Blum was a Socialist his views were not given much credence in France.

⁴¹ FO 371 7487, C16157/99/18: FO minute, 23.11.22.

⁴² Keiger, *Poincaré*, pp. 295.

Bonar Law faced an immensely difficult situation. The reparation issue was extremely complicated in itself - tied as it was to issues of domestic-political stability and democratic cohesion in Germany, as well as to party politics and the security dilemma in France. As we have seen, in all these areas, circumstances were reaching a critical stage. Furthermore, the situation was not helped by the positions of other countries involved.

Belgium's role tended to complicate matters. Divergences of opinion within Belgium were often translated into her foreign policy, making it difficult to predict how she would act. While it is perhaps more usual to emphasise the power of French influence within Belgium, there were also strong anti-French elements - comprising, for example, the majority of the Flemish and Socialist Parties.⁴³ Even from a purely diplomatic perspective, Belgium was somewhat schizophrenic. Ideally she sought to maximise her position as the smallest alliance partner, trying to maintain a key international diplomatic position as the 'hinge' of the Entente.⁴⁴ In practice she was caught up in a difficult and unenviable relationship with France. The result of all these conflicting forces was a vacillating foreign policy, which at times provoked uncertainty and exasperation abroad. For example, Belgium sided with Britain over the treasury bills affair in September 1922, but then subsequently moved back towards France. This may have owed something to Poincaré's bullying and bribes, but another strong consideration for Belgium was that she could not afford to see France get sole control over the Rhineland and so entirely surround Belgium. In the last resort Belgian policy-makers preferred to co-operate with France in order to maintain as much influence and power as

⁴³ FO 425 390, C16831/99/18: Grahame, disp. 776, 22.11.22.

⁴⁴ Marks, S., Innocent Abroad: Belgium at the Paris Peace Conference of 1919 (Chapel Hill, 1981), pp. 383. For more background on Belgian policy, see J.E. Helmreich, Belgium and Europe: a Study in Small Power Diplomacy, (The Hague, 1976)

possible.⁴⁵

The conclusion which the British drew was that the Belgians could not be trusted regarding the Ruhr. A Foreign Office minute on 5 December 1922 remarked:

“There are... indications that, opposed as they are to such an extension of French influence, they are not prepared to risk a breach with France to prevent it. They would gladly see others pull the chestnuts out of the fire. They do not intend to risk burning their own fingers. Rather than see France act alone, they would, however unwillingly, join her in an aggressive territorial policy on the Rhine.”⁴⁶

Italy, the last country on the Reparation Commission, was another unknown quantity - especially so since her premiership had recently been taken over by the unpredictable Mussolini.⁴⁷ Although anxious to remain on good terms with Britain, Italy could by no means be relied on, as she was extremely unlikely to risk a major rupture with France. Indeed, even by December Mussolini had not declared where his allegiance lay. The Foreign Office concluded:

“The attitude of the Italian government is, as usual, vague and uncertain... [A]s in the case of Belgium, it must always be remembered that Italy is unlikely to risk a definite breach with France. It will be well not to count upon any Italian support should Great Britain find herself compelled to pursue a line of policy not favoured by France.”⁴⁸

The position of the United States was even more perplexing than that of Italy or Belgium. The refusal of the United States Congress to ratify the Treaty of

⁴⁵ These fears were borne out by a report by the Ambassador in Brussels, Sir George Grahame, of a conversation with the Belgian premier on 26 November. Theunis had said: “...that if the situation were to develop in a certain way, Belgium might conceivably find herself forced to accompany France in action against Germany so as to avoid result to Belgium of having let her take it alone.” [FO 371 7488, C16688/99/18: Grahame, tel. 103, 26.11.22.]

⁴⁶ FO 371 7488, C16643/99/18: FO memorandum, 5.12.22: “Reparation Position”

⁴⁷ For background regarding Italy, see A. Cassels, *Mussolini's Early Diplomacy*, (Princeton, 1970); C.J. Lowe & F. Marzari, *Italian Foreign Policy 1870-1940*, (London, 1975); S. Marks, ‘Mussolini and the Ruhr Crisis’, *International History Review*, Vol. 8, No. 1 (1986), pp. 56-69.

⁴⁸ FO 371 7488, C16643/99/18: FO Memorandum, 5.12.22: “Reparation position”.

Versailles left the principal European states, already weakened by the war, grappling with the burden of upholding the peace settlement. Had the Americans not isolated themselves from European affairs their diplomatic strength and unrivalled economic superiority would have been sufficient to have guaranteed some form of settlement of European affairs - both in terms of security and reparation. As it was the abstention of the United States as a powerful arbitrating and stabilising force left the way open for heightened Anglo-French rivalry. Moreover, it added an extra element of uncertainty as the Europeans were always aware of the potential which America had to settle reparation and security and therefore the British, in particular, treated the United States with kid gloves.

Not only did the United States maintain its distance from European affairs, but it further compounded the difficulties facing the Europeans by refusing to admit the existence of any connection between reparation and war debts. The allies - particularly Britain, but also France, Italy and Belgium - had borrowed heavily from the United States Treasury during the war. The Europeans viewed these sums as part of a common effort to defeat Germany and felt that, with the war over, the United States should ease the burden of war debts repayments so that they could relax their demands for reparation. To further complicate debtor/creditor relationships, the British at the same time as borrowing from the United States, had also lent large sums to their allies, particularly to France. In order to repay the United States, the British needed the French to pay their debts to them. The French claimed they could not repay these debts unless Germany first paid reparation. Thus what Britain needed was a general settlement reducing both reparation and war debt. This was the reasoning behind the "Balfour Declaration" of August 1922, in which the British publicly offered to renounce their financial claims on the allies in return for a similar renunciation by the United States. The United States

were unmoved, but rather offended and angered by the attempt to make them appear ungenerous.⁴⁹ The United States, particularly after the more moderate Woodrow Wilson was replaced by a Republican administration, had steadfastly refused to countenance a war debt/reparation agreement. Rather the Americans remained determined that the debts owed to them must be repaid, but played no role in seeking to facilitate a reparation settlement. Though United States presidents were undoubtedly motivated by domestic considerations, this refusal to forgive British and European debts greatly exacerbated the difficulties the allies faced regarding reparations.⁵⁰

Thus Bonar Law faced an immensely difficult international situation. The reparation problem was inherently complex. It highlighted fundamental structural economic weaknesses in both France and Germany, and at the same time raised grave diplomatic problems relating to the security of Europe. These critical international problems were further compounded for Bonar Law by certain aspects of his internal position. Here he faced two further problems - an absentee Foreign Secretary, and administrative tensions between the Foreign Office and the Treasury. Both of these factors adversely affected his ability to address the international situation.

Let us first examine the role of his Foreign Secretary, Lord Curzon. Curzon outlined his approach to foreign policy in an introductory address to the new Cabinet on 1 November. Although he sweepingly said that he wanted “to clear up the whole situation with France,”⁵¹ he vaguely dismissed both reparations and war debts, merely saying that: “These matters were too big to enter into at the moment.” He immediately made it clear that primacy should be given to

⁴⁹ Kent, *Spoils*, pp. 188-9.

⁵⁰ For more information on war debts, see D. Artaud, *La question des dettes interalliées et la reconstruction de l'Europe (1917-1929)*, (Lille, 1978). For a more concise account, see D.H. Aldcroft, *From Versailles to Wall Street, 1919-1929*, (Berkeley, 1977), especially pp. 78-96.

⁵¹ CAB 23 31: Minutes of Cabinet Meeting, 1.11.22.

the Lausanne Conference: "What he would like to do... was to clear the board of our foreign difficulties with France in regard to Europe. He would, however, begin in the East, and if agreement could be reached there he might indicate that this was a prelude to clearing the whole board, and progress might be made."⁵² In practice, Curzon did not simply 'begin in the East', but concentrated on it to the exclusion of all else. On 28 November he wrote to Bonar Law from Lausanne:

"I sent yesterday a telegram to the Foreign Office telling them that it is quite impossible for me to deal with the question of reparations here, or to answer the telegrams that pour in from Paris and Brussels. I had gathered that as soon as you were free from Parliamentary duties you were disposed to take up the job..."⁵³

Curzon then informed the Foreign Office that Bonar Law would assume control, adding: "At present we are drifting and merely making everyone angry at our assumed indifference."⁵⁴

Even when Bonar Law had taken over European policy, Curzon still emphasised the primacy of the Near East. The only advice he gave the Prime Minister was that nothing should be done to jeopardise the chances of success at Lausanne,⁵⁵ and that the outcome of the Lausanne Conference depended on friendship with France. For example, on 4 December Curzon wrote: "I am afraid that if you break with Poincaré in London, it will mean the failure of my already slender chances here."⁵⁶ Hardinge shared his worries: "Poincaré is such a mean little man that if he experiences any failure in London or Brussels

⁵² *ibid*

⁵³ Bonar Law Papers, Box 112, Folder 12, Doc. 35: Curzon to Bonar Law, 28.11.22

⁵⁴ Minute by Curzon 28.11.22 on FO 371 7487, C16100/99/18: Grahame tel. 102, 26.11.22.

⁵⁵ Throughout Curzon's correspondence with Bonar Law at this time he dwelt on the importance of the Lausanne Conference, often mentioning the European situation only in passing. [See Bonar Law Papers, Box 112, Folder 12: Correspondence between Curzon and Bonar Law.]

⁵⁶ Bonar Law Papers, Box 112, Folder 12, Doc 39: Curzon to Bonar Law, 4.12.22

he is bound to make it felt at Lausanne.”⁵⁷

Bonar Law desperately tried to comply with his Foreign Secretary’s wishes, even though this in practice meant continuing the policy of drift which Curzon had intended to end by handing over control to him. On 5 December, Bonar Law wrote to Curzon: “As regards the whole position, I have done my best to postpone reparations from the fear that once we tackle it it will be found that we cannot agree with Poincaré and that the French will be much less amenable at Lausanne”.⁵⁸ Two days later he added: “I do not know in the least what Poincaré will propose but again I will do my utmost to make sure that nothing in the nature of a break happens now and endeavour, if necessary, to arrange a subsequent meeting at Paris in ten days time or so rather than have any difficulties now.”⁵⁹

This, basically, was to be Bonar Law’s approach. Presented with a spiralling conflict in Europe and an absentee Foreign Secretary, it is understandable, if not excusable, that Bonar Law opted for procrastination. This is particularly the case when it is appreciated that Bonar Law also had to contend with an administration divided over the reparation issue. The main fault line was between the Foreign Office and the Treasury.

Foreign Office officials appreciated that as the Anglo-American guarantee to France, intended at Versailles, had not become a reality, France had legitimate grounds to fear Germany. The Head of the Central Department of the Foreign Office, Miles Lampson, recognised France’s problems in a minute of 9 December 1922:

“...there can be little if any doubt that underlying the whole French policy in the matter of reparations is a feeling of

⁵⁷ Curzon Papers, MSS Eur. F.112/200(b): Hardinge (Paris) to Curzon (Lausanne), 2.12.22.

⁵⁸ Bonar Law Papers, Box 112, Folder 12, Doc. 38: Bonar Law to Curzon, 5.12.22

⁵⁹ Bonar Law Papers, Box 112, Folder 12, Doc. 40: Bonar Law to Curzon, 7.12.22

uneasiness as to the safety of her western frontiers and of distinct soreness at having been, as she thinks "let down" over the American and British treaties of guarantee...// [I]s it not fairly obvious that, until France in some form or other is convinced that the safety of her western frontier is permanently guaranteed against German attack, no lasting settlement of this question is likely to be reached?"⁶⁰

The Foreign Office was also aware of the dangers of treating Germany too leniently with regard to reparations. On 5 December a Foreign Office minute commented:

"[U]nless some effective guarantee of a fair reparation payment is extracted from Germany in the more or less immediate future, there is clearly a danger that by the mere efflux of time it will become more and more difficult to extract such a payment, with the not improbable result that in the end Germany will pay nothing at all. She would then, owing to her inflationist proceedings be the one great industrial power in Europe enjoying all the advantages accruing from the extinction of both foreign and internal debt."⁶¹

However, although Foreign Office officials understood the logic behind the French case, and although they were afraid of damaging Anglo-French relations by refusing to cooperate with Poincaré's seizure of gages and were under no illusions as to Germany's willingness to pay reparations, they still felt that the risks involved in supporting Poincaré's Ruhr policy were too great. The Ruhr policy would destroy any chance of getting reparations and would precipitate the collapse of Germany. It would represent a major advance of French strength in Europe and would further embitter Franco-German relations. It would also disrupt international trade and weaken the French

⁶⁰ Minute by Lampson, 9.12.22 on: FO 371 7489, C17052/99/18: Ryan (Coblenz) to Lampson 7.12.22.

⁶¹ FO 371 7488, C16643/99/18: FO minute on "Reparation Position", 5.12.22.

exchange rate.⁶² Facing a Catch 22 situation of unwelcome alternatives, the Foreign Office was essentially paralysed, unable to suggest any real way forward unless the government broke the vicious circle by offering France a security guarantee.

Unlike the Foreign Office, the Treasury, allied with the British Delegate on the Reparation Commission, Sir John Bradbury, did take a definite line. It was far more concerned with the financial aspects of the situation than with its security implications. Its goal was to obtain payment of the war debts owed to Britain, so that she could repay to the US what was owed to the latter. Britain's main debtor was France, and in the Treasury's eyes, France was merely making an excuse of the reparation issue so as to avoid paying Britain, while simultaneously seeking to destroy the German economy for selfish strategic purposes. Treasury proposals for a settlement were usually largely influenced by Bradbury and were always based on the premise that Germany must be revived so that she could pay, and not, as the French envisaged, forced by sanctions or external control into a fulfilment of her obligations.

On 23 November Bradbury imposed this Treasury view on the Prime Minister so forcefully that the Foreign Office was in uproar. Bonar Law asked Bradbury whether it might be advisable to allow the French to have their way regarding pledges. Bradbury was adamant: such pledges were illegal under the Treaty of

⁶² These equally unwelcome alternatives are clearly laid down in a Foreign Office memorandum of 23 November 1922, which is worthy of quotation: "The seizure by France of a pledge of this kind may be repugnant to the British government. They may object on the score of an accession to France of strength such as to upset the balance of power in Europe. They may object upon the ground that war between France and Germany will thereby once more be rendered inevitable. They may object upon the ground that the seizure of such a pledge would give a fresh and severe shock to the convalescent structure of British industry and would constitute the death blow to the tottering financial credit of France. But it will be well to remember also the strain to the Entente which will be involved...The advocacy of further concessions to Germany may force France to act in Germany alone. France may also, through failure to obtain the support of the partner to the Entente, be compelled to seek new alliances and new diplomatic arrangements. // It will be well also not to forget the meagre results of the so-called "change of heart" in which post-war Germany has during the last few months repaid the British Government for the efforts made to mitigate the fate which Germany had brought upon herself." [FO 371 7487, C16157/99/18: FO minute, 23.11.22.]

Versailles (itself a highly contentious claim) and would ruin Europe. On the contrary, the French should be restrained by postponing any inter-allied conference and instead summoning a bankers' conference to consider the issue. Furthermore, Bradbury declared that he would pursue this approach on the Reparation Commission regardless of Bonar Law's views. Ralph Wigram, a clerk in the Central Department who attended the meeting, commented:

"Sir John Bradbury concluded his lecture - for from the tone in which his remarks were delivered, they can be described as little else - by a clear indication that he had a policy of his own on these matters which he intended to pursue on the Commission, that it might not always be that of HM Government, but that if the Prime Minister thought Sir John's policy was likely to embarrass him, he was ready to resign forthwith."⁶³

Wigram was incensed by Bradbury's behaviour:

"I would add that the impression left on my mind by the views which Sir John Bradbury outlined to the Prime Minister only served to intensify and to throw into still stronger relief the conviction which I have long held of the extreme danger of allowing a question of the prime political importance of reparation to be dealt with by a few Treasury officials and ex-officials acting in complete independence of the Foreign Secretary..."⁶⁴

Lampson sympathised with Wigram's displeasure. Although he advised against taking issue with the Treasury at this point, it is interesting that this was because he felt that the Treasury had already bungled the reparation issue so much that it was better to leave it holding ultimate responsibility! Already on 18 November he had commented:

"We should go a little warily over this [relations between the Foreign Office, the Treasury and the Reparation Commission] or we shall find ourselves landed with the whole responsibility for Reparations, and that seems unwise now that they have become tangled up as result of actions and decisions taken on the initiative of others... [S]hould not that Department [the Treasury] rather than the Foreign Office remain responsible to the British public for Reparation policy?"⁶⁵

⁶³ FO 371 7487, C16116/99/18: Memo by Wigram, 23.11.22.

⁶⁴ FO 371 7487, C16116/99/18: Memo by Wigram, 23.11.22.

⁶⁵ Minute by Lampson, 18.11.22 on: FO 371 7487, C15635/99/18: Central Department Minute, 'Relations between the British Delegation to the Reparation Commission and the Treasury and the Foreign Office', 14.11.22.

Sir Eyre Crowe, the Permanent Under Secretary of State in the Foreign Office, also agreed that the Treasury influence was too great. But unlike Lampson, he still hoped to curtail it and suggested that Reparation Commission reports should be sent to the Foreign Office and only then passed on to the Treasury.⁶⁶ This would solve the problems the Foreign Office was having in simply obtaining up to date information on developments from the Treasury.

The problems, however, were not satisfactorily resolved. While the Foreign Office officials themselves had no real answers to offer unless the politicians were prepared to tackle the fundamental issue of French security, they had little choice but to acquiesce in the Treasury's primacy over reparation policy. Meanwhile, the disagreements within the administration, coupled with Curzon's emphasis on Lausanne and the immensely difficult European situation, all made Bonar Law's task much more challenging. It is perhaps understandable that Bonar Law acquiesced in Bradbury's forcefully put view of trying to delay the Brussels Conference indefinitely. When Poincaré's obstinacy made this impossible, Bonar Law then merely stalled for time for the Lausanne Conference by agreeing to a preliminary meeting in London. Until the last minute Bonar Law pinned his hopes on reports that Poincaré was bluffing and that his position was too tenuous to support an aggressive policy. It was not until the eve of the London Conference that any plan for a compromise with Poincaré was produced.

Reports that Poincaré's position was in reality extremely weak reached the Foreign Office in early November. On 6 November Hardinge had remarked that: "My own opinion is that Poincaré is too big for his boots and I am beginning to think that he will not last long now. His position is considered to

⁶⁶ Minute by Crowe, 20.11.22 on: FO 371 7487, C16001/99/18: D'Abernon disp. 891, 19.11.22.

be far less good than it was a fortnight ago.”⁶⁷ A few days later Hardinge continued: “... he has not the courage to take any decided action, and public opinion is getting sufficiently well educated to know that little if anything is to be got from the Ruhr...”⁶⁸

But by the beginning of December doubts were creeping in. Hardinge now changed his tune:

“...till a few days ago, my impression has been that although Poincaré would bluff a great deal about going into the Ruhr, he would never have the courage to do so. But I am not so sure that he will not do so if provoked, as public opinion is hardening against the bad faith of Germany, and Poincaré, who has been losing ground very rapidly in the Chamber, sees in an incursion in to the Ruhr, the means of recovering his position in the country and especially with the ‘Bloc National’ in the Chamber.”⁶⁹

Fuelled by these reports of Poincaré’s weakness, the British had at first simply tried to put off Poincaré indefinitely. For example, at the beginning of November, Curzon had used the excuse of the election and an impending trip by the Chancellor (Baldwin) to the US to discuss war debts to defer the Conference.⁷⁰ Plausible though this reasoning may have appeared on the surface, it was clearly really only a barely concealed attempt at procrastination. By the end of November, Poincaré was again demanding a conference. Now the British response subtly changed. The principle remained the same: to concede as little as possible while stalling for time, but the answer now was to hold a preliminary conference in London in order to avoid a grand showdown at Brussels. The initiative came from the Treasury⁷¹ but members

⁶⁷ Curzon Papers: MSS Eur. F.112/200(b), Hardinge to Curzon 6.11.22.

⁶⁸ Curzon Papers: MSS Eur. F.112/200(b); Hardinge to Curzon 10.11.22.

⁶⁹ Curzon Papers: MSS Eur. F.112/200(b); Hardinge to Curzon, 2.12.22. The Bloc National was the rather uneasy coalition of parties upon which Poincaré relied for his Parliamentary support.

⁷⁰ Curzon Papers, MSS Eur. F.112/240: Curzon to Grahame, 1.11.22.

⁷¹ On 20 November Lampson remarked: “I understand that the Treasury do not favour such a Conference [ie the Brussels Conference] unless some working plan has been reached beforehand with the French: otherwise, they point out, the result will be similar to that last August when only bad blood was engendered.” [Minute by Lampson 20.11.22 on: FO 371 7487, C15686/99/18: D’Abernon disp. 867, 11.11.22.]

of the Foreign Office soon adopted the approach. On 27 November Lampson wrote:

“One thing is essential, namely that if there is to be a fresh Conference the Allies should know beforehand what they are prepared to accept. It is positively dangerous to have another abortive Conference, the sole result of which was to demonstrate to the world (and Germany) that this country and France are at loggerheads over Reparations.”⁷²

Therefore when the French Ambassador again asked Bonar Law to agree to hold the Brussels Conference before the end of the year, Bonar Law's response was not so negative. He agreed that a preliminary meeting of Prime Ministers could take place on the weekend of 9-10 December in London.⁷³ The next day, Bonar Law was informed that Poincaré would come to London⁷⁴ and the Belgian and Italian Prime Ministers were also invited.

The problems facing Bonar Law were vast. The reparation crisis had long been escalating and was now reaching its culmination. Moreover, as the crisis was inherently linked to the domestic political situations in both France and Germany, which were diametrically opposed to each other, the British position was increasingly squeezed. The European situation was further complicated by the ambiguous role of the other main countries involved: Belgium, Italy and particularly the United States. At the same time the Lausanne Conference was underway, which preoccupied the Foreign Secretary and caused him to give primacy to a united allied front. Finally, tensions within the administrative machine, between the Foreign Office and the Treasury, were fermenting, and by early December were only barely concealed below the surface. When all of these factors are considered, as well as the relative inexperience in foreign affairs of the majority of the new government and even

⁷² Minute by Lampson 27.11.22 on FO 371 7487, C16100/99/18: Grahame tel. 102, 26.11.22.

⁷³ FO 371 7488, C16247/99/18: Memorandum on Conversation between Bonar Law and the French Ambassador in London, 28.11.22.

⁷⁴ FO 371 7488, C16343/99/18: Minute by Crowe, 29.11.22.

the Prime Minister, it is hardly surprising that British foreign policy had drifted into an essentially negative policy of ad hoc manoeuvring, drift and delay. Even these efforts had not been entirely successful. Although the Brussels Conference had been postponed, Bonar Law now faced a London Conference at which he was uncertain of his approach and of whose outcome he was doubtful. It remained to be seen to what extent his fears were justified.

The London Conference, 9-10 December 1922.

The preliminary conference having been agreed on, the British now needed to formulate a plan of campaign. The possibility was suggested of Britain renouncing her share of reparations and decreasing the war debts owed to her by France. In return it was hoped that France would agree to a reduction in reparations and that Germany, presented with these more reasonable terms, could be induced to cooperate.⁷⁵

This idea (almost certainly originating in the Treasury) was to form the basis of the British approach at both London and, subsequently, at Paris. Bonar Law, unable to come up with any alternative, probably opted for the scheme as a face-saving device. If Britain hinted to France that she might make a generous offer, then, if France refused, Britain would at least be able to justify herself to the world as having tried everything to find a settlement. As Hardinge advised:

“...if it is seen that M. Poincaré’s obstinacy is likely to make a comprehensive settlement in London impossible, the widest publicity should be given to the terms offered by HMG to the French government instead of the unsubstantial policy of ‘productive pledges’ advocated by M. Poincaré.”⁷⁶

Yet despite cautious optimism for this approach in some quarters⁷⁷, Bonar Law was never hopeful of success. On 6 December Bonar Law remarked to C. P. Scott (the editor of the ‘Manchester Guardian’) that:

⁷⁵ Minute by Wigram, 27.11.22 on FO 371 7487, C16100/99/18: Grahame, tel. 102, 26.11.22.

⁷⁶ FO 371 7488, C16803/99/18: Hardinge, disp. 2867, 7.12.22.

⁷⁷ The ‘Times’ was most hopeful and described the London Conference as a “Great Opportunity”. In an article on 30 November it advocated what was to become the Government line with such accuracy that it could hardly have been mere coincidence: “If the present Government understand the realities of the situation and have the courage to face them... they will remit the whole or a large part of the loans due England from her Allies, and a large part of the reparations due to her from Germany.” These concessions could be made in return for a “satisfactory international settlement” for Europe. [The Times, 30.11.22, pp. 13.]

“For the first time I am going into a conference without any policy in my own mind... I may have to choose between two evils - between a breach with France which would mean chaos in Europe or concessions to France which would also involve great misfortunes.”⁷⁸

Lord Robert Cecil also remarked on Bonar Law’s despondency: “He was very friendly and very despairing, and looked to me very tired.”⁷⁹

The London Conference convened at Downing Street on the morning of Saturday 9 December. Early in the first meeting Bonar Law tentatively proposed the Treasury plan by hinting that Britain might be prepared to go back on the Balfour Declaration of August 1922⁸⁰ :

“What he had proposed was to treat the Allied debts in such a manner that some definitive arrangement could be reached with the Germans. In such an event, and provided the arrangement was definitive, he was ready to arrange the debts in such a manner as even to run some risk of having to pay more to America than we should receive from the Allies and from Germany.”⁸¹

While politely expressed, Poincaré’s response was both immediate and essentially negative. He said that: “... no French Government could agree spontaneously to any further advantage to Germany.”⁸² He did however add that the only reduction that France could possibly make to her claim on Germany would be the amount Britain sacrificed to France. It was unfortunate that Poincaré made this qualification as it gave some factions within the British administration false hope and prevented them from entirely abandoning the scheme. It was to be revived at the Paris Conference in

⁷⁸ Blake, Unknown, pp. 485

⁷⁹ Cecil Papers, vol. 51095: memorandum by Cecil on 7.12.22 of a conversation between Cecil and Bonar Law.

⁸⁰ This declaration had stated that Britain expected the allies to repay their war debts to Britain in order that Britain could discharge her debt to the US.

⁸¹ Parliamentary Papers 1923 XXIV, Cmd. 1812, ICP 254: Notes of conversations held at 10 Downing Street on 9.12.22. (These are also reproduced in CAB 29/102)

⁸² Parliamentary Papers 1923 XXIV, Cmd. 1812, ICP 254: Notes of conversations held at 10 Downing Street on 9.12.22. (These are also reproduced in CAB 29/102)

January, with disastrous consequences.

But Poincaré had managed to seal the fate of the scheme as the basis for agreement at London. As ever, Bonar Law's answer was to resort to delaying tactics. His approach to the remainder of the conference was to play for time for Curzon at the Lausanne Conference and to try to keep relations with Poincaré as amicable as possible. His task was not made any easier by the German government. On 10 December, Bonar Law received a note from Cuno containing fresh German proposals for reparation payments. The German Government offered to begin the stabilisation of their currency with their own reserves in the hope that foreign credit would then be forthcoming. In return, the Germans requested an immediate moratorium in the form of a gold loan on highly favourable terms which could be used to cover Germany's treaty obligations for a further four or five years.⁸³

Poincaré was incensed, rejecting the German scheme out of hand, and insisting that the allies take productive pledges in the form of the occupation of Bochum and Essen. Even Bonar Law was disappointed with the German note, saying that: "...there was much of M. Poincaré's criticism with which he did not disagree."⁸⁴ But Bonar Law was desperate that a break should not occur at the conference. The tactics he used were extremely astute. He met Poincaré alone outside the official conference meetings and, saying that it would be very difficult for his own political position if his first act after coming into power was to announce a break with France, he managed to persuade Poincaré to adjourn proceedings until 2 January in Paris.⁸⁵

⁸³ Appendix 1: Cuno to Bonar Law, 9.12.22, enclosed in Parliamentary Papers 1923 XXIV, Cmd. 1812, ICP 256: Conversation at 10 Downing Street, 10.12.22.

⁸⁴ Parliamentary Papers 1923 XXIV, Cmd. 1812, ICP 256: Conversation at 10 Downing Street, 10.12.22. (These are also reproduced in CAB 29/102)

⁸⁵ Hankey Papers, Box 1/6: Diary 12-21 December 1922.

The result was that at the end of the conference, superficially at least, relations between Britain and France seemed somewhat improved. As Crowe reported: "Monsieur Poincaré, whilst firmly upholding the government's decision to occupy the Ruhr after January 15th, was throughout extremely courteous and conciliatory in tone and manner, and parting was on entirely friendly terms."⁸⁶

Bonar Law himself, however, was under no illusions as to the success of the Conference. He realised that differences had merely been papered over and that there had been no real progress towards real solutions. He told Curzon:

"As regards our Conference it has been a complete failure as indeed was inevitable for Poincaré came determined on 2 points: (1) that whatever happened he would occupy Essen, (2) that he could not reduce the amount of the French claims except to the extent by which we reduced their debt to us. I had really therefore nothing to do but play for time for the sake of Lausanne and I am sure you will have respite there until the beginning of January."⁸⁷

It is an interesting reflection on the nature of Bonar Law's Cabinet that its members simply accepted this situation almost unquestioningly when they met to discuss the conference. Ministers concentrated on agreeing a bland official statement saying that owing to pressures of time the conference had been adjourned until January. There was no real policy debate, and no discussion of any long term strategy or plan for the approaching Paris meetings.⁸⁸

Parliament was also quiet and did not make life too difficult for Bonar Law. Largely this was because the House of Commons rose for the Christmas recess on 15 December, and so throughout the difficult period before and during the Paris Conference Bonar Law had few questions to face. Yet even before

⁸⁶ FO 371 7489, C17084/99/18: Crowe to Curzon, tel. 71, 11.12.22.

⁸⁷ Bonar Law Papers, Box 112, Folder 12, Document 44: Bonar Law to Curzon, 12.12.22.

⁸⁸ CAB 23 32: Conclusions of Cabinet meeting 11.12.22.

the recess he had little trouble dealing with the Commons. When asked what Britain would do if France occupied the Ruhr he simply refused to answer such “a hypothetical question.”⁸⁹ When asked what the government’s views were on the eve of the London Conference he retorted only: “They have many views and it would take a very long time to express them.”⁹⁰ After the London Conference, Bonar Law did agree to a debate on reparations and interallied debts. Although this lasted for over seven hours, it was, from Bonar Law’s perspective, a rather tame affair. Bonar Law used the fact that he was in the middle of crucial and delicate discussions with the French as an excuse to avoid saying anything of real significance, and then simply sat back and watched as the debate degenerated into a slanging match over Lloyd George’s original role in determining reparation amounts.⁹¹

⁸⁹ See for example, Hansard 159 HC Deb 5s, col. 506, 28.11.22: Question by Wallhead; and col. 887-8, 30.11.22: question by Wallhead.

⁹⁰ Hansard, 159 HC Deb 5s, col. 1984-6, 7.12.22: answer by Bonar Law to question from Lieut. -Commander Kenworthy, MP for Hull.

⁹¹ Hansard 159 HC Deb 5s, beginning at col. 3222, 14.12.22.

From London to Paris

The stage was set for a difficult few weeks. The complete collapse of the London Conference had revealed the difficulties involved when negotiating the reparation question. Moreover, the entirely inadequate nature of the German proposals that had been submitted had fuelled France's conviction that Germany would never pay and that the only language she would listen to was that of force. Bonar Law had much justification for his pessimism when he wrote to Curzon on 21 December:

"I have no hope of the Conference of the 2nd January unless something unexpected happens. The real truth is that French finance is so bad that for them to agree to any arrangement which is possible to Germany would be equivalent to declaring that they are practically bankrupt."⁹²

It would however, be wrong to describe the European situation as entirely hopeless at this point. According to the American ambassador in Brussels, the Belgians were not entirely despondent. On the contrary, Henri Jaspar, the Belgian Foreign Minister, reportedly: "thinks situation was improved by the London conversations and is not entirely hopeless."⁹³ Lord D'Abernon, the British Ambassador in Berlin, was also optimistic. On 23 December he reported: "On return here I found the general situation less pessimistic than I had anticipated...// I do not think successful negotiation altogether impossible."⁹⁴

There was, then, in some minds the possibility of coming to some kind of negotiated agreement. This fact has been emphasised in recent historiography. Both Marc Trachtenberg and John Keiger have argued that

⁹² Bonar Law Papers, Box 112, Folder 12, Doc. 48, Bonar Law to Curzon, 21.12.22.

⁹³ HW12 41: Fletcher (Brussels) to Hughes (Washington) tel. 95, 14.12.22.

⁹⁴ D'Abernon Papers, Vol. 48927B: D'Abernon to Bonar Law, 23.12.22.

Poincaré was actually extremely unwilling to occupy the Ruhr, but that he was forced into it by sheer weight of events. Both are highly critical of Britain's role in limiting France's options. The approach chosen by the British was to present at the Paris Conference their own proposals, on which to build a reparation agreement. In the event, however, the British proposals, far from forming the basis of allied agreement, actually precipitated the Ruhr occupation by provoking not only France, but also Belgium and Italy. This British Paris plan has since been greatly criticised by historians, and the British have been accused of "goading" Poincaré into the Ruhr.⁹⁵ Why did British policy-makers decide to pursue so controversial a policy? Did they realise that the plan was contentious, and if so what did they hope to achieve by it? Were there any alternative strategies available or indeed pursued at this time? These are all questions which have yet to be answered convincingly in the historiography of the period, which has mainly approached the issue from the French standpoint.

The British plan began in the form of proposals by Bradbury dated 15 December 1922.⁹⁶ These were discussed by the Treasury and then a scheme was outlined by Sir Otto Niemeyer, Controller of Finance at the Treasury, to Lampson and Wigram on 20 December. The basic idea was that Britain was to wipe out the war debts owed to her by the allies (around £1174 million) and in return France would wipe out the war debts owed to her by her allies (around £78 million) and agree to decrease Germany's outstanding reparations from £6,650 million to £2,500 million.⁹⁷ This plan was simply an elaboration of the tentative offer to renege on the Balfour Declaration already made, an offer which had already met with an unfavourable French reception. Economically, the plan made some sense and it is perhaps understandable why the Treasury,

⁹⁵ Keiger, *Poincaré*, pp. 297.

⁹⁶ FO 371 8626, C327/1/18: FO minute by Wigram, 4.1.23.

⁹⁷ FO 371 7491, C17656/99/18: FO minute by Lampson 20.12.22.

with its strongly Franco-phobic views on reparation questions, favoured it.⁹⁸ What needs to be asked is why the Foreign Office officials, who had previously proved more able to see both sides of the situation, did not predict the plan's reception, and try to stop the Cabinet adopting it as government policy.

Indeed, not only did Foreign Office officials go along with the plan, but they even squashed the one Treasury proposal of any real significance - that France be bribed into accepting the British reparations proposals by the offer of a treaty of guarantee. Niemeyer asked for the view of the Foreign Office on this suggestion when he outlined the plan to them on 20 December. Lampson commented: "Personally I have always thought there might be a good deal in this..."⁹⁹, but he was overruled by Crowe who noted that the government's position was that before a pact could be offered all outstanding differences of any kind must be settled.¹⁰⁰

This, then was the real crux of the problem - that the government did not sanction any real change of direction of policy which could have made a true accommodation with France possible. At no point did the Cabinet consider the basic issue of French security or seriously contemplate the effects of a policy of either breaking from France or joining with her. Bonar Law simply continued the policy of procrastination begun before the London Conference.

Lampson was left to justify the Treasury plan on the entirely negative ground that at least it could be used to save face in the eyes of the world when, as

⁹⁸ Even three months after the event, Bradbury still had no regrets. On 10 April he wrote: "It [the Paris Plan] was, I think, worth making at that time, because by reason of the previous history of the question, we could not leave the French in the lurch and there was fairly strong ground for hoping that Germany could bear the burden which we proposed to put upon her, and would see the advantage of shouldering it rather than exposing herself to the ruinous effects of coercive measures." [T190/10: Bradbury to Baldwin, 10.4.23.]

⁹⁹ FO 371 7491, C17656/99/18: FO minute by Lampson 20.12.22.

¹⁰⁰ Minute by Crowe 20.12.22 on FO 371 7491, C17656/99/18: FO minute by Lampson 20.12.22.

seemed inevitable, Poincaré occupied the Ruhr:

“Will France be prepared to give up that demand [ie no moratorium without pledges] in return for the offer of remission of debt? That is really the whole point. If they are not, then we can go to the whole world with a very clean conscience that this country at least has gone to all lengths to keep in with France and that the failure is not our fault. // Personally, I very much doubt whether in any circumstances Poincaré will abandon his Ruhr scheme; and his position still seems as secure as it was when he visited London last week.”¹⁰¹

Bonar Law had already shown himself to be susceptible to this argument. Before the London Conference he had written: “If there is to be a break I think it is essential that we should submit proposals which can be given to the world and will show how reasonable we are.”¹⁰²

Crowe however, was more positive in his appraisal. He felt that the British Paris Plan afforded the Germans one last chance. It represented the furthest concessions the British would make before the evidence of German bad faith was absolute. If Germany failed to fulfil even these most reasonable proposals then Britain would be justified in taking joint coercive action with France in order to secure the fulfilment of a revised and workable reparation scheme. On 20 December Crowe minuted:

“...the occupation of the Ruhr would be an effective means of coercing Germany into acceptance and fulfilment of the reasonable demands... Therefore provided such reasonable demands can be formulated, we should not refuse our associating ourselves with the occupation in case of Germany not carrying out what she may be induced to promise, and that the exact coercive measures (and machinery of) ought to be worked out in some detail in agreement between the Allies.”¹⁰³

This argument by Crowe may well provide the key to understanding why Britain tabled the Paris proposals. While the Treasury had taken the initiative in formulating the plan, the Foreign Office accepted its terms and were

¹⁰¹ Minute by Lampson, 19.12.22 on: FO 371 7490, C17273/99/18: Phipps (Counsellor of Paris Embassy), disp. 2944, 17.12.22.

¹⁰² Bonar Law Papers, Box 112, Folder 12, Doc. 40: Bonar Law to Curzon 7.12.22.

¹⁰³ Minute by Crowe 20.12.22 on: FO 371 7490, C1744/99/18: note by Troughton, 10.12.22.

prepared to stand by them. Moreover, the Foreign Office believed that France would welcome a British initiative. On 27 December Count Saint-Aulaire, the French Ambassador in London, reported that Poincaré wanted the British to table proposals (though he certainly did not intend the ones he got!).¹⁰⁴ Thus the plan seemed to offer the best way forward: should it be accepted, then a new and (in Treasury eyes) realistic basis would be given to reparation - one that in future Britain would be prepared to act with France to uphold; should the plan be rejected, then Britain would at least score an important advantage in the eyes of the world.

Two other policy options were considered. First was the possibility of persuading the Germans to make fresh proposals. Crowe favoured this as he thought that the best way to get the Germans to agree to fulfil reasonable proposals was not for the allies to dictate them, but for the Germans themselves to offer them. But the Foreign Office was divided over the idea. Lampson felt: "It has always seemed to me that each fresh German plan only gave the French something fresh to fasten onto and upon which to base further charges of bad faith."¹⁰⁵ In the event, the Germans, influenced by Bradbury,¹⁰⁶ did formulate some kind of scheme and sent the economist Carl Bergmann to the Paris Conference, to table it orally if required. It is unlikely that this approach by Britain could ever have yielded really positive results. Whatever proposals Germany tabled at Paris, it is unlikely that they would

¹⁰⁴ On 27 December the French Ambassador in London reported that: "M. Poincaré, feeling convinced that nothing but the seizure of pledges will advance matters, regrets to find that the British Government, whilst frankly and loyally expressing their condemnation of this particular policy, maintain a negative attitude of criticism, but do not themselves offer any alternative plan...(H)e ventures to express the earnest hope that they [HMG] will be able and ready to submit their alternative proposition for the consideration of the French government." [FO 371 7491, C17747/99/18: Conversation between Crowe and French Ambassador, 27.12.22.]

¹⁰⁵ Minute by Lampson, 27.12.22 on FO 371 7491, C17597/99/18: D'Abernon tel. 225, 23.12.22.

¹⁰⁶ On 28 December Crowe commented: "I understand Sir J. Bradbury has been in communication with M. Bergmann and has given some useful advice." [Minute by Crowe, 28.12.22 on FO 371 7491, C17597/99/18: D'Abernon tel. 225, 23.12.22.]

have stopped French action and Britain would have been left with the same dilemma of whether to act or not.

The second policy option considered had far greater potential. This was an attempt to involve the United States. On 16 December, the Foreign Office sent a telegram to Sir Auckland Geddes (the British Ambassador in Washington) asking him to emphasise to Charles Hughes (the United States Secretary of State) that “In our opinion the only possibility of avoiding this catastrophe is by the intervention of the United States”, and asking the United States to send an observer to the Paris conference, as: “... without American assistance the prospect is almost hopeless.”¹⁰⁷

Accordingly, Geddes called on Hughes on 18 December. Although he had in fact received his instructions through the Foreign Office, he said that he: “had received a direct message from Bonar Law, a message which had not gone through the Foreign Office, to inform the Secretary as to the Premier’s view of the present situation.”¹⁰⁸ Geddes explained that Bonar Law took a “most gloomy” view of prospects. He could not, however, persuade Hughes to participate at Paris on even an unofficial basis unless America received an invitation from all the allies. He therefore asked if the American Government would make a public declaration of their attitude to the occupation of the Ruhr. While Hughes did not want to make a public statement at that time, he said that:

“the French Government had no reason to doubt the attitude of the American Government or the American people with respect to that question; that the futility of expecting an economic return from such an occupation was quite clear, and that the dangerous consequences which might ensue were fairly obvious.”¹⁰⁹

¹⁰⁷FO 371 7490, C17369/99/18: Tel. 363 to Geddes, 16.12.22.

¹⁰⁸FRUS 1922, Vol II: Memorandum by Hughes of interview with Geddes, 18.12.22.

¹⁰⁹FRUS 1922, vol II: Memorandum by Hughes of interview with Geddes, 18.12.22.

The United States had in fact already approached France on the issue and had suggested allowing an impartial committee of experts to consider the reparation issue. As early as 7 November, the United States Ambassador in Paris (Myron T. Herrick) wrote to Poincaré:

“I need not repeat that we all recognise, even the remotest country, that the delay in settling the question of Reparations is largely responsible for the present economic disorganisation and that there is great necessity for prompt action. However, there appears to me to be little prospect of this unless governments can arrange to interpose between themselves and their public the findings of an impartial committee.”¹¹⁰

Again on 14 December, Hughes told the French ambassador in Washington (Jules Jusserand) that: “... we had got to a point where if the matter were to be considered on its merits there should be called in those who would faithfully advise the Governments in a dispassionate and authoritative manner with respect to an economic solution...” He again called for an impartial enquiry, and added that it would achieve nothing: “...unless Foreign Offices kept their hands off...”¹¹¹

In Britain, the Foreign Office heard rumours of an exchange between the United States and France. It waited with baited breath, hopeful that a way out might result, but itself unwilling to intervene further lest it do anything to damage prospects. Lampson remarked: “If the French would agree (which is most unlikely) arbitration by an American... as to the amount Germany could reasonably pay might be a good way out. America is not inclined to deal leniently with Germany...”¹¹² Crowe however, was more cautious: “But I have no confidence whatever that France would agree to an American arbitrator.”¹¹³

¹¹⁰ FRUS 1922, vol. II: Herrick to Poincaré, 7.11.22.

¹¹¹ FRUS 1922, vol. II: Memorandum by Hughes of conversation with Jusserand, 14.12.22.

¹¹² Minute by Lampson, 19.12.22 on: FO 371 7490, C17399/99/18: Geddes, tel. 499, 18.12.22.

¹¹³ Minute by Crowe, 19.12.22 on: FO 371 7490, C17399/99/18: Geddes, tel. 499, 18.12.22.

Crowe's pessimism was well founded. Even in the initial conversation with Hughes on 14 December, Jusserand had pointed out that: "...the situation was made a great deal more difficult for his Government than it otherwise would be because of the tendency in Great Britain and in the United States, as shown by the press, rather to favour Germany and to put France in the wrong."¹¹⁴

On 21 December 1922 Poincaré graciously but definitely rejected the American suggestion. Poincaré said that it was necessary first to exhaust the existing opportunities for France to secure an agreement with the other governments, that the allies were meeting on 2 January and that: "he did not think that any such suggestion could be followed up before that time, and before it was ascertained that it would be impossible for them to arrive at an agreement."¹¹⁵

Despite this rejection by France, on 29 December at New Haven Hughes finally declared publicly that the United States was in favour of appointing some form of authoritative committee of financial experts to discuss reparations.¹¹⁶ Perhaps the United States merely wanted to vindicate itself in the eyes of the world before Poincaré marched into the Ruhr; or perhaps they were at last galvanised into action when the Reparation Commission on 26 December declared Germany to be in default. Whatever his motives, Hughes' speech came far too late to halt the events of the Paris Conference.¹¹⁷ The Foreign Office had already reverted to the plan of campaign outlined by

¹¹⁴ FRUS 1922, vol. II: Memorandum by Hughes of conversation with Jusserand, 14.12.22.

¹¹⁵ FRUS 1922, vol. II: Memorandum by Hughes of conversation with Jusserand, 21.12.22.

¹¹⁶ For a more detailed account of US policy at this point, see K.L. Nelson, Victors Divided: America and the Allies in Germany, 1918-1923, (London, 1975).

¹¹⁷ In the event the US offer was simply left unanswered. On 9 January 1923, Harriman (the US Chargé d'Affaires in London) told Lampson that: "...America having declared her willingness to intervene to the extent indicated in [the] Newhaven speech, and that offer not having been accepted by all interested parties, there was nothing for it but for the offer to lapse. If at a later date all parties concerned agreed to accept the good offices of America, matters might be revived." [Memo by Lampson 9.1.23 enclosed in FO 371 8627, C545/1/18, Disp. 68 to Geddes, 10.1.23.

Alexander Cadogan, First Secretary in the Foreign Office, on 19 December when he had first heard rumours of the United States initiative: "If the proposal is not accepted, the US Government definitely will not intervene any further. The last hope will then be for us to put up a scheme on January 2nd that may be acceptable to France."¹¹⁸

On the very day of the New Haven declaration, and only two days before Bonar Law left for Paris, the Cabinet finally accepted the Bradbury/Treasury scheme¹¹⁹. Ministers were not optimistic of the chances of the plan's success and spent most of the Cabinet meeting discussing how Bonar Law should react if the French rejected the plan: "In the event of a fixed determination on the part of the French to take independent coercive action against Germany, and a refusal to discuss any reasonable proposals, the Cabinet agreed with the course proposed by the Prime Minister". This course was basically to say that large questions were raised, and that it was necessary to consult the Cabinet.¹²⁰

The morale of the Cabinet was not helped by international developments. On 26 December Bradbury was outvoted on the Reparation Commission, and Germany was declared to be in voluntary default in timber deliveries.¹²¹ The next day Saint-Aulaire informed Crowe that: "... there can be no question of France receding in any way from her policy of seizure of remunerative pledges as one of the conditions on which any grant of a moratorium can be

¹¹⁸ Minute by Cadogan, 19.12.22 on FO 371 7490, C17399/99/18: Geddes, tel. 499, 18.12.22.

¹¹⁹ The plan was thus adopted hastily on the eve of the Paris Conference. One minister, Lloyd Graeme, later complained that the Embassies in Paris and Brussels had not warned the Cabinet of the likely reception of the plan. Wigram responded in an internal memorandum that the hasty formulation of the plan and its last-minute adoption by the Cabinet as government policy had not left the Foreign Office enough time even to send a draft to the Embassies for comment. [FO 371 8626, C327/1/18: Minute by Wigram, 4.1.23.]

¹²⁰ CAB 23 32, Conclusions of meeting of Cabinet, 29.12.22.

¹²¹ FO 801/9: Minutes of Reparation Commission, No. 343, Decisions 2306-2311, 26.12.22.

executed.”¹²² Once more Bonar Law left for a conference feeling that he had virtually no chance of success. As Hankey commented on the eve of the conference: “Personally I am not unhopeful of our prospects here. Bonar however as usual is very depressed”¹²³ Bonar Law later told Neville Chamberlain that: “...he had realised that agreement with France was impossible from the first meeting he had with Poincaré in London when the latter said ‘...We must have the Ruhr.’”¹²⁴

Yet was Poincaré really as extreme and unwavering at this point as the British seemed to think? Was Poincaré really convinced that a break from Britain and occupation of the Ruhr was inevitable? It must be remembered that on 27 December he had asked Britain to make suggestions and that he had told Hughes that there was a possibility of agreement at Paris. His most recent biographer, John Keiger, sees him as the unwilling victim of circumstance at this point. If Poincaré was still desperately trying to find some way out of embarking on the Ruhr occupation, but was finding himself railroaded by force of circumstance, this would explain his frustration and surprise at the Paris Conference when he heard the details of the British proposals. However, given Poincaré’s domestic political position, the importance he had publicly attached to obtaining reparation and the financial situation in France, it is hard to envisage a compromise even had Britain produced a more stringent plan at Paris. It is to the events at this conference that we must now turn.

¹²² FO 371 7491, C17747/99/18: Disp. 3879 to Phipps (Paris), 28.12.22.

¹²³ Hankey Papers, Box 3/31: Hankey (Paris) to his wife Adeline, 1.1.23.

¹²⁴ Neville Chamberlain Papers: NC2/21: Neville Chamberlain’s diary, 10.1.23.

The Paris Conference, 2-4 January 1923.

The failure of the Paris Conference had been generally anticipated. What had not been expected was the speed of the collapse of negotiations. In fact a deep rift appeared so quickly that the Conference broke up on 4 January - after only three days - and the French, with support from the Belgians and (to some extent) from the Italians took coercive action in the Ruhr on the 11th January, four days before the expected date of 15th January.

The proceedings were opened by Poincaré on 2 January 1923. Poincaré made a short introductory speech in which he immediately dismissed the possibility of hearing any further German proposals.¹²⁵ Poincaré then handed round French proposals for the allies' next action. These basically outlined the sanctions to be taken in order to secure payment by Germany. The Italian representative, Marquis della Torretta¹²⁶, then spoke briefly before Bonar Law occupied the centre stage to outline the British plan.

Basically, Bonar Law proposed that Germany should pay nothing for four years; then 2 billion German Marks per annum for the next four years; and 2.5 billion German Marks per annum for the following two years. After 10 years, she would pay 3.5 billion German Marks per annum. In return for these favourable terms, Germany would have to stabilise the mark, agree to some financial supervision by the allies, and submit to sanctions (including military

¹²⁵ Poincaré said that on the previous day the German ambassador had told him that Bergmann was coming to Paris to present fresh proposals. Poincaré said that: "The proposal was less definite than the one made in London, which had at least been in writing. Now there was nothing more than an overture announcing a visit. If his colleagues saw no inconvenience in this course, he thought the best plan would be to postpone until later on the examination of the reception which should be given to this German suggestion." [Parliamentary Papers 1923 XXIV, Cmd. 1812, ICP 258: Minutes of meeting at Paris, 2.1.23.]

¹²⁶ Mussolini did not attend the Paris conference. Della Torretta was the Italian Ambassador in London.

occupation) if she failed to satisfy her obligations. Bonar Law then moved onto war debts and outlined the British proposals to reduce inter-allied debts (excluding the United States), with the effect that Britain would be making much the largest sacrifice.¹²⁷

After Bonar Law had outlined the plan the conference adjourned until the following day for the delegates to consider the proposals. On 3 January the conference reconvened and Poincaré immediately launched into a detailed criticism of the British scheme, concluding by: “declaring it to be absolutely unacceptable.”¹²⁸ It was perhaps predictable that the French would disagree with the British proposals. What had such a detrimental effect on the conference was the effect of the plan on the other delegates. The Belgians were horrified at the plan’s extreme leniency towards Germany, in particular as one of the plan’s provisions was for the cancellation of Belgian priority. It was this which caused Georges Theunis, the Belgian Premier, to say that: “He would not hide that when they read the note of the British Government the Belgian Government had felt a disappointment as deep as that of the French Government.”¹²⁹ Even the Italians refused to accept the British proposals. Della Torretta diplomatically declared: “The English plan is animated with the noblest intentions, but it does not succeed in solving the grave problem of reparations in an equitable manner.”¹³⁰

Although Bonar Law, quickly realising the provocative effect his plan was having, tried to save the situation by saying that Britain was prepared to waive her proposal of Belgium abandoning her priority and that “we did not

¹²⁷ Parliamentary Papers 1923 XXIV, Cmd. 1812, ICP 258: Minutes of meeting at Paris, 2.1.23.

¹²⁸FO 371 8626, C287/1/18: tel. from Ambassador in Paris, Lord Crewe (unnumbered), 3.1.23, enclosing a message from Bonar Law.

¹²⁹ Parliamentary Papers 1923 XXIV, Cmd. 1812, ICP 259: Minutes of meeting at Paris, 3.1.23.

¹³⁰ Parliamentary Papers 1923 XXIV, Cmd. 1812, ICP 260: Minutes of meeting at Paris, 4.1.23.

regard our scheme as unalterable in details,”¹³¹ the damage had already been done. Even some members of the Treasury recognised that the plan had been misjudged. Sir Andrew McFadyean, Secretary to the British Delegation on the Reparation Commission, subsequently commented: “... it certainly was a mistake to issue so complicated a technical paper in dry Treasury form for the appreciation of the French public. It would have been comparatively easy in two or three days to give it a diplomatic form and make it readable...”¹³²

In the event, the impact of the British plan was so profound and exacerbated the differences between the allies to such an extent that the Germans were not even given the opportunity to make the proposals they had prepared. On 4 January, Bonar Law informed the Cabinet that: “Conference held its last meeting today. It became quite clear that it would be impossible to reconcile the British and French points of view. Latter was fully supported by Italy who thus followed in the steps of Belgium.”¹³³ Poincaré had maintained his insistence on only allowing a moratorium with pledges. The British continued to emphasise that such pledges would prevent the recovery of German credit.

The rift was now public knowledge, especially after a statement to the press quoting Bonar Law’s exact words at the conference was made. Bonar Law had stated that:

“His Majesty’s Government, after giving the most earnest consideration to the French proposals, are definitely of the opinion that these proposals, if carried into effect, will not only fail in attaining the desired results, but are likely to have a grave and even disastrous effect upon the economic situation in Europe, and, in these circumstances, they cannot take part in, or accept

¹³¹ FO 371 8626, C287/1/18: tel. from Crewe (unnumbered), 3.1.23, enclosing a message from Bonar Law.

¹³² McFadyean Papers, box entitled “Treasury Business, 1919-1923”: McFadyean to Sir Hugh Levick (Standard Bank of South Africa), 15.1.23. McFadyean was still highly critical of the French. He added: “The lightness, amounting almost to semi-frivolity with which the French rejected the British plan which was at any rate a good basis for discussion almost defies explanation.”

¹³³ FO 371 8625, C240/1/18: tel. from Crewe (unnumbered), 4.1.23, enclosing a message from Bonar Law.

responsibility for them.”¹³⁴

Yet despite the obvious rupture, the British were extremely anxious to maintain friendly relations, especially as Curzon was still negotiating at Lausanne. Hence, on 3 January Bonar Law had reported that, “The tone of the discussion was friendly throughout...”¹³⁵ and the new Ambassador in Paris, Lord Crewe, wrote to Curzon:

“...the personal cordiality and friendliness of everyone was quite remarkable. We have been told that for the last two days Poincaré has been most anxious that nothing irreparable should be said when the moment of rupture came and that he was immensely relieved afterwards. So that for the present I do not think there is likely to be any trouble [at Lausanne].”¹³⁶

Hankey reported:

“On the last day Poincaré tried once or twice to work himself into a rage, but Bonar Law was so good tempered and agreeable in manner that Poincaré couldn't work up anything like a real outburst. The rupture therefore was a mild one and we parted more in sorrow than in anger.”¹³⁷

The French also seemed eager to keep the breach to a minimum, and were anxious to avoid a large-scale military operation in the Ruhr. The legal formalities were soon completed. On 9 January the Reparation Commission, again by a majority of three to one (Bradbury abstaining), ruled that Germany had ‘voluntarily defaulted’ on her coal deliveries.¹³⁸ On 10 January the French informed the Germans of the impending sanctions, saying:

“The measures in question are taken in virtue of paragraph 18 of Annex II to part 8 of the Treaty of Versailles.”¹³⁹ They do not

¹³⁴ FO 371 8625, C240/1/18: tel. from Crewe (unnumbered), 4.1.23, enclosing a message from Bonar Law.

¹³⁵ FO 371 8626, C287/1/18: tel. from Crewe (unnumbered), 3.1.23, enclosing a message from Bonar Law.

¹³⁶ Curzon Papers, MSS Eur. F.112/201(a): Crewe to Curzon, 5.1.23.

¹³⁷ Hankey Papers, vol. 1/7: diaries, 7.1.23.

¹³⁸ FO801/9: Minutes of Reparation Commission, no. 346a, decision 2321a, 8&9.1.23.

¹³⁹ This paragraph reads: “The measures which the Allied and Associated Powers shall have the right to take, in case of voluntary default by Germany, and which Germany agrees not to regard as acts of war, may include economic and financial prohibitions and reprisals and in general such other measures as the respective governments may determine to be necessary in the circumstances.”

denote on the part of France any idea of a military occupation or of an occupation of a political character... The French Government are sending into the Ruhr only the troops necessary to safeguard the mission and to guarantee the execution of its mandate.”¹⁴⁰

But even at this early stage the underlying threat was clear:

“Should, by some manoeuvre the operations of the officials of the mission and the installation of the troops who accompany them be hindered or compromised and should the local authorities create by their action or abstention from action any trouble whatever for the material and economic life of the area all the coercive measures and all the sanctions considered necessary would at once be taken.”¹⁴¹

On 11 January 1923 the French and Belgians sent a mission of control composed of engineers into the Ruhr in order to ensure coal and timber deliveries. It was accompanied by troops to act, as the French insisted, as safeguards. The Italians, eager to keep on good terms with both the French and British, sent a token few engineers.

Within Britain the reaction to events is interesting. On 11 January the Cabinet approved the line taken by the Prime Minister and emphasised its “satisfaction that in spite of the impossibility of reaching agreement on the questions before the conference, there had been no breach between the British and French Governments.”¹⁴²

Yet there were some dissenting voices. As early as 3 January, Crewe wrote to Curzon:

“Between ourselves, I do not think that our financial provisions have been happily put. They are too obviously Treasury, and therefore will invite opposition for which it would surely have been politic to wait by making the least of our reduction in the first instance. Personally, though no doubt this is not the Government view, I would have chanced public opinion in England, and have

¹⁴⁰ CAB 24 158, CP11: Communication from Paris to German Embassy, 10.1.23.

¹⁴¹ *ibid.*

¹⁴² CAB 23 45, Conclusions of Cabinet Meeting, 11.1.23, 11.30am.

asked the Allies for less.”¹⁴³

Curzon too was critical of the conduct of the conference, although it is interesting that his criticisms were all made with the benefit of hindsight and that during the critical period before the conference he was unhelpful and indifferent. “If you ask my private opinion”, he wrote, “I think that the business in Paris has been deplorably mismanaged.”¹⁴⁴ He went on to say that it had probably been a mistake to publish the British scheme in advance, and had certainly been a mistake to allow the break to occur so quickly. Curzon reported that he had had a very brief meeting with Bonar Law (his one and only during this period) in Paris before the conference, and that at this meeting Bonar Law had assured him that the Paris discussions would last at least a fortnight. Typically, even at this stage, Curzon was far more concerned about Lausanne than Europe: “...on that understanding I engaged to hurry on the matters here with a view to arriving at a decision while matters in Paris were still in suspense. The idea of an immediate breakdown never occurred to me and was never hinted at by him.”

Curzon then launched a vicious attack on Bonar Law: “I am afraid that his ignorance of the proceedings not merely of Conferences, but of diplomacy in general, led him to precipitate matters in a manner which was both unnecessary and unwise.” Despite the fact that it was Curzon’s absence which had left Bonar Law in the lurch and that Curzon had given him no helpful advice or support, Curzon then went on to say quite clearly what line he would have pursued between London and Paris. He would “have been no party to the production of a sudden scheme at the last moment.” Rather he would have sought to try to clear the ground between France and Britain. Then, at Paris, negotiation should have been approached from the more favourable

¹⁴³ Curzon Papers, MSS Eur. F.112/201(a): Crewe to Curzon, 3.1.23.

¹⁴⁴ Curzon Papers: MSS Eur. F.112/201(a): Curzon to Crewe, 5.1.23. See also Crewe Papers, C12.

angle “rather than from the end where disagreement was unavoidable.”

Not content with criticising Bonar Law, he also sought other scapegoats.

Naturally the Treasury was an easy target, and, more particularly, Bradbury:

“I take it that the British plan was the work, in the main, of Bradbury. Now I profoundly distrust these Treasury experts, who fancy that they are politicians and who, in the case of Bradbury in particular, claim to dictate the policy of their country. I have always thought that Bradbury ought to be got rid of...”

Even when discussing the repercussions of the Paris breakdown, Curzon seemed oblivious of its connotations for Europe, speaking only of the Near East: “It cannot improve my chances here...”¹⁴⁵

Thus Curzon, probably at last realising that a showdown in Europe had arrived, and that it placed Britain in an exceedingly embarrassing position, desperately sought to find somebody else to blame for it. Curzon was probably right that so provocative a British plan should not have been published and that Bonar Law had bungled the conference. It is also true that Curzon did have an entirely full agenda and was needed at another important conference at that time. Even so, for Curzon to alienate himself so entirely from European affairs and to fail to give the new Prime Minister any advice other than that it was Lausanne that mattered, was unwise. That Curzon (rather belatedly) realised this is surely reflected in this rather unprofessional attempt to vindicate himself in the eyes of his new Paris ambassador.

¹⁴⁵ Curzon Papers: MSS Eur. F.112/201(a); Curzon to Crewe, 5.1.23. See also Crewe Papers, C12.

Conclusion

Britain's foreign policy on the eve of the Ruhr occupation was in the main reactive and ad hoc. For the most part, the only approach which politicians and officials advocated was one of procrastination - first to delay the Brussels Conference indefinitely, and then to try to forestall it by holding the preliminary London meeting. When this simply confirmed the deadlock the British tried halfheartedly to involve the United States, and then at the last minute they hastily adopted a Treasury plan for reparation settlement, tabling it at Paris with disastrous consequences.

Revisionist historians have stressed the range of factors combining against Poincaré. Desperate to uphold the peace settlement and facing difficult internal problems and pressures, Poincaré found himself pushed tentatively and unwillingly towards the Ruhr. Trachtenberg explains: "There was no headlong rush to coercive tactics; indeed the way Poincaré backed into the occupation of the Ruhr and hardly knew what he wanted to do once he got there, is one of the most striking aspects of the story."¹⁴⁶ Keiger agrees: "This timidity could be explained largely by the fact that Poincaré had been cornered into the occupation of the Ruhr. To a large extent the threat of occupation had been Poincaré's bluff, which had been called."¹⁴⁷ Kent is more critical of Poincaré's inability to withstand the pressure - by January 1923: "...only an improbable eleventh hour intervention by the United States could now have prevented Poincaré from launching his nation into a self-indulgent act of criminal folly."¹⁴⁸

¹⁴⁶ Trachtenberg, *Reparation*, pp. ix.

¹⁴⁷ Keiger, *Poincaré*, pp. 298.

¹⁴⁸ Kent, *Spoils*, pp. 203.

At the same time the revisionists criticise British policy for wilful irresponsibility and misjudgment. Keiger actually claims that the British were “as much to blame as Germany for finally goading Poincaré into the Ruhr.”¹⁴⁹ These claims are unjust. This chapter has shown that the British position was not dissimilar to that of France. British statesmen too were constrained by both external and internal factors. Bonar Law was elderly and in failing health. He emerged from retirement to head a largely inexperienced Cabinet when the Lloyd George Coalition broke up with huge political fracas. Moreover, he inherited a critical foreign policy problem in the form of reparations with which he had to cope without the assistance of his Foreign Secretary. Bonar Law also had to contend with a bureaucracy strained after years of Lloyd Georgian mismanagement, and divided over the reparation issue between the Foreign Office and the Treasury. His task was further complicated by another factor - public opinion.

It is impossible to gauge with any real accuracy the role of public opinion in influencing Britain's foreign policy on the eve of the Ruhr crisis. Apart from the odd aside by politicians or officials, one is left having to depend on the notoriously unreliable source of newspapers. The result is that much of what can be gleaned is mere supposition and guesswork, and it is for this reason that such conclusions have been omitted from the main body of the chapter, and will be added here, in a qualified form. To the extent that it is possible to gauge the state of public opinion, it seems that it was divided over the reparations issue, and as such may have added yet further confusion to Bonar Law's already complex set of problems. An aside by Crewe on 3 January that: “Personally I would have chanced public opinion in England, and have asked the Allies for less”¹⁵⁰ suggests that public opinion was in favour of a lenient reparation settlement - in other words that it was not sympathetic to the

¹⁴⁹ Keiger, *Poincaré*, pp. 297.

¹⁵⁰ Curzon Papers, Mss Eur F.112/201(a): Crewe to Curzon, 3.1.23.

French position. This was the opinion put forward by some of the major newspapers. For example, both The Times and the Manchester Guardian approved the British Paris plan.¹⁵¹ On the other hand, there existed in Britain a strong element of opinion favourable to France and opposed to further concessions to Germany. Although it seems that this body of opinion was not as large as the Germanophile group, it was nonetheless very vocal, and had some crucial press support. For example, on 4 January 1923, the Daily Mail criticised the British plan, concluding: "The Germans have persistently cheated us in the past. If experience counts for anything, they will do so again. That is why France wants securities, and *France is right*."¹⁵² The Morning Post agreed, and on 12 January ran a leading article titled: "Good Luck to France."¹⁵³ Divisions in public opinion may therefore have been a further influence deterring Bonar Law from firm action.

Given all these factors, it is hardly surprising that Bonar Law chose to avoid the Herculean task of major policy reorientation and succumbed instead to a watery prescription of procrastination doctored on occasion with potentially lethal Treasury proposals for reparation reduction. The Paris plan certainly fell into this latter category. While it earned some praise in elements of the British press, it did not provide a realistic starting point for interallied negotiations. But the significance of the Paris plan should not be overemphasised. While the Treasury's document was misjudged and needlessly provocative, and the Foreign Office foolish in accepting it, it is

¹⁵¹ On 4.1.23, in an article titled 'Misunderstandings', The Times reported: "The Allies have got down to business at last, and are discussing not merely the vague politics, but the actual economics of reparations. That is the great advantage of the clear presentation of a British scheme which, whatever controversy there may be about details, does, in its main features, express the business sense of the British community." The Manchester Guardian agreed. In an article on 3.1.23, entitled, "The British Plan", it claimed that the plan: "Has the supreme merit of attempting a final and thoroughgoing settlement. It is far the most honest and conscientious attempt at a settlement which the Government of this or any other country has yet made."

¹⁵² 'Daily Mail', 4.1.23: "Why did he do it?"

¹⁵³ 'Morning Post', 12.2.23.

unlikely - given the state of Franco-German relations and Poincaré's domestic political position by January 1923 - that a compromise could have been reached at Paris. By this stage, the only way that Britain could have altered events would have been by a fundamental rethink of the basis of her European policy, including the crucial issue of French security. Despite occasional murmurings by both the Treasury and the Foreign Office this question was never discussed at length at Cabinet. Partly this was due to the internal factors and considerations already mentioned. However, a 'Primat der Innenpolitik' approach does not provide a complete explanation. 'Aussenpolitik' must also be considered. As important as domestic-political considerations to Britain's foreign policy were overriding external constraints - and, more specifically, Britain's desire to avoid onerous commitment.

By the closing weeks of 1922, Europe was divided, with Britain left stranded in the middle, 'caught between two poles'.¹⁵⁴ Anglo-French relations had long been troubled both by reparation and by more general British fears regarding French strength and motives. They were also soured by an intense personal dislike between key statesmen. Britain was not prepared to give France a firm commitment of support, especially as it was by no means certain that such a commitment would moderate French reparation policy. Indeed a guarantee to France would entail the immediate and overriding risk of getting dragged into the Ruhr - an expensive and dangerous operation which the British were convinced could only bring disaster to Europe. On the other hand, British policy-makers did not want to break with France and side with Germany. Although they did not want fully to commit themselves to France, they at the same time recognised the long-term importance of good Anglo-French relations. Breaking with Britain's wartime ally and aligning with her erstwhile enemy so

¹⁵⁴ Bennett, *British*, pp. 35.

soon after the end of the First World War was simply not an option.¹⁵⁵ These external constraints, coupled with internal domestic-political factors, explain why British policy, increasingly hemmed in by France and Germany, drifted in the way that it did. With compromise impossible there was nothing in practice which Britain could do to prevent the final schism at Paris. But with the situation in Europe now openly confrontational, Britain's position was yet more difficult. It remained to be seen whether she would be able to continue to charter a middle course through such turbulent and stormy waters.

¹⁵⁵ John Ferris agrees that, from a strategic perspective, Britain feared future Franco-German antagonism, and that British statesmen saw French military programmes as a threat to Britain. However, Britain also feared a more long-term threat from Germany. He concludes: "In all, Britain sought to alter the Treaty of Versailles and the French security system in Europe. It hoped that his delicate and gradual policy would lead Germany to accept the postwar order." Ferris, Men, pp. 41.

Chapter II

From Benevolent Neutrality to Tentative Intervention, January - April 1923

Bonar Law's stance at the Paris Conference, where he had sought to minimise the breach with France, left Britain with little room for manoeuvre when French and Belgian troops first entered the Ruhr on 11 January 1923. The British position was confirmed at a Cabinet meeting on 11 January¹ and was subsequently tagged one of 'benevolent neutrality' towards France. As Curzon explained on 20 March,

“[Britain's] policy has more than once, and not unfairly been described as one of benevolent neutrality. Its benevolence has consisted in the fact that while unable to associate themselves with the measures which have been taken by France and Belgium, His Majesty's Government have endeavoured at every stage to make matters as little difficult as possible for their Allies, and to interpose no obstacle to the successful prosecution of their undertaking. Its neutrality has consisted in the fact that His Majesty's Government have held aloof from the dispute with Germany, and have refrained from taking sides in the controversy.”²

While the British were attempting to maintain this distance from the European situation, the French and Germans were finding themselves drawn into a dangerous confrontation. Historians who have analysed both France and Germany at this point emphasise the reactive nature of the escalation.³ Poincaré entered the Ruhr without a clear plan of exploitation and found himself implementing more extreme measures in response to German resistance. On the German side, passive resistance began spontaneously with

¹ CAB 23 45: Cabinet Conclusions to meeting on 11.1.23, 11.30am.

² FO 371 8724, C5302/313/18: Memo communicated to the French ambassador, 20.3.23.

³ For more information on this, see: McDougall, France's, pp. 252; Trachtenberg, Reparation, pp. 293; Kent, Spoils, pp. 211; Keiger, Poincaré, pp. 298, Rupieper, Cuno, Chapter 4; and Feldman, Disorder, Chapter 14.

the preemptive withdrawal of the Rhenish-Westphalian Coal Syndicate from Essen on 10 January,⁴ and only received official government support and co-ordination when it was clear that it had the support of the local populace.⁵ Thus both Poincaré and Cuno found themselves in situations which neither had predicted. The Ruhr confrontation became a battle of wills between the two nations, with the stakes much greater than mere reparation.⁶ A chronology of the escalation is provided in Table 1 below.

In these circumstances, internal factors and domestic political pressures assumed paramount importance. Poincaré's position in the bloc national coalition meant that he wanted to avoid antagonising the moderate Left at home⁷ but at the same time found himself under increasing pressure, particularly from certain officials, to implement a more extreme occupation policy.⁸ Historians differ on the impact of these domestic considerations on Poincaré's policy. For example, Keiger and Trachtenberg argue that in the circumstances what was remarkable was the limited scope of the French occupation.⁹ Poincaré refrained from more extreme measures of coercion - for example he rejected a plan to paralyse industry in the occupied territory¹⁰ and did not encourage a policy of separating the Rhineland from Germany. In particular, he vetoed any suggestions of introducing a new Rhenish currency, even though from an economic perspective this would have been quite justifiable.¹¹ Rather, Poincaré wanted to win over the Rhenish population

⁴ See Feldman, *Disorder*, pp. 633 and McDougall, *France's*, pp. 269.

⁵ Feldman, *Disorder*, pp. 632-4.

⁶ See Feldman, *Disorder*, pp. 632, McDougall, *France's*, pp. 269, Rupieper, *Cuno*, pp. 103.

⁷ Keiger, *Poincaré*, pp. 298.

⁸ McDougall, *France's*, pp. 260.

⁹ Trachtenberg, *Reparation*, pp.301, Keiger, *Poincaré*, pp. 298.

¹⁰ Trachtenberg, *Reparation*, pp. 295.

¹¹ Trachtenberg, *Reparation*, pp. 299.

TABLE I:
The Progress of the Ruhr Occupation, January-March 1923.

11.1.23	French and Belgian troops occupy Essen.
15.1.23	Berlin issues instructions that reparation coal deliveries must stop. Citing this as their justification, French and Belgian troops occupy Dortmund-Bochum.
16.1.23	Reparation Commission declares Germany to be in default on coal and livestock deliveries on both reparation and restitution account.
17.1.23	France announces decision to seize customs in whole occupied area
18.1.23	French troops advance on Hamm.
19.1.23	German Government issues instructions to cease deliveries of reparations in kind to France and Belgium.
20.1.23	German Government forbids its officials in occupied territories to execute orders of occupying authorities.
	French arrest 13 mine magnates.
24.1.23	Threats of general strike cause French to put 'Railway Defence Scheme' into operation in their zone.
26.1.23	Reparation Commission declares German to be in General Default.
1.2.23	France and Belgium refuse to allow coal and coke to pass from occupied to unoccupied Germany.
2.2.23	Upon cancellation of Paris-Bucharest and Paris-Munich-Prague expresses by the Germans, the French order extension of occupation to include Offenberg and Appenwier.
	Reports of wholesale arrests, expulsions and proclamation of Martial Law by the French in their zone.
12.2.23	French introduce a customs line, including a 10% ad valorem duty on all imports and exports.
13.2.23	Extension of occupation to Wesel and Emmerich, to control customs clearance of goods.
25.2.23	Occupation of territory between bridgeheads of Mainz & Coblenz, and between bridgeheads of Coblenz and Cologne; occupation of Konigswinter, Kaub, Lorch, Hausen, Liederdollendorf & Oberdollendorf.
3.3.23	Occupation of Mannheim, Port of Karlsruhe and Darmstadt railway station.
8.3.23	10% ad valorem duty suspended.
9.3.23	French order that Essen colliery owners should pay 40% coal tax and arrears by 10.3.23.
	French establish customs posts at Lenep, Remscheid, Wipperföhrt & Gummersbach.
	French occupy Rheinau
12.3.23	Police at Oberhausen, Bottkop, Gladbeck, Buer & Horst dismissed.
20.3.23	Reports reach FO of 100,000 men in Ruhr; but that occupation is unproductive regarding reparations.

with kindness rather than coercion: “A Rhenish political entity created by the local population would be more acceptable internationally, more palatable even to the Germans, than one designed by the French.”¹²

On the other hand, McDougall emphasises the severity of the measures taken by the occupying forces in the opening months of the occupation, viewing them as a positive attempt by key French officials to precipitate the formation of a separate Rhenish state - an attempt which was at least tolerated and at times actively encouraged by Poincaré.¹³ He concludes that, only months into the occupation, “Rhenish separation or permanent French control in the area had become a serious alternative in the French government’s negotiating plan.”¹⁴

In Germany the unforeseen escalation of the crisis shook the country to its foundations and exacerbated internal tensions and divides.¹⁵ Recent studies have revealed that passive resistance, far from uniting Germany, actually increased social and economic tensions as each stratum saw others as making lesser sacrifices.¹⁶ The government found itself locked into a scenario of crisis management. Passive resistance became an end in itself, with the government desperately trying to create a stable currency in order to prolong that resistance. In the light of the internal chaos in Germany, it is hardly surprising that the attempt failed. In mid April 1923 the situation became critical when the mark suddenly collapsed.¹⁷

In these circumstances the role of Britain was vital. Did Britain, as McDougall argues, still retain some influence over France, because Poincaré was always striving for an international settlement of the reparation question and so “could

¹² Trachtenberg, Reparation, pp. 306.

¹³ McDougall, France’s, pp. 253-261.

¹⁴ McDougall, France’s, pp. 261.

¹⁵ Feldman, Disorder, pp. 632.

¹⁶ Feldman, Disorder, pp. 634-7; Rupieper, Cuno, pp. 107.

¹⁷ Rupieper, Cuno, pp. 107-111.

not afford to go it alone even in triumph..."¹⁸ ? Or was there, as Rupieper suggests, nothing Britain could have done?¹⁹

The existing literature provides virtually no detailed information or analysis about the role of Britain at this point. Bennett simply dismisses the early months of benevolent neutrality as representing a policy of 'attrition' and moves on to a swift analysis of the exchange of notes in the summer months of 1923.²⁰ Williamson, taking the traditional view of a vengeful and vindictive France, portrays benevolent neutrality as "in fact the only realistic option open to the British government if it wished to exert a restraining influence on France and limit the economic and military repercussions of the occupation."²¹ Only Maisel and Crowe & Corp have made any attempt to look within the administration at this point, and in each case the attempt is sketchy and lacking in substance. Crowe & Corp see Sir Eyre Crowe as the only prudent and consistent driving force behind British policy. The continuation of Curzon's policy of benevolent neutrality is criticised as pro-French and in conflict with Crowe's opinion that the occupation was illegal - an opinion which, these authors claim, ultimately triumphed with the 11 August note which declared the occupation to be illegal and vaguely threatened independent British

¹⁸ McDougall, France's, pp. 264. Also see Kent, Spoils, pp. 210: "...Anglo-Saxon isolationism permitted the Ruhr tragedy to drag on until Germany had capitulated and France and Belgium had established their illusory reparation province."

¹⁹ Rupieper, Cuno, pp. 118: "From the beginning of the occupation, it was clear that Germany stood alone and could not rely on foreign help. neither the United States nor Great Britain could have stopped France and Belgium."

²⁰ Bennett, British, pp. 36: "Curzon's policy was attritional. It was not going to produce quick results, which were almost certainly unattainable, but given the enforced neutrality of British policy it was rather clever". Sharp agrees, actually citing this quotation from Bennett. [Sharp, 'Lord Curzon']

²¹ D.G. Williamson, "Great Britain and the Ruhr Crisis, 1923-1924", British Journal of International Studies, 3 (1977), pp. 70-91, pp. 73.

action.²² Ephraim Maisel's argument is rather unclear regarding the Ruhr crisis. Although he points to an increase in the influence of the Foreign Office 'stand' in Cabinet after March 1923, he does not explain what this stand was. Rather he points to three views within the Foreign Office: Crowe's, that the occupation was illegal; Curzon's, that the Entente should be preserved; and a general belief that Britain should "wait and see" what the outcome of the Ruhr crisis would be.²³

This chapter examines the true dimensions of benevolent neutrality. It looks at the difficulties inherent in the approach, the alternatives discussed within the British polity, and the revised approach that was ultimately adopted. In particular it explores the interaction between events on the spot in the Ruhr, international diplomatic considerations and internal domestic-political and administrative forces that shaped and constrained Britain's policy. Benevolent neutrality was hastily adopted. Consequently, as it will be argued here, the implementation of the policy was to involve the British government (and particularly the Foreign Office) in endless difficulties and embarrassment. These practical difficulties, coupled with mounting economic problems and increasing international diplomatic pressure as the occupation crisis progressed were ultimately to force a change in the British approach and prompt a tentative move towards intervention.

²² Crowe and Corp, *Ablest*, pp. 428-430. For Crowe's role in the 11 August note, see below, Chapters III and IV. Crowe's role in these early months of the occupation will be discussed later in this chapter. It is worth mentioning, however, that the thesis purported in the Crowe-Corp biography rests on the assumption that the Franco-Belgian action was illegal, and that therefore the British should have wasted no time in telling the French so. In reality this was not the case. The question of the legality of the Ruhr occupation was extremely difficult to resolve - a fact of which the Foreign Office, and Crowe, were well aware.

²³ E. Maisel, *The Foreign Office and Foreign Policy, 1919-1926*, (Brighton, 1994), pp. 124-5.

**Pressures from Practicalities:
The Reality of Benevolent Neutrality.**

It is necessary first to examine the situation on the ground, as the increasingly untenable nature of Britain's position in the Ruhr - particularly regarding its zone of occupation in the Rhineland - was a major factor contributing to a shift in the overall policy approach between January and April 1923.

From the start Foreign Office officials had trouble obtaining reliable information about the Franco-Belgian action. Only days into the occupation conflicting quotations of troop numbers were received.²⁴ On 17 January, Wigram remarked: "I don't think we are being supplied with proper information about what goes on in the Ruhr..."²⁵ Yet while these difficulties in tracking precisely what was happening on the ground in the Ruhr (especially when this was happening away from the British zone of occupation) proved a constant source of irritation to the British, they only posed them really serious policy problems during the separatist disturbances in the autumn of 1923.²⁶ At the beginning of the occupation information supply paled into insignificance beside the problems the British encountered when actually trying to put into practice the policy of benevolent neutrality.

Benevolent neutrality immediately caused problems for the British position on various interallied bodies. Bradbury, the British Delegate on the Reparation Commission, and Lord Kilmarnock, the British High Commissioner on the Interallied Rhineland High Commission at Coblenz, were left in the awkward

²⁴ D'Abernon put the figure at 10,000 [FO371 8703, C872/313/18: Colonial Office to Dominions, tel. 15.1.23], while Crewe reported that 17,000 were involved [FO 371 8704, C924/313/18: Crewe to FO tel. 16.1.23].

²⁵ Minute by Wigram, 17.1.23 on: FO 371 8703, C886/313/18: Edward Thurstan (British Consul General at Cologne) to FO, letter, 12.1.23.

²⁶ See below, Chapter V, pp. 225-237.

and embarrassing positions of attending meetings but abstaining from any decisions regarding the Ruhr.²⁷ Kilmarnock soon found that this ambiguous position rendered the British open to mounting pressure from both the French and the Germans.

With the onset of passive resistance, the German government began passing legislation to stop reparation deliveries. This was an act of flagrant defiance of the Rhineland High Commission, which was supposed to approve all legislation in the occupied territories. It placed Kilmarnock in a very difficult position. Basically, any German in the Rhineland who obeyed a German order bidding him to discontinue deliveries under the treaty was at the same time committing an offence against the ordinances of the High Commission. Should such an incident occur in the British zone, the British would be faced with the choice of either using British courts to try the German offender (and so by default, supporting France) or refusing to do so (and so appearing to favour Germany).²⁸ Already the British position was alarmingly vulnerable, and was dependent on the goodwill of both the French and the Germans not to provoke incidents in the British zone.²⁹ The Foreign Office was aware of the

²⁷ On 11 January the Cabinet authorised instructions to be sent to Kilmarnock and Bradbury. Kilmarnock's read: "The policy of undiminished friendship with France will, so far as the Interallied Rhineland High Commission is concerned, be best served by your continued attendance at its meetings. Should, however, any question come before the High Commission arising out of, or affecting French independent action ... you should declare that, under the instructions of your government, you are precluded from taking part in any decision on that particular matter." [CAB 23 45: Cabinet Conclusions, 11.1.23: Dispatch agreed to be sent to Kilmarnock and, altered accordingly, to Bradbury.]

²⁸ FO 371 8705, C1167/313/18: Kilmarnock to WO, tel., 19.1.23.

²⁹ Bennett agrees that the French had the opportunity to cause problems for the British in this area, though he gives no details and does not mention Germany's role [Bennett, *British*, pp. 35]. Crowe and Corp disagree, saying that Curzon "failed completely to make use of the leverage which Britain undoubtedly possessed as a result of their zone of occupation in the Rhineland... Instead he [Curzon] went out of his way [to give help and facilities to the French], giving them the right to run railway lines and move troops across it, to collect customs, to deliver coal and to interfere in policy matters." [Crowe and Corp, *Ablest*, pp. 428]. Williamson gives the most detailed account of the practical difficulties facing the British, but like Bennett he blames these on the French and does not discuss their impact on the overall policy of benevolent neutrality. [Williamson, 'Great Britain', pp. 74-5.]

difficulties³⁰ , but was unable to come up with any real answers.³¹ The issue came before Cabinet on 26 January.³² It was agreed that both the French and Germans should be warned of the importance of avoiding incidents in the British zone and that the threat be made that if the position of the British local authorities was rendered too difficult then the British might be forced to withdraw their troops altogether.³³ This had some effect. On 1 February assurances were received that Poincaré would avoid incidents in the British zone.³⁴

However the British had only secured this respite by threatening to use their ultimate sanction - that of withdrawing their presence altogether. Both Bennett and Sharp claim that the possible withdrawal of the British occupying force in the Rhineland was one of the few cards which Britain held at the outset of the occupation and which could be used to express publicly Britain's disapproval of French policy.³⁵ In fact however withdrawal of British troops was never really a viable alternative. The issue was debated during the last week in January, but the consensus opinion was overwhelmingly in favour of remaining. Subsequently the question was not raised. Both the French and

³⁰ On 22 January, Lampson commented on "... the extremely difficult situation which the British authorities on the spot are faced, and the likelihood that they will become worse" [Minute by Lampson, 22.1.23 on: FO 371 8705, C1213/313/18: General Godley (Commanding Officer of the British Army of Occupation in the Rhineland) to War Office, tel., 21.1.23].

³¹ On 22 January Kilmarnock was once more sent ambiguous instructions: "If... you are requested to proceed against a German national in British zone for acting in accordance with the orders of his government contrary to orders of the High Commission, you should express your inability to do so but at the same time you may intimate that you will place no obstacle in the way of allied authorities enforcing their decision within the British zone provided that there can be no question of employment of either British troops or officials or of their becoming involved". [FO 371 8705, C1167/313/18: Tel. 6 To Kilmarnock, 22.1.23].

³² CAB 23 45: Conclusions of Cabinet meeting on 26.1.23.

³³ CAB 23 45: Appendix to Conclusions of Cabinet meeting on 26.1.23: tel. 19 to D'Abernon, 24.1.23; and tel. 14 to Kilmarnock, 24.1.23.

³⁴ On 1 February Crewe telegraphed the FO that: "In a note received today Monsieur Poincaré informs me that Monsieur Tirard has seen Lord Kilmarnock and has given him satisfaction in regard to French action in the British zone which will be reduced to minimum necessary to maintain order and putting into force orders of High Commission." (FO 371 8709, C2023/313/18: Crewe, tel. 129, 1.2.23)

³⁵ Bennett, British, pp. 35; Sharp, 'Lord Curzon', pp. 86.

German governments clearly wanted British troops to remain - the French as a sign of the continuation of the Entente, and the Germans out of fear of a further increase in French power if they left. For example, after visiting Paris in March, Lord Derby, the Secretary of State for War, confidentially informed Bonar Law: "I am quite convinced that they [the French] are very anxious that we should remain at Cologne. They feel that as long as we are there the Entente lasts..."³⁶ ; while Frederic Rosenberg, the German Minister for Foreign Affairs, told D'Abernon that: "he would be very glad if His Majesty's Government could decide to retain troops..."³⁷ Thus retention of the British troops greatly strengthened the British position when dealing with both the French and the Germans. Moreover, as Kilmarnock pointed out:

"I am convinced that withdrawal would be interpreted ... as a definite taking of sides with Germany against France... We should surrender our whole influence on the continent of Europe and be left in a position of impotent spectators deprived of all our prestige. We should, moreover, sacrifice last chance of obtaining anything in the way of reparations through allied action... If we remain we are still capable of putting a check on French to some extent and can exercise direct influence on course of events and in final settlement."³⁸

Given the extreme difficulties, weaknesses and vulnerability of the British position otherwise, it is hardly surprising that this was viewed as the overriding consideration and that it was decided to maintain the British presence.³⁹

However, this decision to remain, while it might have solved some problems, at the same time created others. Although Poincaré had been persuaded (at least for the time being) to refrain from causing problems in the British zone, the

³⁶ Bonar Law Papers, Box 108, Folder 6: Derby to Bonar Law, letter, 12.3.23. Derby had already emphasised this view in an earlier letter to Bonar Law on 24 January: "I am quite convinced that we ought to keep our troops at Cologne if it is humanly possible to do so". [WO 137/1, Derby to Bonar Law, 24.1.23]

³⁷ FO 371 8707, C1568/313/18: D'Abernon tel. 54, 25.1.23 .

³⁸ FO 371 8707, C1558/313/18: Kilmarnock tel. 29, 25.1.23 .

³⁹ CAB 23 45: Conclusions of Cabinet on 26.1.23. The Cabinet concluded: "That the policy of the Government should be to maintain the British garrison in the Rhineland as long as possible, and to do their utmost to avoid any incident which might necessitate the withdrawal of British forces."

British position was still vulnerable. Poincaré was to exploit this vulnerability over two key issues: over the question of a customs sanction, and over the question of transporting reparations requisitioned in the Ruhr to the Allied countries - a transport movement which the French insisted had no alternative but to cross the British zone.

The Transport Question

It was Bonar Law who first alerted the Foreign Office to the possibility of trouble in this area by requesting information on the passage of coal through the British zone.⁴⁰ The Foreign Office was quick to ascertain that reparation deliveries en route to Lorraine and to eastern France did pass through Cologne.⁴¹ A weary Lampson commented:

“I am afraid that we may have trouble over this. For in all probability the German railway employees in the British zone will refuse to handle reparations coal and coke. We shall then be faced with another problem. But frankly the problems are so many and the situation so involved that I would submit that in this case it is better to await until the problem presents itself in concrete form before considering what measures are possible to meet it.”⁴²

The predicted situation, of course, soon arose. Only two weeks into the occupation, the arrests of several Ruhr magnates prompted workers to threaten a general railway strike if they were punished.⁴³ In response, the French put into force in their zone what was called the “Railway Defence Scheme”; and suggested that they might also do this in the British zone. Although General Alex Godley (the officer in command of the British Army of Occupation in the Rhineland) replied that present circumstances did not yet warrant such action, the issue was far from closed.⁴⁴ If there was a strike

⁴⁰ FO 371 8706, C1293/313/18: Message to FO from Prime Minister's Private Secretary, 22.1.23.

⁴¹ FO 371 8706, C1413/313/18: Kilmarnock, tel. 17, 23.1.23.

⁴² Minute on above by Lampson, 24.1.23.

⁴³ See FO 371 8705, C1173/313/18: D'Abernon to FO, tel. 45, 20.1.23, and FO 371 9705, C1198/313/18: D'Abernon tel. 46, 21.1.23.

⁴⁴ FO 371 8706, C1518/313/18: Kilmarnock, tel. 28, 24.1.23.

then the British would not have sufficient technical personnel in their zone to run the railways, and so the French would have a very strong case for sending in their staff. The question would then arise as to whether to use British troops to protect the French workers or whether to allow French troops into the British zone for this purpose. Cadogan emphasised the problems: “....we are faced with the alternative of either directly hampering French action in the Ruhr or actively assisting it with the presence of our troops. The one is as undesirable as the other.”⁴⁵ Lampson agreed, concluding: “Frankly I am at a loss to make any suggestion as it is a matter of policy which the Government alone can decide.”⁴⁶

The situation continued to deteriorate. On 30 January, General Wilhelm Gröner (the German Minister of Transport) ordered that “Coal and wood trains to France or Belgium are not to be moved either in old or new occupied area or in English zone.”⁴⁷ Although to a large extent the point at issue was an academic one, as in reality virtually no reparation cargoes were being moved anyway, Lampson was to be proved right when he minuted on this communication: “This may well bring matters to a head in our zone.”⁴⁸

On 6 February the French Ambassador in London handed to the Foreign Office an official note from the French Government requesting British permission for the French authorities to take the measures necessary to ensure the transport of reparation coal and coke from the Ruhr across the British zone to France.⁴⁹ This prompted Lampson to minute:

“I am tempted to wonder whether the French are not coming to

⁴⁵ Minute by Cadogan 25.1.23 on: FO 371 8706, C1518/313/18:Kilmarnock, tel. 28, 24.1.23.

⁴⁶ Minute by Lampson, 25.1.23 on: FO 371 8706, C1518/313/18:Kilmarnock, tel. 28, 24.1.23.

⁴⁷ FO 371 8708, C1866/313/18: D'Abernon, tel. 61, 30.1.23.

⁴⁸ Minute on above by Lampson, 31.1.23.

⁴⁹ FO 371, 8711 C2329/313/18: Note from French Ambassador, 6.2.23; and letter 482 to Crewe in reply, 9.2.23.

the conclusion that our continued presence at Cologne merely hampers them and that we would be as well out of the way. That would explain this move which otherwise seems unnecessary at the moment seeing that little or no coal is at present leaving the Ruhr for France.”⁵⁰

Indeed, such fears of a more stringent tendency in French policy had been foreshadowed in earlier reports. For example, on 26 January Crewe had reported that:

“...I think it is quite clear that French government are embarking upon a new and more drastic stage in their Ruhr policy with definite object of isolating Ruhr and setting up administration under French high commissioner with every prospect of an occupation which may last an indefinite time.”⁵¹

The Foreign Office was aware of the weakness of the British position in the face of more hostile French acts. Lampson commented on 13 February: “The more one considers this problem the more difficult does it seem to harmonise the policy of passivity with our declared intention of throwing no obstacle in France’s way.”⁵²

Yet unless the Cabinet sanctioned a change to the overall policy of benevolent neutrality, all Foreign Office officials could do was to try to cobble together some kind of makeshift agreement acceptable to both the French and Germans. There were some possibilities, though none appeared satisfactory. Kilmarnock suggested allowing the French to transport coal and coke from the Ruhr via the Gravenbroich-Düren line. This, as is illustrated in the map below, crossed the British zone at only a small corner, which Kilmarnock argued could be transferred to France as “it is not of any intrinsic importance and no British troops have ever been stationed there.”⁵³

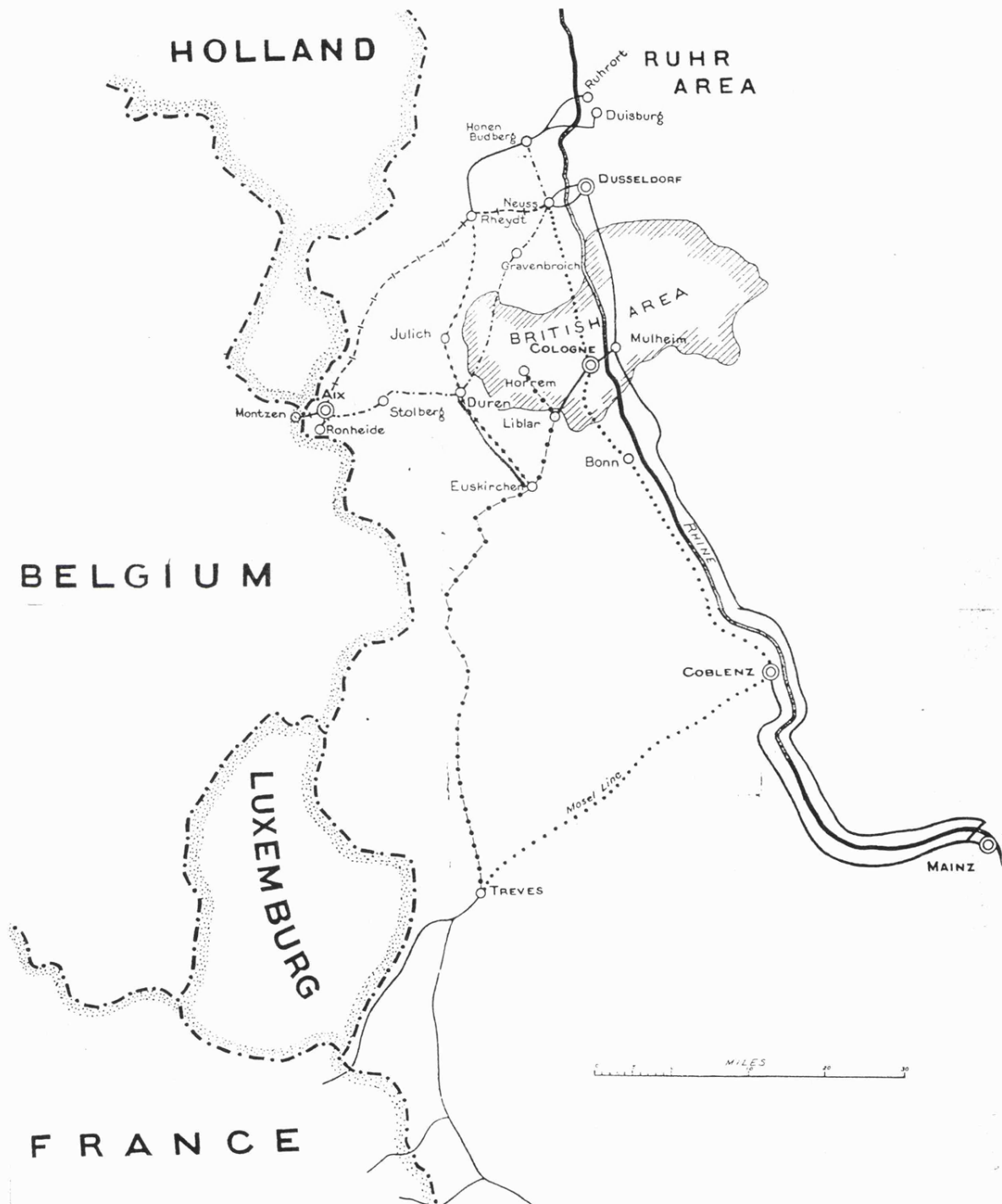
⁵⁰ Minute on above by Lampson, 6.2.23.

⁵¹ FO 371 8707, C1666/313/18: Crewe, tel. 103, 26.1.23.

⁵² Minute by Lampson, 13.2.23 on: FO 371 8712, C2699/313/18: Kilmarnock, dispatch 56, 11.2.23.

⁵³ FO 371 8712, C2580/313/18: Kilmarnock, tel. 54, 10.2.23.

**Railway Communications between France and the
Ruhr & Rhine Area, Spring 1923.⁵⁴**



⁵⁴ Source: FO371 8732, C10498/313/18: Kilmarnock, disp. 360, 14.6.23.

On 10 February Kilmarnock actually met with General Jean-Joseph-Marie Degoutte, the officer in command of the occupying forces, to discuss this alternative. Meanwhile General Godley suggested that 28 trains a day could till carry reparation coal from Germany to France and Belgium by alternative routes which avoided the British zone altogether.⁵⁵ The Foreign Office seized on this idea, and on 9 February, Crewe was instructed to suggest it to Poincaré - once more using the threat of withdrawal of British troops as a bargaining card.⁵⁶ Crewe duly saw Poincaré, who wished to send General Jean-Marie-Charles Payot, a military transport expert, over to London to discuss the whole transport question.⁵⁷

A meeting was hastily scheduled for the morning of 15 February. Present were General Payot, M. Yves Le Trocquer (the French Minister of Public Works), Bonar Law, Curzon and Derby, as well as various officials, including Crowe, Lampson and Hankey.⁵⁸ On 16 February, after Bonar Law had consulted the Cabinet,⁵⁹ Le Trocquer agreed to consult Poincaré on a basis favourable to the British.⁶⁰ The French abandoned their initial request for the use of all the railways in the British zone⁶¹ and agreed instead to try the British

⁵⁵ Minute by Lampson on: FO 371 8711, C2329/313/18: note from French Ambassador, 6.2.23. The idea for this suggestion had originally come from Lord Derby. On 25 January he wrote to Godley: "...the only thing I can think of is one I put to you very tentatively and in strict confidence. Do you think it would be possible to arrange with the German railway officials that they should work such a number of coal trains through as have been worked on say a monthly average before the French entered the Ruhr?" [WO 137/1, Derby to Godley, 25.1.23].

⁵⁶ FO 371 8711, C2329/313/18: FO to Crewe, letter 482, 9.2.23.

⁵⁷ FO 371 8712, C2596/313/18: Crewe, tel. 73, 11.2.23.

⁵⁸ FO 371 8713, C2922/313/18: Notes of meeting on 15.2.23. The Foreign Office had anticipated a visit by General Godley only (to be met by Derby) and were thrown into a complete flurry when, on the morning of 14 February the Quai d'Orsay telephoned Lampson to say that Le Trocquer, the French Minister of Public Works, would also be arriving in London - at 10 o'clock that same night. [FO 371 8713, C2859/313/18: memo by Lampson, 14.2.23.] Curzon's displeasure was clear: "I think it not only discourteous but wrong that the French should attempt to rush us in this way without warning." [Minute by Curzon, 14.2.23 on: FO 371 8713, C2859/313/18.]

⁵⁹ CAB 23 45: Conclusions of Cabinet, 15.2.23, 6pm

⁶⁰ FO 371 8713, C2945/313/18: Notes of meeting on 16.2.23.

⁶¹ FO 371 8713, C2922/313/18: Notes of meeting on 15.2.23.

compromise of using the Gravenbroich-Düren line, along with the corner of the British zone which it crossed.⁶²

It was decided to leave the job of finalising the finer details of the working arrangements to the “men on the spot.” Thus once again they were left with the unenviable task of implementing London policy decisions, while, as ever, fears remained that the French would seek to exploit the practicalities of the situation in their favour:

“If we are not careful as to the instructions under which General Godley will have to act in making the desired working arrangement with General Payot, we may find ourselves committed, before we quite know where we are, to allowing the passage of a number of trains quite out of proportion to what is required for the French troops...”⁶³

Godley and Kilmarnock therefore began negotiating details with Degoutte and Payot at Cologne. On 5 March an agreement was reached. As well as ceding the area traversed by the Düren-Gravenbroich railway⁶⁴, the British allowed the French to run in each direction through the British zone ten military trains and two food trains a day.⁶⁵ Kilmarnock concluded: “Unless your Lordship is prepared to take the matter up again with the French Government, I do not feel that we can obtain any further concessions on the spot.”⁶⁶

Yet as late as 22 March this agreement had not been put into effect.⁶⁷ This time it was the Germans who were delaying the operation of the trains through the British zone. Wigram was convinced that they were purposely

⁶² FO 371 8713, C2922/313/18: Notes of meeting on 15.2.23. On 20 February the British were informed that Poincaré was in favour of this offer. [FO 371 8715, C3191/313/18: minute by Lampson, 20.2.23.]

⁶³ Minute by Crowe, 18.2.23 on: FO 371 8714, C3009/313/18: D'Abernon, tel. 92, 17.2.23.

⁶⁴ Instructions concerning that had been sent to General Godley on 19 February. [FO 371 8714, C3009/313/18: Tel. 41 to Kilmarnock, 19.2.23]

⁶⁵ FO 371 8719, C4284/313/18: Kilmarnock, dispatch 97, 6.3.23.

⁶⁶ FO 371 8719, C4284/313/18: Kilmarnock, dispatch 97, 6.3.23.

⁶⁷ FO 371 8724, C5406/313/18: Kilmarnock, tel. 156, 22.3.23.

“making every difficulty they possibly can for us” with “the deliberate object of splitting us from the French”.⁶⁸ On 26 March Lampson met Friedrich Sthamer, the German Ambassador in London and spoke in strong tones about the matter.⁶⁹ The Germans clearly took heed. On 29 March, Kilmarnock telegraphed: “Agreement is now in force and trains under it will begin running as soon as technical details have been worked out. French have been informed.”⁷⁰

The complex situation seemed, at last to have been settled, but this was due largely to the tact and subtlety of the men - both French and British - who were involved on the ground in the Ruhr⁷¹, and to the fact that in the final analysis, both France and Germany had refrained from pushing Britain too far.

The Customs Sanction

With the apparent solution of the transport question, British problems were by no means over. As well as creating difficulties over the railways, both the French and Germans ensured that the British were kept constantly occupied with the customs sanction. Indeed, the customs sanction had become an issue even before the transport question, and was to remain a thorn in the side of Whitehall long after the railway settlement.

British difficulties began when on 17 January, the French Ambassador told Bonar Law that owing to the continued German default the French were to

⁶⁸ Minute by Wigram, 23.2.23 on FO 371 8724, C5406/313/18: Kilmarnock, tel. 156, 22.3.23.

⁶⁹ FO 371 8725, C5691/313/18: Conversation between Lampson and the German Ambassador, 26.3.23.

⁷⁰ FO 371 8725, C5895/313/18: Kilmarnock, tel.178, 29.3.23.

⁷¹ It is interesting that British officials on the spot showed sympathy for their French colleagues at times. For example, General Godley wrote on 16 February: “From a soldier’s point of view I cannot but have the greatest sympathy with Degoutte as regards his line of communications...” [D’Abernon papers, vol. 48927A, Godley to D’Abernon, 16.2.23.]

take further measures. A customs sanction consisting of discriminatory duties to be levied on German trade would be imposed. It would be implemented by ordinances of the Rhineland High Commission and executed by military decree.⁷² Saint-Aulaire then asked Bonar Law to allow the application of this sanction in the British zone also⁷³. Thus the French had put Bonar Law in a very unenviable position. Either he could refuse to allow the customs sanction to be implemented in the British zone, in which case the French would claim that Britain was actively taking the German side by undermining the customs sanction in the French zone also; or he could agree to the sanction, which the Germans would undoubtedly object to as a pro-French move.

Faced with such an unwelcome choice, Bonar Law tried desperately to maintain benevolent neutrality. He agreed to allow the French to implement their sanction on condition that neither Lord Kilmarnock nor British troops be in any way involved.⁷⁴ This decision added yet more difficulties to the practical problems facing the British on the spot. The dangers were immense. Although Bonar Law had agreed to allow the customs sanction in the British zone, it was unlikely that the Germans would co-operate. The French might then demand the wholesale arrest of recalcitrant Germans, to which it would be impossible for the British to agree as their administration simply could not function with such important losses of personnel.⁷⁵

Fortunately for the Foreign Office, events did not immediately follow this

⁷² FO 371 8704, C988/313/18: Memo by Lampson on conversation between Bonar Law and the French Ambassador, 17.1.23.

⁷³ FO 371 8704, C988/313/18: Memo by Lampson on conversation between Bonar Law and the French Ambassador, 17.1.23.

⁷⁴ FO 371 8704, C988/313/18: Memo by Lampson on conversation between Bonar Law and the French Ambassador, 17.1.23.

⁷⁵ The potential for problems of this kind was quickly evident. On 21 January, General Godley reported that a French customs inspector had visited the local office of the Inland Revenue, and that the German in charge had refused to produce the necessary books. The French were now demanding the expulsion of the offending German [FO 371 8705, C1213/313/18: Godley to WO, tel., 21.1.23.].

course. Partly this was because of an agreement between Kilmarnock and Paul Tirard (the President of the Rhineland High Commission) whereby Tirard agreed to do his best not to embarrass the British Rhineland administration.⁷⁶ It was also because the French themselves were having problems organising an effective sanction. It was not until 12 February that the French pushed the customs sanction through the Rhineland Commission, with Kilmarnock abstaining. Even then the measures proposed were merely temporary - until a detailed scheme of duties had been worked out, a blanket duty of 10% on all exports and imports would be introduced. However, in a more stringent move, the French called for the introduction of an entirely new customs organisation and the dismissal of the existing customs officials. This would have involved French demands for wholesale arrests in the British zone and so certainly had the potential to make the British position untenable. But fortunately the British were saved from this embarrassment because the French did not in practice push for the introduction of an entirely new administration in the British zone. The French and Belgians soon found that they did not have sufficient skilled and experienced personnel to replace the German administration in their own zones, let alone to tackle the British zone as well.⁷⁷

Although spared the most extreme difficulties, British officials were still left in the position of having to co-operate with the French 10% ad valorem rate, and this in itself was to cause more than its fair share of problems. Unsurprisingly, the German government refused to recognise the validity of the Rhineland High Commission's ordinances regarding customs, and demanded that duties should also be paid to licensing offices in unoccupied territory.⁷⁸ Thus all trade between occupied and unoccupied Germany was now subject to two sets of duties - the allied duty on goods entering or leaving occupied territory, and the

⁷⁶ FO 371 8705, C1213/313/18: Godley to WO, tel., 21.1.23.

⁷⁷ FO 371 8721, C4704/313/18: Kilmarnock, tel. 125, 12.3.23.

⁷⁸ FO 371 8711, C2411/313/18: Thurstan, dispatch 80, 5.2.23.

German duty on goods entering or leaving unoccupied territory. Complaints from British traders affected in this way soon flooded into Whitehall.⁷⁹

By this stage the Department of Overseas Trade was on the verge of panic, claiming that the 10% import tax made it impossible for firms to buy raw materials at competitive prices, while the export tax was strangling trade. The result was that the German markets which Britain had so painstakingly re-established since the war were being destroyed.⁸⁰

Yet unless Bonar Law's overall policy towards the customs sanction changed, there was little that Foreign Office officials could do. An interdepartmental meeting was held on 26 February to consider the affects of the occupation on British trade. All that could be suggested was to try to obtain concessions from the French authorities on the spot and at the same time make representations to the Germans on behalf of British traders.⁸¹ This D'Abernon did on 9 March, but he met with a cold reception from Rosenberg, who declared that the "problem is not due to German action but to French illegality", and concluded that should the German government force traders to conform to the Franco-Belgian licensing regulations it would "be regarded as a complete surrender" and "would probably lead to a ministerial crisis..."⁸²

⁷⁹ At the beginning of March John Sterndale Bennett (Second Secretary in the Central Department) minuted: "As regards commercial difficulties in the Ruhr we are ourselves being inundated with complaints from British firms many of whom demand that protests shall be made to the French government." [FO 371 8717, C3645/313/18: Minute by Sterndale Bennett, 1.3.23.] On 7 March the Board of Trade reported that: "The pressure of work in the Department resulting from the disturbance of British trade with the Ruhr and Rhineland due to the economic measures taken by the French and Belgians has increased considerable during the last week. A large number of appeals have been received for getting goods out of, and into, the occupied Territory." [BT 196/19: Board of Trade report No. 266, for week ending 7.3.23.]

⁸⁰ FO 371 8721, C4477/313/18: Department of Overseas Trade to FO, 9.3.23.

⁸¹ See Minute by Sterndale Bennett, 27.2.23 on FO 371 8717, C3709/313/18: FO memo on Restrictions on trade on Rhineland and Ruhr & FO 371 8796, C3547/2751/18: Minutes of interdepartmental meeting, 26.2.23.

⁸² FO 371 8721, C4523/313/18: D'Abernon, tel. 117, 9.3.23.

Fortunately the situation was to some extent relieved by the French and Belgians. Faced with mounting chaos in the Ruhr owing to their customs duty, as well as increased international unpopularity as a result of the disruption to international trade, the Rhineland High Commission decided on 8 March to modify the 10% tax⁸³ and on 10 March began to consider reintroducing in the occupied territories the German import tariff as it had stood on 20 April 1922.⁸⁴ Although the British recognised that this would not be a final solution⁸⁵ they were anxious to encourage such a development and so began to apply direct pressure. On 12 March Crewe and Sir George Grahame, British Ambassador in Brussels, were instructed to ask the French and Belgians to make concessions regarding British trade interests, explaining that:

“Delays and losses to British trade resulting from measures taken by French and Belgian authorities in old and new occupied territories are creating most unfortunate impression here and are exposing His Majesty’s Government to strong pressure in Parliament and from numerous trade interests affected.”⁸⁶

While on 16 March Sir Eric Phipps, Chargé d’Affaires at the Paris Embassy, and Grahame were instructed to speak in no uncertain terms to the French and Belgian governments:

“His Majesty’s Government are fast losing patience at all these vexatious restrictions on legitimate British trade. You should at once bring above to French [/Belgian] notice and urge them in firm language to instruct their local authorities to desist from payment of duties and tax.”⁸⁷

These representations did have some effect, and the French and Belgians seemed more understanding of British trade interests. On 12 March, Kilrnarnock reported: “We have now got from our allies practically all the

⁸³ FO 371 8720, C4360/313/18: Kilrnarnock, tel. 111, 8.3.23.

⁸⁴FO 371 8721, C4528/313/18: Kilrnarnock, tel. 116, 10.3.23.

⁸⁵ As Cadogan noted: “...this will not materially affect the deadlock, which is due to the fact that duty (at whatever rate) has to be paid to the Allied authorities instead of to the German customs” [Minute by Cadogan 8.3.23 on FO 371 8720, C4360/313/18: Kilrnarnock, tel. 111, 8.3.23.]

⁸⁶ FO 371 8719, C4320/313/18: tel. 117, to Crewe, 12.3.23; & tel. 43 to Grahame, 12.3.23.

⁸⁷ FO 371 8722, C4766/313/18: tel. 126, to Phipps, 16.3.23; & tel. 50, to Grahame, 16.3.23.

concessions asked for ... Trouble we are now experiencing comes from German side.”⁸⁸

Pressure was also put on the Germans. On 14 March D’Abernon was instructed to tell Rosenberg that the situation whereby British traders were forced to pay double was unacceptable, especially as the German customs officials were lucky to be able to function in the British zone at all.⁸⁹ Like the French, the Germans also seemed to relent. On 16 March D’Abernon reported that in the case of three major firms the Germans had agreed to waive their licenses and export duties and to guarantee the refund of a percentage of reparation tax already paid.⁹⁰

Once again the British position had narrowly been maintained. When it came to the crunch neither the French nor the Germans wanted to risk entirely alienating Britain. But, at the same time, they were both anxious to maintain some way of wielding influence over Britain. In this each succeeded, as Britain was still dependent on the goodwill of both the French and German governments to safeguard the interests of her traders. Once again the acute vulnerability of the British position had been revealed.

⁸⁸ FO 371 8721, C4704/313/18: Kilmarnock, tel. 125, 12.3.23.

⁸⁹ FO 371 8721, C4704/313/18: FO to D’Abernon, tel. 57, 14.3.23.

⁹⁰ FO 371 8723, C4967/313/18: D’Abernon, tel. 128, 16.3.23.

Towards Intervention: The Revision of the British Approach.

The continuing practical difficulties of implementing so ambiguous and delicate a balancing act as that entailed in benevolent neutrality proved a constant irritant and rendered life for British officials and civil servants far from easy. Their task was not helped by a lack of effective leadership at the top level. Bonar Law, though well-meaning and conscientious, was overworked and his health was failing. With his Foreign Secretary absent at the Lausanne Conference until 5 February, he faced an unenviable task. Desperately trying to keep his country out of troublesome involvements and committed by his election manifesto to maintaining friendship with France, it is not surprising that he clung to benevolent neutrality. But he lacked a full awareness of the practical difficulties involved in the implementation of the policy and was apt to make policy decisions with little understanding of what they really entailed. This is amply illustrated by the enormous difficulties into which he launched the Foreign Office by agreeing quite happily to allow the French to implement their customs sanction in the British zone.

Curzon's role, at least at first, was also open to criticism. Although it is true that he was entirely occupied with the Lausanne Conference, he did not so much as offer advice to Bonar Law. On the contrary, he was quick to criticise the struggling Prime Minister and to blame him for the situation. On 25 January, Curzon told Crewe:

"I will not say anything about the Ruhr, which is being dealt with by Bonar at home, except that I think we, as well as the French, are getting into a more difficult position every day, and that great pressure will be put upon us, when Parliament meets, to define our position more clearly and to extricate ourselves from the dangers in which we may probably find ourselves involved."⁹¹

⁹¹ Curzon Papers Mss Eur. F.112/201(a): Curzon (Lausanne) to Crewe (Paris), letter, 25.1.23.

Curzon was right. By the time he did return to the helm of the Foreign Office the British position was strained almost to breaking point, as, far from getting easier as the occupation progressed, the initially complex British position had become even more untenable as time passed and the deadlock deepened. The situation in the Ruhr and Rhineland was causing increasing embarrassment and making Britain dependent on both French and German cooperation. The economic effects were also becoming more serious.

Although some British industries (for example coal) may have benefited from the loss of a major competitor, in general the economic repercussions of the Ruhr crisis were unfavourable. By April the Department of Overseas Trade reported that apart from, for example, coal, iron and steel, "... the uncertainty of the situation on the Continent has proved a set-back to recovery..."⁹² British trade with the Ruhr and Rhineland, as well as with unoccupied Germany was severely disrupted. Complaints flooded in from British businessmen and merchants, while fears mounted of wholesale collapse of markets in Europe.

Increasing practical difficulties coupled with mounting economic discontent might not alone have been sufficient to produce a change in the British position. Yet when these two factors were coupled with a third component the pressure was to prove irresistible. This third factor was mounting diplomatic pressure from other countries, who were becoming more desperate for a solution. Initially tentative attempts to suggest negotiations became much more pressing - and naturally Britain was the first to be targeted as it was assumed that her influence could break the stalemate.

In the diplomatic sphere it was at first relatively straightforward for Britain to

⁹² BT 207/4: Department of Overseas Trade Bulletin of Information, volume VII, No. 5, April 1923.

maintain her neutral stance. Like her, most other countries wanted to maintain their distance from the crisis, in general desiring no part in the French action and often disapproving of it. For example, the Hungarian press portrayed the occupation as a punitive French attempt to render Germany politically helpless,⁹³ while the Netherlands Foreign Minister thought that the French had ulterior motives.⁹⁴ Even the Swedish Church was alarmed by the humanitarian effect of the French action on the population in the occupied territory.⁹⁵ Russia also protested, claiming to be speaking on behalf of the Ruhr proletariat.⁹⁶

Despite these reports of international disapproval of the French (which may indeed have reinforced the British in their decision to take no part in the French action) there was as yet no great diplomatic pressure for Britain to assume a role in mediation. There was a vague attempt by Sweden to push for League of Nations mediation;⁹⁷ but at this stage it proved quite easy for Britain to stand aloof, as the French were quick to stamp out any hint of League intervention.⁹⁸ The United States also seemed quite uninterested. Geddes reported that American public opinion was mixed: "Serious threat to future stability of Europe hardly seems to be appreciated at all outside of administrative and financial circles..."⁹⁹

In the opening stages of the crisis Germany frequently approached Britain, but failed to exert any real pressure on her policy. Regular protests were handed to

⁹³ FO 371 8703, C829/313/18: Hohler (Budapest), letter, 11.1.23.

⁹⁴ FO 371 8704, C1110/313/18: Marling (Hague), letter, 17.1.23.

⁹⁵ FO 371 8711, C2367/313/18: Barclay (Stockholm), dispatch 49, 2.2.23.

⁹⁶ FO 371 8707, C1682/313/18: D'Abernon, disp. 60, 24.1.23.

⁹⁷ FO 371 8703, C899/313/18: Barclay (Stockholm), letter, 9.1.23..

⁹⁸ Minute by Sterndale Bennett, 1.2.23 on FO 371 8709, C2004/313/18: Barclay (Stockholm), letter 41, 26.1.23. If successful, this attempt to involve the League could have compromised Britain's position of neutrality, or at least have dragged her even more into the centre of the troubles.

⁹⁹ FO 371 8705, C1259/313/18: Geddes (Washington), tel. 28A, 21.1.23.

the Foreign Office by the German ambassador, but these either met with little or no reply. For example, a protest by the German government against the ordinances issued by the Rhineland High Commission,¹⁰⁰ and another protesting at the expulsion of German officials from the occupied territories¹⁰¹ were merely officially acknowledged.

In the same way, early German feelers towards mediation left the Foreign Office singularly unimpressed. On 24 January, Kilmarnock reported that the businessman Dr. Paul Silverberg had visited Berlin and had met with Cuno and Rosenberg. Silverberg reported that the German Government would welcome British mediation in the direction of a form of round table discussion. Kilmarnock was encouraged by this report: "This is first sign I have seen of any desire on the part of German Government to negotiate"¹⁰², but Lampson was unimpressed: "I mistrust information conveyed so indirectly...I think Lord Kilmarnock is unduly impressed with alleged desire by Germany for mediation."¹⁰³ Lampson's views were justified when it transpired that the Germans would categorically refuse to negotiate unless the French first withdrew their troops.¹⁰⁴

This intransigent German position meant that negotiations or mediation by Britain during the early weeks of the occupation were not on the agenda in any case. However, as the crisis progressed, several countries began to desire a more active role by Britain. This, coupled with mounting economic pressure and the increasingly problematical position on the spot rendered the British stance exceptionally difficult. In consequence, when Curzon did at last return and turn his attention to the European situation, he began tentatively to

¹⁰⁰ FO 371 8706, C1407/313/18: Letter from German Ambassador, 23.1.23.

¹⁰¹ FO 371 8706, C1408/313/18: Letter from German Ambassador 23.1.23.

¹⁰² FO 371 8706, C1485/313/18: Kilmarnock, tel. 21, 24.1.23.

¹⁰³ Minute on above by Lampson, 25.1.23.

¹⁰⁴ FO 371 8707, C1598/313/18: D'Abernon, tel. 55, 25.1.23.

explore alternatives.

It was in fact Mussolini, undoubtedly anxious for a seat at the top table of international diplomacy, who initially was responsible for increasing the pressure on the British.¹⁰⁵ Although at first his ideas were scathingly snubbed by the British, his persistence soon became far more trying. Italy's initial advances were obviously an attempt by Mussolini to keep all his options open. He was anxious not to alienate Britain even though he had halfheartedly supported the Franco-Belgian action. The British were in fact intercepting telegrams between Rome and London at this time, and learned that as early as 14 January Mussolini had told Torretta: "The attitude of Italy is much closer to that of England than it is to that of France."¹⁰⁶ This was confirmed when on 15 January Mussolini explained to his Council of Ministers that he: "urged France to limit the military nature of the operation and hoped that an agreement would be swift - although he felt that a solution could only be found with English participation and consent."¹⁰⁷ Mussolini having thus prepared the ground, on 17 January the Italian Charge d'Affaires, Sr. Preziosi, asked Ronald Lindsay, Assistant Under Secretary of State at the Foreign Office, if Britain could persuade Berlin to adopt a more moderate line. Lindsay replied that the British government were not prepared to intervene at Berlin.¹⁰⁸

Mussolini was not deterred. On 1 February, he categorically denied ever having been involved in the French action: "The resistance of Germany in regard to economic matters has produced measures of a political and military character

¹⁰⁵ On the vacillations of Italian foreign policy at this stage, see: A. Cassels, Mussolini's Early Diplomacy (Princeton, 1970), pp. 60-67.

¹⁰⁶ HW 12 42, No. 012330: Mussolini to Italian Embassy, London, tel. 168, 14.1.23.

¹⁰⁷ FO 371 8704, C1085/313/18: Graham (Rome), letter, 16.1.23.

¹⁰⁸ FO 371 8704, C1073/313/18: memo by Lindsay, 17.1.23. The unwillingness of the British to co-operate with Mussolini at this point may also have owed something to rumours (quickly denied by Mussolini) that he had countenanced some form of continental bloc excluding Britain. [See C.J. Lowe & F. Marzari, Italian Foreign Policy, 1870-1940 (London, 1975), pp. 192-3; D. Mack Smith, Mussolini (London, 1981), pp. 61; and Cassels, Mussolini's, pp. 61-3.]

on the part of France and Belgium, from which Italy, in accordance with her own line of conduct, has remained completely aloof.”¹⁰⁹ Cadogan was not in the least impressed: “I suppose the Italian Engineers went to the Ruhr for their health.”¹¹⁰ Crewe agreed: “The Italians have cut a wretched figure over the Ruhr business, trying to acquire merit with the Germans by refusing to send soldiers, and with the French by urging us to press Germany to come to terms.”¹¹¹

On 7 February the Italian Ambassador approached Crowe, suggesting that co-operation between Italy and Great Britain could produce a solution to the Ruhr crisis. Crowe refused to be drawn, emphasising that “it was a little late in the day now for Italy to try to dissociate herself from what she had then so fatally embraced...”¹¹² But the Italians were nothing if not persistent. The following week the Italian Ambassador called on Curzon and “...professed the most complete assent to the British point of view” and emphasised that he “eagerly awaited the moment when ...intervention might be found possible, and promised... the heartiest co-operation of his Government in any measures for bringing it about.”¹¹³

Disappointed in the British response, Mussolini now modified his approach and began to make overtures in another direction - that of Belgium. At the beginning of April Mussolini and Jaspar met informally to discuss the possibility of negotiations.¹¹⁴ The Italian ambassador then approached

¹⁰⁹ FO 371 8710, C2180/313/18: Graham, letter 113, 2.2.23.

¹¹⁰ Minute on above by Cadogan, 5.2.23.

¹¹¹ Crewe Papers, C12: Crewe to Curzon, 20.1.23.

¹¹² FO 371 8712, C2569/313/18: Conversation between Crowe and Italian Ambassador, 7.2.23.

¹¹³ FO 371 8714, C3113/313/18: Conversation between Curzon and the Italian Ambassador, 15.2.23.

¹¹⁴ The meeting took place when Jaspar was ostensibly taking a holiday in the Italian lakes. [FO 371 8723, C5014/313/18: Grahame, tel. 60, 17.3.23].

Curzon to tell him of the latest developments.¹¹⁵ By this stage the persistence of Mussolini's efforts meant that they were not so easily ignored and so it was decided to ask the Italians for more information.¹¹⁶

This did allow a slight respite for the British - a respite which was particularly welcome as there was at the same time a development in another direction - an initiative from France. This took the form of a visit by Louis Loucheur, who had been Briand's Minister for the Liberated Regions, to Bonar Law on 7 April when he tabled a plan for the whole question of reparation and interallied debts.¹¹⁷ As the plan provided for a completely autonomous Rhenish state along with the gradual evacuation of the Ruhr once reparation payments had been resumed, the British were not optimistic of its chances of success with the Germans. On 9 April Curzon wrote to Bonar Law: "I am not very sanguine about Loucheur's Rhine Province scheme, nor indeed about the entire plan..."¹¹⁸ The Treasury were even more pessimistic. Niemeyer wrote: "This scheme seems to me financially quite impossible. Apart from that, it involves sacrifices by Great Britain far exceeding even the generous cancellation offers made in January."¹¹⁹ Bradbury agreed: "As regards the suggestions themselves, they strike me as both fantastic and impudent."¹²⁰

¹¹⁵ The Italian ambassador apparently cornered Curzon at a chance meeting in a railway carriage. [Minute by Curzon, 4.4.23 on: FO 371 8726, C6153/313/18: FO memo, 3.4.23.] Crowe was not at all impressed by this behaviour, commenting: "I regard it as an example of the ineffectual way of doing business which is characteristic of the Italians". [Minute by Crowe, 3.4.23 on, FO 371 8726, C6153/313/18: FO memo, 3.4.23.]

¹¹⁶ FO 371 8726, C6647/313/18: Grahame, tel. unnumbered, 7.4.23.

¹¹⁷ Loucheur's proposals were that Germany would be given a loan of 500m Gold Marks, underwritten by a consortium of German industries. This would enable Germany to stabilise her finances and begin reparation payments (at a rate of between 2 and 3.5 billion Gold Marks per annum). France would evacuate the Ruhr as payments were made. Germany would also take over Allied debts to the US and all other inter-allied debts would be cancelled. Finally, in order to guarantee France's security, the Rhineland would become a completely demilitarised, autonomous state. [S.D. Carls, Louis Loucheur and the shaping of modern France 1916-1939 (London, 1993), pp. 241].

¹¹⁸ Bonar Law Papers, Box 108, Folder 7: Curzon to Bonar Law, letter, 9.4.23.

¹¹⁹ T194/10: Niemeyer to Bradbury, 9.4.23.

¹²⁰ T194/10: Bradbury to Chancellor, 10.4.23.

Moreover, uncertainty existed amongst British circles as to the extent to which the Loucheur proposals had the blessing of Poincaré. This uncertainty soon seemed justified. Tyrrell reported to Curzon on 13 April: "The outcome of Monsieur Loucheur's visit is... that Loucheur is disavowed, that the French attitude has if possible stiffened and that for the purposes of finding a solution the French have passed the buck to us."¹²¹ Yet, although the Loucheur incident ended in nothing, the fact that an approach, however 'semi-official' and half-hearted, had come from France, served to emphasise how widespread was the desire for a settlement of the Ruhr question, and so how hard it was for Britain to continue to stand aside and do nothing. As Bradbury commented: "Loucheur's mission is interesting as indicating that the French government is becoming convinced of the futility of its present policy and is anxious to resume co-operation with us."¹²²

As well as Italian and French initiatives, pressure also came from Belgium and Germany. By 24 February, Belgium's initially energetic support of France was wavering. Grahame reported that:

"Minister for Foreign Affairs emphasised very strongly to me today that Belgian government had no unavowed political designs with regard to Ruhr and Rhineland. All they sought was undertakings and guarantees for payment of reparations..."¹²³

At this stage the British attitude to the Belgians was firm. As Crowe minuted

¹²¹ FO 371 8730, C8384/313/18: Tyrrell to Curzon, 13.4.23. According to Carls, Loucheur did suggest the trip, but received the full backing of Poincaré. After he had met with Bonar Law, Loucheur then told Poincaré that the time was ripe for commencing official negotiations. Poincaré now refused to back Loucheur up, allowing him to bear the brunt of press criticism for his unofficial diplomacy and apparent leniency regarding the Ruhr. In this way, Poincaré secured his party-political objective of outmanoeuvring Loucheur as a potential rival for power. [See Carls, Loucheur, pp. 241-2] The Foreign Office was well aware of these machinations. On 13 April, Tyrrell minuted: "There is no doubt in my mind that Loucheur came here with the blessing of Millerand and Poincaré (perhaps more of the former than of the latter) but that the indiscreet use which Loucheur made of this blessing is now being exploited by Poincaré to strengthen his own position and to damage both Loucheur and Millerand." [FO 371 8730, C8384/313/18: Tyrrell to Curzon, 13.4.23.] On the Loucheur visit see also, Kent, Spoils, pp. 215-6; McDougall, France's, pp. 265-7; Rupieper, Cuno, pp. 136-7.

¹²² T194/10: Bradbury to Chancellor, 10.4.23.

¹²³ FO 371 8716, C3472/313/18: Grahame, tel. 33, 24.2.23.

on 26 February: "... we are hardly called upon to overflow with complements to the Belgians just now. They have often in the past claimed to have acquired merit by their "mediatory" attitude between us and France, but, in fact, they always come down, in the end, on the French side."¹²⁴

But reports of Belgium's wavering continued to arrive. For example, on 12 March Derby felt that the Belgians "are getting scared at the idea of the French remaining in the Ruhr. They find themselves practically surrounded by France and they do not like it..."¹²⁵ Such sentiments had already been more explicitly stated by the Belgian Ambassador himself at a meeting with Curzon on 26 February. He claimed that: "Belgian government had been forced by sheer necessity to go in with the French, whose embraces were sometimes of a very inconvenient description, and he disowned, on behalf of his country, any object but that of exacting reparations..."¹²⁶ By 14 March the Belgian ambassador was making definite suggestions for negotiations to Crowe: "The Ambassador said that all that was required was that Germany should come forward with proposals. These would at once be received and discussed in a friendly spirit, and if found reasonable, would be accepted."¹²⁷ It is interesting that while at this point Crowe refused to be drawn, a little more than a month later the British were actively implementing precisely that policy which the Belgian Ambassador had suggested and were encouraging the Germans to make proposals.

The Germans too were making more promising moves toward negotiation. As with the earlier Belgian hints, a tentative German approach at the end of February got nowhere. When on 22 February, M. Dufour Feronce of the

¹²⁴ Minute on above by Crowe, 26.2.23.

¹²⁵ Bonar Law Papers, Box 108, Folder 6, Derby to Bonar Law, letter, 12.3.23.

¹²⁶ Curzon Papers, Mss Eur. F.112/240: Curzon to Grahame, letter, 26.2.23.

¹²⁷ FO 371 8722, C4835/313/18: Conversation between Crowe and Belgian Ambassador, 14.3.23.

German Embassy asked if Britain could suggest a compromise, Lampson answered that "so far all the indications from both sides were that intervention would be unwelcome."¹²⁸ But by mid March German advances seemed more genuine - and so more difficult for the British to deal with. On 10 March, Sthamer told Crowe that his government "...were most anxious to find a way out of the present deadlock with France over the occupation of the Ruhr..."¹²⁹ Sthamer also raised the December 1922 New Haven suggestion of an impartial expert enquiry, and said that: "The German Government were ready to undertake to accept in advance the decision of such a body".¹³⁰ Sthamer concluded by suggesting that his government should lay such proposals formally before the British government for the British to communicate to their allies. Crowe discouraged this latter suggestion, and indeed was very non committal with regard to the whole idea. Yet the significance of this German move was not lost. Crowe minuted: "It looks like the first symptom of German surrender."¹³¹

Such views were reinforced by a report from Kilmarnock on 12 March:

"The general impression gained by members of my staff in many conversations with Germans recently is that the latter consider that if an occasion for negotiations could be found which does not mean absolute surrender to France it should be seized, but there is little confidence in France alone... Almost all believe vaguely that Great Britain could do "something", and that the United States would help."¹³²

Even so, it remained evident that the stalemate was far from broken - on 22 March Cuno was still insisting on the unconditional evacuation of invaded territory as a prerequisite to any discussion.¹³³

¹²⁸ FO 371 8716, C3419/313/18: Communication between Lampson and M. Dufour Feronce, 22.2.23.

¹²⁹ FO 371 8721, C4585/313/18: Conversation between Sthamer and Crowe, 10.3.23.

¹³⁰ *ibid*

¹³¹ Minute on above by Crowe, 10.3.23.

¹³² FO 371 8723, C4987/313/18: Kilmarnock, dispatch 114, 12.3.23.

¹³³ FO 371 8724, C5440/313/18: William Seeds (Consul-General for Bavaria, stationed at Munich), tel. 6, 23.3.23.

Despite the continuation of the stalemate, all these hints toward negotiations increased the burdens on British diplomats trying to implement their government's policy of benevolent neutrality. They also served as indications that the time was approaching when an attempt at a solution might prove fruitful. By mid March, as we have seen, Italy, Germany, Belgium and even, arguably, France had demonstrated a desire for an end to the deadlock. These indications were not lost on Curzon, who was now back from the Lausanne Conference. Furthermore, even reports from America were more encouraging.

At the end of January, the role of the US was dismissed by the Foreign Office: "Mr. Hughes is quite unable to do anything even if he wanted to... Mr. Hughes is no more dependable than the rest of his country where European politics are concerned."¹³⁴ There had, however, been some encouraging signs. For example, the US government's desire to avoid involvement in the French action by withdrawing its army of occupation from the Rhineland at the beginning of January could be interpreted as a protest against French action.¹³⁵ By mid February, Hughes seemed more prepared to act, and asked Geddes if there was anything that he could do which might help to ease the situation on the Continent.¹³⁶ Although the Foreign Office felt that intervention at that stage was premature - "There seems to be no prospect of successful mediation by anyone until France at least states the terms which she is prepared to offer Germany"¹³⁷ - they were nevertheless encouraged by Geddes' report: "... we gather for the first time that America might be ready to intervene between Germany and France. That is a distinct step and may well

¹³⁴ Minute by Lampson, 27.1.23 on FO 371 8707, C1654/313/18: Geddes, tel. 37, 25.1.23.

¹³⁵ See K. Nelson, Victors Divided: America and the Allies in Germany 1918-1923 (London, 1975), pp. 246-253.

¹³⁶ FO 371 8712, C2577/313/18: Geddes, tel. 66, 9.2.23.

¹³⁷ Minute by Sterndale Bennett on above, 12.2.23. See also FO 115 2852: Curzon to Geddes, tel. 65, 15.2.23.

prove useful.”¹³⁸ When Geddes relayed these views to Hughes on 23 February, Hughes agreed, saying that “each side would probably have to ‘enjoy its own bit of chaos’ until a disposition to a fair settlement had been reached.”¹³⁹

Thus, by mid March, international diplomatic pressure on Britain had increased. Several other factors also encouraged action. One, rather surprisingly, may well have been rumours of indirect links and negotiations between interest groups in France and Germany. For example, at the end of January, D’Abernon noted:

“French industrialists continue to propose negotiations to German mine-owners through neutral intermediaries. It is impossible to say how far those proposals are business - how far merely feeling of political pulse. Persistence of attempts is, however, remarkable.”¹⁴⁰

By early February, D’Abernon was sending more serious communications, reporting that he had heard that a “French personality of similar status to Franklin Bouillon” had approached the Germans and that “negotiations to be absolutely confidential and notably to be kept secret from England until complete.”¹⁴¹ On 7 February D’Abernon continued the account, reporting that the French proposals had proved quite unacceptable to the Germans. He added:

“In both cases intermediaries have declared that their governments are ignorant of their communications and are not bound by them but there is little doubt that the French government are acquainted with proceedings as German government unquestionably are.”¹⁴²

Although in early February such moves were bound to lead nowhere, British

¹³⁸ Minute by Lampson, 12.2.23 on: FO 371 8712, C2577/313/18: Geddes, tel. 66, 9.2.23.

¹³⁹ FRUS, 1923, vol. II: Memo by Hughes of a conversation with Geddes, 23.2.23.

¹⁴⁰ FO 371 8708, C1704/313/18: D’Abernon, tel. 57, 28.1.23.

¹⁴¹ FO 371 8710, C2268/313/18: D’Abernon, tel. 70, 5.2.23. Franklin Bouillon had been a French deputy and foreign affairs expert during the war.

¹⁴² FO 371 8711, C2444/313/18: D’Abernon, tel. 75, 7.2.23.

officials may well have been concerned. If contact was being made at the height of hostilities, what might happen when the desire for a solution increased? If Britain proved too isolationist she might find herself left entirely out in the cold as a settlement was worked out between France and Germany direct. Indeed, rumours of links between French and German industrialists continued, until on 6 March Lampson raised the issue with the German ambassador, who did not categorically deny it, saying that they were ill-founded "according to such information as he had been able to gather..."¹⁴³

As well as all this external, diplomatic pressure, the government also faced internal domestic-political pressure - both extra-Parliamentary (from public opinion) and Parliamentary (from the opposition parties and from its own backbenches). The evidence available suggests that public opinion was divided over French action in the Ruhr. For example, on 27 January the Italian Ambassador in London observed to Rome: "Public opinion is greatly exercised over the situation; all the different parties are pressing upon the Government various alternatives to its present attitude."¹⁴⁴ On 24 January Derby wrote to Bonar Law:

"Public opinion is in a very funny state at the present moment. While you have got one body of opinion very strongly in favour of withdrawing the troops and another in favour of participating more actively in the French adventure, the vast bulk of the thinking public is rather undetermined as to what we ought to do or what we ought to have done..."¹⁴⁵

Alex Uxbridge, in his study of British political opinion towards France and the German problem at this time, concludes that while there was always a minority of extreme opinion in support of France (epitomised, for example, by the Morning Post), as the French stepped up their occupation in the Spring of 1923, so public opinion as a whole moved against the French and became more

¹⁴³ FO 371 8719, C4169/313/18: Minute by Lampson, 6.3.23.

¹⁴⁴ HW 12 43: No. 012463: Torretta, London, to Rome, tel. 101, 27.1.23.

¹⁴⁵ WO 137/1: Derby to Bonar Law, 24.1.23.

critical of the British government's inactive policy.¹⁴⁶ For example, the Westminster Gazette headline on 8 March was: "Wanted: A Foreign Policy"¹⁴⁷, while on 12 March the Manchester Guardian said that Britain's policy "stands in need of revision in the light of what we have since heard of the policy of France."¹⁴⁸ Even the Times was adopting a more critical tone. On 14 March it announced, "A mere hesitating policy of passivity is of no advantage either to France or to Europe", and on 18 April, "...the profound anxiety awakened in Great Britain by the French advance into the Ruhr has not been allayed but has rather been increased by the incidents of the occupation and the results obtained hitherto."¹⁴⁹

These divisions and trends in public opinion were reflected in the House of Commons.¹⁵⁰ Here both the Labour and Liberal parties opposed the French measures. The Labour Party was the most critical. While Parliament was in recess, MacDonald wrote to Bonar Law that France's policy was:

"...one of the greatest danger as it is not only destroying what little beginnings have been made in the settlement and reconstruction of Europe, but is intensifying the dislocation of the world's trade and must result in serious damage and deepened distress to ourselves. Taken in conjunction with what is happening at Lausanne, it threatens a renewed outbreak of war on a very wide scale..."¹⁵¹

MacDonald concluded by requesting that Parliament be resumed immediately in order for a debate to take place. Bonar Law refused this request¹⁵² - but in

¹⁴⁶ A. Uxbridge, 'British Political Opinion towards France and the German Problem, 1918-1925', (PhD Thesis, University of Sussex, 1979), pp. 60 & pp. 111.

¹⁴⁷ Cited in Uxbridge, 'British Political', pp. 111.

¹⁴⁸ Manchester Guardian, 12.3.23, pp. 6.

¹⁴⁹ The Times, 14.3.23, p13; and 18.4.23, pp. 13.

¹⁵⁰ Bonar Law also had to contend with the silent criticism of the ex-coalitionists. For example, Austen Chamberlain wrote, "I do not admire Bonar's diplomacy and think... that the occupation of the Ruhr could and ought to have been prevented." [Austen Chamberlain Papers, AC /5/1/260: Austen to his sister Hilda, 20.2.23.]

¹⁵¹ Bonar Law Papers, Box 112, Folder 27, Document 2: MacDonald to Bonar Law, letter, 29.1.23.

¹⁵² Bonar Law Papers, Box 112, Folder 27, Document 3: Bonar Law to MacDonald, letter, 30.1.23.

doing so he only managed temporarily to postpone the issue. On 13 February Parliament resumed anyway, and the opportunity for difficult and embarrassing questions was ripe.

As soon as the House sat, MacDonald began asking awkward questions, trying to get a clearer exposition of the government's position: "Has there been any suggestion that our presence in the Cologne occupied area should be used for the purpose of helping France in any way whatever?... What is the position of our representative on the Rhineland Commission: is he to continue to sit there, and, if he does, is he going to share either actively or passively, the responsibility..."¹⁵³ On 19 February the House of Commons debated a motion to invite the League of Nations to appoint a committee of experts to report on German capacity to pay reparation.¹⁵⁴ Bonar Law carried the day with his argument that: "There is no use in appealing to the League of Nations when we know that nothing effective can come, and that all it will do will be to irritate our Ally."¹⁵⁵ It is significant, however, that both the Asquithian and Lloyd Georgian Liberals and the Labour Party had been unanimous in their view that France's Ruhr policy would reduce reparation receipts, disrupt European (and so British) trade and foster a revenge mentality in Germany, thus weakening democratic forces there.¹⁵⁶ Thus MacDonald continued to take every opportunity of pressing the government. For example, on 6 March he again advocated mediation by some form of representative committee.¹⁵⁷

While facing constant Parliamentary pressure to define more clearly the British position, Bonar Law also had to take account of the opinions of his own backbenchers. In contrast to the Parliamentary pressure, these opinions were

¹⁵³ Hansard: 160 H.C. Deb 5 s, col. 26-7, MacDonald speech, 13.2.23.

¹⁵⁴ Hansard: 160 H.C. Deb 5 s, col. 665-774, 19.2.23.

¹⁵⁵ Hansard: 160 H.C. Deb. 5 s, col. 774, 19.2.23.

¹⁵⁶ Uxbridge, 'British Political', pp. 108-9.

¹⁵⁷ Hansard: 161 H.C. Deb. 5 s, col. 315-378, 6.3.23.

much more markedly pro-French and go far to explaining Bonar Law's initial abhorrence of any form of harsher pressure on France. On 15 January, William Davison reported on opinion amongst grass roots Conservatives:

"I trust that though we do not approve of the sending of British troops in support of France we will give her all the moral support in our power, as nearly all the Conservatives at the last election placed a firm and abiding friendship with France as the first and most important plank in our Foreign Policy... I still believe that the action taken by France may result in some very fat chestnuts being pulled out of the fire, as I am convinced that Germany will do nothing except under compulsion."¹⁵⁸

These opposing domestic-political forces may explain why Bonar Law, though adopting an essentially pro-French tilt in his 'benevolent neutrality', anxiously tried to avoid taking any really decisive action. However, given all the developments both on the ground and at a diplomatic level, it is hardly surprising that British policy was ultimately forced to change. Yet before the evolution of the British stance can be fully appreciated, a closer examination of the attitudes and opinions of some of the key officials and politicians is warranted. It is interesting in the light of the 'benevolence' of Britain's neutrality that, to the extent that there was any consensus, it was to be much more universally damning of French policy than of German and that despite broader developments in the situation these attitudes remained relatively constant. While in public politicians had to be more guarded in their comments, in private, both officials in London and diplomats across Europe were highly suspicious of French motives.

For example Bonar Law commented:

"I have always thought the French were not really so stupid as to imagine that action such as they are taking now would accelerate payment of reparations, and that security (as they see it) is their first preoccupation. But for various reasons reparation is the pretext given to the world."¹⁵⁹

¹⁵⁸ Bonar Law Papers, Box 111, Folder 126, Document 125: W. Davison to R. McNeill, letter, 15.1.23, enclosed in letter from McNeill to Bonar Law, 26.1.23. Also see: Uxbridge, British, pp. 321-3.

¹⁵⁹ Minute by Bonar Law, undated, on: FO 371 8707, C1557/313/18: WO to FO, 17.1.23.

Crewe agreed: "It must be remembered that behind the economic motives of the French action there lies the strategic motive which is more fundamental and ultimately even more important."¹⁶⁰ Grahame's comments were also strong:

"Poincaré is and always has been a dangerous man, and has arrived at the last pitch of obsession about Germany, so much so that it is a question whether he is any longer in a normal state. It is dreadful to reflect that the hopes of European recovery are at the mercy of such a man!"¹⁶¹

D'Abernon voiced still greater suspicions about the French action. He sympathised with the views of a "leading continental steel authority" (probably Hugo Stinnes) who argued that France was bent on political control of the Ruhr and Rhineland in order to become self-sufficient in coal and coke, so that in a future war she would not be dependent on Britain and the United States for steel as she had been during the First World War. This independence of means would mean that when contemplating war, France would not have to give such consideration to British and United States views.¹⁶²

Suspicion of France was further fuelled by the issue of who was to pay for the Ruhr occupation. As early as 19 January the Treasury raised this question with the Foreign Office, whose response was: "We are anxious that the question should not be raised sooner than can be helped as our general policy is to avoid friction with the French Government in connection with their operations as much and as long as we can."¹⁶³ But the question could not be delayed indefinitely. On 18 March Kilmarnock reported that France and Belgium intended that "proceeds of sanctions shall be handed over to

¹⁶⁰ FO 371 8711, C2398/313/18: Crewe, dispatch 301, 5.2.23.

¹⁶¹ FO 371 8708, C1898/313/18: Grahame to Sydney Waterlow (Department of Overseas Trade), letter, 23.1.23.

¹⁶² FO 371 8715, C3359/313/18: D'Abernon, dispatch 86A, 2.2.23.

¹⁶³ Reply by Phillips, 15.1.23, to a letter contained in a Treasury communication, FO 371 8714, C3151/313/18, 19.2.23.

Reparations Commission after deduction of expenses incurred in collection.”¹⁶⁴ Lampson commented angrily: “In some respects (for example the 10% levy and the general customs policy introduced in the Rhineland) this means that we are contributing to the payment of the French and Belgian bill.”¹⁶⁵

There was, however, some sympathy for France. For example, on 24 January, Derby wrote to Bonar Law: “... I do not feel sure but that the French policy will prove to be in the end a success and certainly in this case... I do wish them the best of luck.”¹⁶⁶ But even Derby did not advocate any alternative policy at this stage. On 25 January he wrote to General Godley: “We have... got to steer a half-way course, never a very satisfactory one, but I think the only one possible at the present moment, and we must trust that the French do not raise unnecessary difficulties...”¹⁶⁷

Only Kilmarnock suggested a policy of more active help to France. On 22 January he telegraphed his views of the situation:

“Most important factor in my opinion is that French cannot afford to be defeated. Much must depend on our attitude and question I ask myself is whether, much as we disapprove of French action, we can afford to let them be defeated. If, as I anticipate, struggle proves to be long and bitter time will come when we shall have to decide what would be position if Germans were to win. The last shot of the allies would have been fired and would have failed in its effect. No other really effective means of pressure would remain and Germany should be in a position practically to defy further execution of Treaty of Versailles.”¹⁶⁸

Kilmarnock’s evaluation demonstrates an openness of mind and farsightedness unusual amongst the detailed, day-to-day considerations and machinations of the British policy machine. He was raising unwelcome questions and querying the whole basis of the British stance. His views were simply dismissed and,

¹⁶⁴ FO 371 8723, C5046/313/18: Kilmarnock, tel. 140, 18.3.23.

¹⁶⁵ Minute on above by Lampson, 19.3.23.

¹⁶⁶ WO 137/1: Derby to Bonar Law, 24.1.23.

¹⁶⁷ WO 137/1: Derby to Godley, 25.1.23.

¹⁶⁸ FO 371 8706, C1300/313/18: Kilmarnock, tel. 15, 22.1.23.

unlike many of the anti-French reports, were never even shown to the Prime Minister.¹⁶⁹ Lampson's response to this is most revealing:

“...it is quite true that the position will not be easy if the French have to give way to the Germans over the Ruhr. But I do not anticipate HMG have any intention of modifying their attitude. I do not see that the defeat of the French over the Ruhr necessarily implies that ‘the last shot of the Allies will have been fired’. It is by no means a necessary sequel that the treaty of Versailles will have to be recast. *But that is in the realm of speculation and I hardly see that any useful purpose would be served by discussing it at the moment.*”¹⁷⁰

While views of France were increasingly harsh, the Germans were viewed, on balance, with more sympathy. The Foreign Office was by no means blind to German antics - for example, when the Germans caused problems in the British zone, Lampson was quick to snap: “The Germans have behaved with their normal stupidity.”¹⁷¹ But in general their motives were recognised with more compassion than those of the French. For example, when the French extended their occupation to Appeneier and Offenburg, Lampson commented that: “The German protest... seems to me fully justified. But situated as we are we can only send a formal acknowledgement.”¹⁷² Similarly, while individual Frenchmen, especially Poincaré, were often regarded with contempt (for example, Curzon said of Poincaré: “I do not think that in public life I have ever known a man of Poincaré’s position whose mind and nature were so essentially small, or whose temper was under such imperfect control!”¹⁷³); D’Abernon actually said of Rosenberg: “I have come to like Rosenberg - he has such an engaging naivete...”¹⁷⁴

¹⁶⁹ For example, a report from Joseph Addison (Berlin) on 29.1.23, emphasising the strong likelihood of a French victory and the destruction of Germany, was passed on to the PM at Lampson's behest (FO 371 8710, C2159/313/18: Addison to Lampson, letter, 29.1.23).

¹⁷⁰ Minute By Lampson, 23.1.23 on FO 371 8706, C1300/313/18: Kilmarnock, tel. 15 (my italics).

¹⁷¹ Minute by Lampson 20.1.23. on FO 371 8705, C1167/313/18: Kilmarnock to WO, tel. 19.1.23.

¹⁷² Minute by Lampson on FO 371 8711, C2495/313/18: Protest from German Ambassador, 8.2.23.

¹⁷³ Curzon Papers, Mss Eur. F.112/201a: Curzon to Crewe, letter, 20.2.23.

¹⁷⁴ Curzon Papers, Mss Eur. F.112/205: D’Abernon’s diary, 12.1.23.

Reports of the instability and vulnerability of Germany's young democracy also provoked sympathy. For example, in early March D'Abernon emphasised the difficult political position of the German government by sending an account of a Reichstag debate on the Ruhr:

"To avoid opposition from Left, government had to express general readiness to negotiate: to avoid difficulties from the Right they had to refuse all negotiation which does not promise complete evacuation of the Ruhr. They have contrived to keep narrow path between these two requirements with marked parliamentary skill."¹⁷⁵

In general, then, the British attitude was one of greater tolerance towards the Germans than towards the French. In view of this, and bearing in mind all the increased pressure on Britain, it is hardly surprising that patience with the original policy of "benevolent passivity towards France" ¹⁷⁶ began to wane.

The first active steps to modify the British stance involved a closer examination of the legal position: in other words the question of whether the British government accepted the French claims that the occupation was justified under a specific clause of the Treaty of Versailles. This issue had originally been avoided because of its very uncertain nature. For example, on 25 January a Central Department memo concluded that:

"His Majesty's Government have never considered that the action taken by the French and Belgian governments either in the Ruhr or in the Rhineland could properly be taken under paragraph 18... On the other hand, His Majesty's Government have never considered that the French and Belgian action was, because it was not covered by the treaty, contrary to the treaty."¹⁷⁷

But by early March, increased pressure from the Germans was making it more difficult to avoid the question. A German protest note on 23 February met

¹⁷⁵ FO 371 8720, C4455/313/18: D'Abernon, tel. 16, 9.3.23.

¹⁷⁶ Phrase used in minute by Lampson, 26.1.23 on FO 371 8707, C1535/313/18: Kilmarnock, dispatch, 23.1.23.

¹⁷⁷ C1407/313/18, FO 371 8706: Memo by Central Department, 25.1.23,

with secret sympathy in the Foreign Office. Crowe minuted:

“As a legal argument the German memorandum no doubt establishes with much cogency the illegality of the French proceedings... But it is rather futile to treat this matter as a question of how to construe the clauses of certain treaties and conventions. Whatever the French may at times say, their action is a series of measures of force. Legal arguments seem beside the point.”¹⁷⁸

Despite Curzon's apparent indifference: “It is not much good using legal arguments when there is no legal tribunal to whom they can in the circumstances be addressed,”¹⁷⁹ he did feel that the question should be examined and the Law Officers consulted.¹⁸⁰ On 4 April an appropriate letter was duly dispatched, and on 11 April a reply was received.

The conclusions of this report were somewhat ambiguous, but basically the Law Officers agreed that as Germany had defaulted on payment the Reparation Commission were justified in acting under paragraph 18 of Annex II to the Treaty of Versailles. The problem was therefore one of interpreting the nature of the action permitted by this clause. The phrase in the Treaty mentioned ‘economic and financial prohibitions and reprisals.’ Britain could therefore make out a case that the Reparation Commission was not interpreting the Treaty correctly. This, however, was a difficult legal argument - it rested on interpretation, and so could easily merely be refuted by the French. Furthermore, in March 1921 Britain herself had advocated sanctions against Germany. Therefore any protest by Britain now would easily provoke quite well founded accusations of hypocrisy.¹⁸¹

On balance, Curzon decided not to raise the question: “...it is clear that we shall

¹⁷⁸ Minute by Crowe, 13.3.23, on FO 371 8718, C3989/313/18: note from German Ambassador, 23.2.23.

¹⁷⁹ Minute on above by Curzon, 13.3.23.

¹⁸⁰ Minute by Curzon, 19.3.23, on FO 371 8721, C4535/313/18: Crewe, dispatch 600, 10.3.23.

¹⁸¹ FO 371 8727, C6636/313/18: Report from Law Officers, 11.4.23.

do no good by raising the legal question and I certainly have no intention of doing it.”¹⁸² It was, however, felt that there was a legal case to be made if it became necessary. As Cadogan commented: “...if for any reason we wished to protest, this paper affords us the legal arguments for justifying our position to our own people.”¹⁸³

The fact that this question was debated and proved too ambiguous to raise is extremely significant in the light of Crowe and Corp’s thesis that the occupation was illegal, that Crowe consistently advocated declaring it such, and that such a declaration would have been by far the better course for Britain.¹⁸⁴ In fact, although it is true that he tended to the view that French action was illegal, Crowe was not sufficiently confident to advocate raising the issue at this point. Contrary to the Crowe/Corp argument, the legal uncertainty over whether France was actually in breach of the Treaty of Versailles (a treaty which Britain was committed to uphold) meant that it was very difficult for Britain to exert any really effective overt pressure on France to compromise over the Ruhr occupation.

On the other hand, the Foreign Office also opposed joining the French action or forming any kind of binding pact. The Foreign Office examined and rejected this possibility in early April. Although on 26 March Poincaré told French journalists that he had not given up all hope of forming a pact of guarantee with Britain, the Western Department concluded that:

“French public opinion as reflected in the French press will not be satisfied except by a bilateral agreement under which this country undertakes to assist France with a definite number of armed forces, the *casus foederis* being laid down in the very widest terms to cover all possible contingencies. In the present state of public opinion here it seems impossible that the House of

¹⁸² Minute on above by Curzon, 16.4.23.

¹⁸³ Minute on above by Cadogan, 13.4.23.

¹⁸⁴ Crowe & Corp, *Ablest*, pp. 429-430.

Commons would agree to any such arrangement.”¹⁸⁵

Another important consideration arguing against a pact with France was the attitude of the Dominions. Jan Smuts, the Prime Minister of South Africa, remained as vociferous as ever with his Francophobic views. On 29 March he wrote to Bonar Law: “If Germany goes the British empire will also have to face the new France which will be in command of much larger resources than ever before and may even be at the head of a European combination.”¹⁸⁶ This may well have been a primary concern for Bonar Law, as on a further memo compiled by Gerald Villiers, head of the Western Department of the Foreign Office, on 17 April, Crowe minuted that the Prime Minister at present believed that a pact was out of the question because of the views of Smuts and of the Canadian Government.¹⁸⁷

Thus the only remaining policy alternative seemed to be to try to initiate some form of negotiations. But, still anxious to keep out as far as possible, Curzon decided first to sound the United States. On 12 March a memo had been drawn up tabulating the United States role to date.¹⁸⁸ Crowe concluded from this that “the best course for the Germans to pursue if they still wish to avoid approaching France direct, would be to get Mr. Hughes to move again.”¹⁸⁹ On 23 March Curzon met the United States Ambassador, and emphasised the dangerous nature of the situation, saying that it could boil over at any moment.¹⁹⁰ But the United States government was not ready to intervene. Indeed on 28 March Geddes reported that the United States was experiencing a groundswell of opinion hostile to Britain: “Public opinion in the United States

¹⁸⁵ Curzon Papers, Mss Eur. F.112/242: Memo on ‘Present Position in relation to the Anglo-French Pact’, Western Department, FO, 10.4.23.

¹⁸⁶ CO 532 238: Tel. from Smuts to Secretary of State for the Colonies (enclosing a message for Bonar Law), 29.3.23.

¹⁸⁷ Curzon Papers, Mss Eur. F.112/242: Memo by Villiers, 17.4.23.

¹⁸⁸ FO 371 8723, C4925/313/18: FO memo, 12.3.23.

¹⁸⁹ Minute on above by Crowe, 13.3.23.

¹⁹⁰ FO 371 8725, C5812/313/18: Conversation between US Ambassador and Curzon, 23.3.23.

is at present passing through an interesting phase. There is no doubt that... there has been a distinct growth of feeling, among the common, unthinking mass of Americans, less friendly to Great Britain... These thoughts are almost strictly confined to the really ignorant, common people. Better educated people of course are not so silly.¹⁹¹ Crowe commented: "This is significant and may account for President Harding's silence and inactivity."¹⁹²

With a pact with the French ruled out and the United States extremely unlikely to take any initiative, a tentative attempt was made to exert some pressure on the French, even though this was rendered very difficult by the legal situation. After consultation with Bonar Law, Curzon himself drafted a top secret memo dated 20 March which he gave to the Count de Saint-Aulaire on 21 March.¹⁹³

The memo began : "His Majesty's Government feel impelled to call the attention of the French Government to certain important considerations affecting the situation in the Ruhr and the policy which has hitherto been pursued by His Majesty's Government in connection therewith. That policy has more than once, and not unfairly, been described as one of benevolent neutrality..."¹⁹⁴ Curzon went on to emphasise the mounting difficulties of the situation:

"His Majesty's Government, however, can no longer conceal from the French Government not merely, as is well known, that this attitude has constantly placed the British authorities on the spot in a situation of great embarrassment, but that it is daily exposing His Majesty's Government at home to an increasing stream of adverse criticism, both in the British press and in Parliament. His Majesty's Government are being strenuously exhorted no longer to play a passive part, but to intervene

¹⁹¹ FO 115 2852, A1895/1895/45: Geddes tel. 333, 28.3.23.

¹⁹² Minute by Crowe, 19.4.23 on: FO 371 8727, C6789/313/18: Geddes, disp. 385, 28.3.23.

¹⁹³ FO 371 8724, C5302/313/18: Memo communicated to the French Ambassador, 20.3.23. That this was to be kept secret is revealed by the interdepartmental minutes enclosed. Lampson commented on 21.3.23: "This is to be kept absolutely secret", while Crowe on 4.4.23 wrote: "Do not circulate."

¹⁹⁴ FO 371 8724, C5302/313/18: Memo communicated to the French Ambassador, 20.3.23.

actively in a matter which, it is generally urged, concerns this country too closely to justify Great Britain in remaining a mere spectator.”¹⁹⁵

Curzon concluded by asking the French government to give information about “the aims to which Franco-Belgian policy is directed, and of the manner in which the measures so far taken, or yet to be taken, are expected to bring about its realisation”¹⁹⁶ so that an authoritative statement could be made to Parliament. Clearly Curzon’s intention was to hint to the French that British policy was being forced to change (hence a policy statement to Parliament). In asking for a fuller exposition of French policy he probably hoped that Poincaré, anxious to keep Britain on his side, would make some concession and perhaps point to a way out of the stalemate. This might then pave the way for secret negotiations. He was to be disappointed. Poincaré replied on 23 March that he had made known his Ruhr policy in January, and that nothing had changed since.¹⁹⁷ The initiative had failed. Curzon, after consulting Bonar Law, commented on 25 March: “We think that it is of no use to pursue the matter at present”.¹⁹⁸

Curzon was now in a difficult position. As the Italian Ambassador observed on 27 March: “Today I found Curzon much preoccupied by the fact that the Ruhr question has made no progress, and the asperity of Franco-German relations increases daily. His anxiety is due also... to the fact that public opinion irrespective of party does not approve, but views with increasing impatience the present policy of the government.”¹⁹⁹

Curzon’s options were certainly limited. Increasingly forced to alter the British

¹⁹⁵ FO 371 8724, C5302/313/18: Memo communicated to the French Ambassador, 20.3.23.

¹⁹⁶ FO 371 8724, C5302/313/18: Memo communicated to the French Ambassador, 20.3.23.

¹⁹⁷ FO 371 8725, C2769/313/18: Memo from Poincaré communicated by French Ambassador, 23.3.23.

¹⁹⁸ Minute by Curzon, 25.3.23 on FO 371 8725 C5769/313/18: Memo from Poincaré communicated by French ambassador, 23.3.23.

¹⁹⁹ HW 12 45: No. 02955: Torretta to Mussolini, tel. 283, 27.3.23.

stance he did not feel justified in raising the legal argument; negotiations via the United States were futile; and negotiations via Italy or Belgium were liable to alienate France. As Bonar Law explained to Smuts: "...no new policy seems to me possible which would not be to take directly the side of the Germans against the French," and he concluded, "Black therefore as the outlook is the best hope seems to be that the Germans may make proposals which the French will look at more reasonably than would have been the case before the occupation of the Ruhr."²⁰⁰ This, then, seemed the only alternative remaining; and, rather than leaving such an event to providence, Curzon decided, on advice from D'Abernon, to encourage such a German advance. D'Abernon had suggested that: "If it is desirable for Germany to make some new offer at an early date, a strong hint in that direction is advisable, otherwise Rosenberg is inclined to postpone any new declaration."²⁰¹

Such an approach was probably also in tune with Treasury thinking at this stage. There is little archival material concerning the Treasury's view of the Ruhr crisis during these early months. It is probable that the Treasury was preoccupied during the opening weeks of 1923 with the Anglo-American debt

²⁰⁰ Bonar Law Papers, Box 108, Folder 9, Document 58, Bonar Law to Smuts, letter, 18.4.23.

²⁰¹ Curzon Papers, Mss Eur. F.112/205: D'Abernon's Diary, 9.4.23, sent to Curzon, who sidelined this passage.

settlement and Baldwin's trip to Washington.²⁰² What evidence there is suggests that the key man behind the Treasury's reparation policy continued to be Bradbury. His views at this point were ambiguous, and as such could well have added to the indecision in the Foreign Office over the best course to pursue. Bradbury's preferred course was to do nothing. He remained adamant that Britain should maintain her neutrality and certainly should not become involved in imposing a French-style reparation settlement on Germany that Germany could not execute. Rather than this, Bradbury wanted to stand aside and see France taught a lesson.

"I am convinced that we ought to leave the policy represented by the Ruhr occupation severely alone until the French have learnt their lesson. The price of premature intervention on our part will be that they will bleed us without saving either Germany or themselves. If on the other hand we leave Gaul and Teuton to bleed each other to exhaustion, (in spite of the mischief that the process is bound to do us), we may yet be able to intervene with advantage while there is still something of European civilisation left to save. But I fear it will be a near thing."²⁰³

Given, however, that the Foreign Office were rapidly coming to the conclusion that to appear to stand aside while Germany and France 'bleed each other to exhaustion' was not a viable policy from either an international or a domestic-political perspective, Bradbury agreed that the best hope was for negotiations

²⁰² In January 1923 Baldwin visited Washington and almost prompted Bonar Law's resignation by committing Great Britain to repayment of Britain's war debt to the US. Bruce Kent suggests that this commitment compromised Britain's freedom for manoeuvre regarding the Ruhr: "...Britain's efforts to secure a Franco-Belgian withdrawal were foredoomed to failure by her uncompromising financial policy in the wake of her onerous debt-funding arrangement with the United States..." [Kent, *Spoils*, pp. 210]. However, there is no archival evidence that the debt settlement altered Britain's reparations policy in any way. Middlemas and Barnes describe the settlement, especially in view of American opinion at this stage, as a triumph for Baldwin. [Middlemas & Barnes, *Baldwin*, pp. 129-148]. Certainly the Treasury remained constant in its view, both before and after the settlement, that France should repay her debt to Britain, regardless of Britain's debt to the US. In an undated minute (probably autumn 1923) that department concluded: "... the fact that we are actually paying America is our strongest claim to receive money from France... The advantages of the debt settlement are manifold; and it has in no way affected France's attitude with regard either to reparations, or to her debt to this country." [T172/1314: Memo on American Debt Settlement, unsigned, n.d.]. Similarly, on 18 April, Mr. Phillips commented on the Treasury's reparation policy: "The main lines of policy have not been much affected by recent events..." [FO 371 8633, C7301/1/18: Memo by Mr. Phillips, 18.4.23]. For more information on the Debt Settlement, see Middlemas & Barnes, *Baldwin*, pp.129-148, and Blake, *Unknown*, pp. 490-96.

²⁰³ T194/10: Bradbury to Chancellor, 12.3.23.

based on some form of German offer: "Now that France herself has broken up the inter-allied solidarity, we are not any longer bound to her chariot-wheels, and when a sincere German offer is forthcoming, as it must be sooner or later under French pressure, we shall, if we keep our hands free, be in a position to see fair play."²⁰⁴

This was the advice which the Treasury gave Curzon when (acting on D'Abernon's suggestion) he asked for the Treasury's view before making a public declaration on policy. Although Niemeyer stated in his reply of 18 April that: "It is hardly necessary to add that the present moment (with M. Loucheur's visit still much discussed in France) is hardly very suitable for any general pronouncement by His Majesty's Government"²⁰⁵, the memo by F. Phillips, Assistant Secretary at the Treasury, concluded,

"All the concessions which Great Britain has made to her Allies throughout a succession of conferences have had one main object - to keep the French from occupying the Ruhr. Through the obstinacy of the present French Government that object has not been obtained, and we ought therefore to keep our hands completely free of embarrassing commitments. // The best, perhaps the only chance, that now remains for securing any substantial payment on account of reparations is that Germany may be persuaded or cajoled into making a voluntary offer."²⁰⁶

This memo may well have been what finally swung Curzon. Facing increased international and internal domestic-political pressure to modify benevolent neutrality, but at the same time presented with limited options, this was the only possible way forward. Thus, on 20 April, he made a cleverly constructed speech to the House of Lords, in which he - very subtly and ever so slightly - redefined the British stance. Neutrality, he now explained, did not necessarily mean non-intervention:

"The neutral, as surely the experience of the last war sufficiently showed, is by no means a lay figure. He may start by being a

²⁰⁴ T194/10: Bradbury to Chancellor, 10.4.23.

²⁰⁵ FO 371 8633, C7301/1/18: Memo by Niemeyer, 18.4.23.

²⁰⁶ Memo by Phillips, 18.4.23, enclosed in: "FO 371 8633, C7301/1/18: Memo by Niemeyer, 18.4.23.

spectator, but at any moment he is capable of being converted into an agent, and a very useful agent.”²⁰⁷

Although Curzon was most careful to maintain British impartiality to either side, emphasising that the present deadlock was the fault of both the French and the Germans,²⁰⁸ he went on to stress that the only way forward was by means of some form of German offer:

“...I cannot help thinking, for my part, that if Germany were to make an offer of her willingness and intention to pay and to have the payment fixed by authorities properly charged with the duty, and if she were at the same time to offer specific guarantees for the continued payments, an advance might be made.”²⁰⁹

He concluded: “As soon as a move is made, and I have indicated how I think it might be made, our help will be forthcoming to both parties.”²¹⁰

Curzon was well aware that by this speech he was making a definite policy move and was directly encouraging a German initiative. On 24 April he explained to the Italian ambassador that:

“...it seemed scarcely credible that the German Government would not act upon the suggestion that I had made: in other words, they would presently be found submitting a proposal, whether it were good or bad, either to the French Government or to the Allied Powers in general.”²¹¹

However, while from the point of view of foreign policy the speech marked a major departure, in other respects it reaffirmed the British approach. Curzon, carefully following the Treasury line, stressed that the British position regarding reparation and war debts had not changed. For example, he praised Bonar Law’s January proposals, saying that they were “a definite and carefully thought out plan” of a very generous nature.²¹² At the same time he was careful not to provoke the French too much: “Our guiding consideration

²⁰⁷ 53 H.L. Deb 5 s, col. 788: Curzon’s speech to House of Lords, 20.4.23.

²⁰⁸ *ibid*, col. 793.

²⁰⁹ *ibid*, col. 796.

²¹⁰ *ibid*, col. 797.

²¹¹ FO 371 8720, C7400/31318: Dispatch no. 535 to Graham, 24.4.23.

²¹² 53 H.L. Deb. 5 s, col. 784: Curzon’s speech, 20.4.23.

throughout has been that the *Entente* between Britain and France and their Allies should not be broken. We are convinced that the *Entente* is the basis of ... European recovery and of... European peace..."²¹³

Thus, although a move towards negotiations had been made, immense obstacles remained before any lasting settlement could be reached. In overcoming these obstacles the Foreign Office would not be assisted by the Treasury. Although Bradbury expressed satisfaction at Curzon's speech: "'I think Lord Curzon's speech was excellent... (T)he plain fact remains that if the Germans make a sensible offer and the French call on us to discuss it, the whole conduct of the negotiations will be substantially in our hands..."²¹⁴, he remained acutely pessimistic about the overall prospects of success: "I do not believe that a real settlement is possible until there has been a complete change in French temper, and I doubt whether this can be hoped for until there has been a general debacle in Germany and a financial crash in France."²¹⁵

The first phase of the occupation crisis was over. As the deadlock between France/Belgium and Germany had deepened, Britain's 'neutral' position had left her increasingly squeezed between the two sides. Although the second stage of the crisis promised at least an attempt at negotiations, it was unlikely that the pressure on Britain's position would relax in the immediate future.

²¹³ 53 H.L. Deb. 5 s, col. 784: Curzon's speech, 20.4.23.

²¹⁴ T194/10: Bradbury to Baldwin, 25.4.23.

²¹⁵ Baldwin Papers, Box 125, pp. 15-19: Bradbury to Baldwin, letter, 25.4.23.

Conclusion

The Ruhr occupation entailed immense difficulties for the British. While Britain was certainly not powerless²¹⁶, her policy-makers did not in practice have the freedom for manoeuvre which McDougall and Kent suggest.²¹⁷ The policy adopted was not, as Bennett claims, a straightforward one of wearing down the French²¹⁸, nor was it designed purely as a method of limiting French action.²¹⁹ It was not dictated solely by the Foreign Office²²⁰, nor can it be understood merely in terms of differences between Crowe and Curzon and mistakes by the latter.²²¹ As this chapter has shown, the true picture is one of far greater complexity.

Benevolent neutrality, by definition ambiguous, proved virtually untenable in practice. Britain already had an active interest in the Rhineland both through her zone of occupation and through her representatives on the interallied commissions. The French and Germans exploited these areas of vulnerability, embarrassing the British representatives. The weakness of Britain's position was clearly demonstrated by her obvious dependence on both French and German cooperation.

As well as these difficulties, the British government also faced three other broad areas of pressure, all of which intensified as time progressed: mounting economic dislocation; increased diplomatic appeals for some kind of intervention by Britain, and finally increased domestic-political dissatisfaction

²¹⁶ Rupieper, Cuno, pp. 118.

²¹⁷ McDougall, France's, pp. 264, Kent, Spoils, pp. 210.

²¹⁸ Bennett, British, pp. 36.

²¹⁹ Williamson, 'Great Britain', pp. 73.

²²⁰ Maisel, Foreign, pp. 124-5.

²²¹ Crowe & Corp, Ablest, pp. 428-30.

with apparent British impotence. In view of all these factors, and with the Foreign Secretary at last home from the Lausanne Conference, it is hardly surprising that a cautious reappraisal began.

Tentative enquiries soon eliminated several possibilities. Pressure on France through open disapproval of her action was ruled out by the legal niceties, while a pact with France was deemed impossible given public opinion in Britain and the attitude of the Dominions. An effort to involve the United States led nowhere, as did an attempt to prompt some form of compromise in the French stance and aims. The only alternative remaining therefore seemed to try to initiate negotiations by prompting the Germans to make an offer of some kind. This was the rationale behind Curzon's speech to the House of Lords on 20 April.

Thus by the end of April the character of British policy had changed. Although ostensibly benevolent neutrality still remained the guiding principle, a fundamental shift had in fact occurred from neutrality as a means of maintaining distance from the Franco-Belgian action and of keeping out of the crisis to neutrality accompanied by tentative intervention and offering mediation to encourage negotiations.

As well as this shift in the nature of policy, there had also been a shift in the dynamics behind it. Chapter I emphasised the inadequacy of the role played by key politicians. This deficiency continued in the opening weeks of the occupation, with policy in practice being guided by officials on the spot in the Ruhr. In the Foreign Office it was officials such as Lampson who were doing most of the work, with apparently little input from, for example, Crowe.²²² With the return of the Foreign Secretary to London on 5 February however,

²²² It is worth mentioning that Crowe actually went to Lausanne to assist Curzon from 17 January until 5 February.

European policy at last received some of the guidance it had been lacking. This trend of increased involvement by more influential figures was to continue in the summer months.

None the less, the shift should not be over-emphasised. This chapter has demonstrated that throughout the Spring of 1923 British policy, like that of France and Germany, was shaped by a complex interaction of forces: international, domestic-political, and administrative. The result was that the new approach of 'tentative intervention' reflected this interaction and was in many ways an inadequate compromise. It had, in the main, been forced on the government. Britain was still straining to tread the ever dangerous middle path. Although it seemed likely that Curzon's speech would prompt some German advance, the prospect of reaching a successful compromise solution to the occupation crisis remained fraught with difficulties.

Chapter III

Attempts to prompt negotiations, April - July 1923.

This chapter concentrates on the new policy approach, henceforth termed “tentative intervention”, which was inaugurated by Curzon’s 20 April 1923 speech. It examines the dynamics, constraints and conflicts shaping British policy during the first months of the summer of 1923. Despite Curzon’s hopes, little progress was made towards a resolution of the crisis. The speech triggered a protracted diplomatic exchange which did nothing either to relieve the stalemate on the Continent or to ease the domestic-political difficulties facing British policy-makers.

By the summer of 1923, Germany was increasingly feeling the strains of passive resistance. After mid-April all attempts to stabilise the mark collapsed and massive inflation seized Germany. Interest groups polarised and eyed each other with hostility. Big business and industry angered the trade unions by refusing to make sacrifices to support the government, instead forcing workers to carry the burden of occupation costs by refusing to raise real wage levels.¹ The middle class itself divided, with the legal and medical professions resentful of the civil service’s real wage increases.² But despite all their differences, all parties began to unite in opposition to the Cuno government’s total incompetence in dealing with the situation. The Cabinet was overwhelmed by the task of financing passive resistance, and Cuno and Rosenberg’s lack of diplomatic progress added to their unpopularity. By the end of July Germany was on the brink of economic disintegration and the Cuno government, formed as a ‘Business Cabinet’ with supposed financial expertise,

¹ Feldman, *Disorder*, pp. 675.

² Feldman, *Disorder*, pp. 680.

entirely discredited.³

Poincaré also faced mounting difficulties. The Ruhr occupation was not producing swift rewards, but was demanding renewed sacrifice and patience from the French people. Public opinion, particularly on the left, began to question the occupation, and even Poincaré's middle-class supporters were worried by the effects on the franc.⁴ Poincaré's preoccupation with foreign policy also meant that he neglected domestic politics. Dissatisfaction grew and on 15 July he was called to defend his domestic policy before the Chamber. Although he gained a majority of 200 votes, this was down by 180 from January,⁵ and revealed that Poincaré was increasingly dependent on the right for support.⁶ Poincaré's difficulties, however, were not on the scale of Cuno's. In circumstances of national emergency the French Chamber would continue to support its premier. Moreover, the French were aware of the severity of the German situation and were at last scenting the fragrance of victory. Poincaré's policy hardened. He began to hold out for a total victory in the Ruhr, hoping this would salvage his domestic position and restore his electoral prospects.

Thus, by the summer of 1923 compromise between France and Germany was more remote than ever. In these circumstances, Curzon's ostensibly "new" approach failed to conceal the fact that Britain was still prevaricating between France and Germany, procrastinating rather than making a decision. At the same time domestic-political problems in Britain were surfacing. The Conservative Party was still recovering from its break with the Coalitionists in the previous October. Its unity was in many respects extremely superficial

³ Feldman, *Disorder*, pp. 659-693; and Rupieper, *Cuno*, pp. 144-173.

⁴ McDougall, *France's*, pp. 277-9.

⁵ McDougall, *France's*, pp. 280.

⁶ Trachtenberg, *Reparation*, pp. 280.

and a priority of its leaders had to be to avoid any potentially divisive issues. In these circumstances foreign policy soon became extremely contentious. While Curzon tried to push for negotiations, so divisions within the government - and within public opinion - grew. Conversely, however, at the very time that Cabinet divisions heightened, two key administrative departments - the Foreign Office and the Treasury - began to converge on a distinctly Francophobic strategy.

By the end of April, Bonar Law's health was failing and so he decided to take a sea voyage in the hope of it producing some improvement. He recommended Curzon to act as Deputy Prime Minister in his absence. Bonar Law's health did not improve. On 17 May he was diagnosed as having throat cancer and was given a maximum life expectancy of six months. Although he himself was not told of the diagnosis, his health was such that he realised that he could no longer cope with the demands of office. On 19 May he returned to London, and on the following day he sent a letter of resignation to the King.

The question now was who should succeed. The obvious choice was Curzon. He was by far the most experienced member of the Party, and was already acting as Deputy Prime Minister. The credentials of his closest rival for the post - Stanley Baldwin - did not seem to come near his. Solid, but not apparently exceptional, Baldwin had spent four years as a "competent but not distinguished Financial Secretary to the Treasury",⁷ before in 1921 becoming a relatively unimpressive President of the Board of Trade. In October 1922 Bonar Law had thought Baldwin too inexperienced to be Chancellor of the Exchequer and had only offered him the position when his first choice - Reginald McKenna - had refused it. Bonar Law's doubts seemed confirmed when, as Chancellor, Baldwin almost provoked the Prime Minister's resignation

⁷ Gilmour, Curzon, pp. 579

by his Washington trip. Yet despite Curzon's apparent superiority of claim for the post of Prime Minister, Bonar Law refused to recommend him, informing the King that, owing to his ill-health, he preferred not to be consulted and was unwilling to take the responsibility for any recommendation.

It seems that Bonar Law assumed that Curzon would succeed him, but that he refused to be actively instrumental in his appointment because of doubts over the suitability of Curzon's character for the position.⁸ In these circumstances, Bonar Law's Private Secretary, Colonel Waterhouse, was able to interfere and influence the course of events against Curzon. Waterhouse handed the King a memo which he said, "practically expressed the views of Mr. Bonar Law"⁹ and which argued that, "temperamentally", Curzon, "did not inspire complete confidence in his colleagues, either as to his judgment or as to his ultimate strength of purpose in a crisis."¹⁰

One cannot but sympathise with Curzon. Called to London expecting to be instated in Number 10, he was bitterly disappointed to learn that the post had gone to a man clearly less qualified for the position than he. The proffered reason that the Prime Minister should be from the House of Commons barely concealed the personal slight to Curzon's character. Yet Curzon behaved with great magnanimity. On 23 May he congratulated Baldwin on his appointment as Prime Minister, and agreed to continue to serve as Foreign Secretary, believing it to be in the public interest. On 28 May he proposed Baldwin as leader of the Conservative Party.

These dramatic political events were bound to affect foreign policy. Once again Curzon had other priorities on his agenda at a critical time in the Ruhr crisis.

⁸ For further information, see: Roy Jenkins, Baldwin, (London, 1987); Middlemas and Barnes, Baldwin; Blake, Unknown; and Gilmour, Curzon,.

⁹ Blake, Unknown, pp. 520.

¹⁰ Gilmour, Curzon, pp. 581-582.

Naturally preoccupied at the end of May with the leadership contest, from the end of April he was acting Prime Minister and so faced a greatly increased work load. Relations between Curzon and Baldwin must also have been affected. Baldwin was aware of Curzon's strong claims to be Prime Minister and acutely conscious of his disappointment. Anxious not to offend this senior member of his government, he was unlikely to relish the prospect of crossing swords with him over foreign policy. However, as we have seen, Curzon was not the most dynamic of Foreign Secretaries, and with an equally passive Prime Minister the possibility of an active, decisive foreign policy seemed small. Finally, it is also significant that for the first three months of his premiership Baldwin retained the Chancellorship. He was thus likely to succumb to Treasury views.

With all these considerations in mind, it is now time to return to the situation regarding the Ruhr crisis, as only through a detailed examination of the development of events throughout the summer months of 1923 can a true evaluation of British policy be achieved.

The German Note of May 2 1923

On 20 April 1923 Curzon made his landmark speech to the House of Lords in which he stated that Britain, as a neutral, might at any moment be, “converted into an agent, and a very useful agent”, and suggested that, “...if Germany were to make an offer... an advance might be made.”¹¹ The Germans eagerly seized on Curzon’s carefully couched suggestion and began to formulate a plan for submission to the Allies.¹² Curzon, anxious that tentative intervention should not compromise Britain’s overall neutrality, refused to give any further hints or advice to the Germans regarding the content of their proposals.¹³

On 2 May the German proposals arrived. D’Abernon immediately recognised the folly of having left the Germans to their own devices when drawing up the note: “There may be horses on whose necks it is safe to drop the reins, but such have no relationship with the German steed.”¹⁴ The Germans’ offer merely amounted to a revamped version of the one they had prepared in December 1922 (but which had not in fact been put forward at the Paris Conference). The Germans offered no concrete guarantees for payment and reaffirmed their intentions to continue passive resistance until the Ruhr was evacuated. They offered a total of 30 billion marks, of which 20 billion were to

¹¹ See above, Chapter II, pp. 121.

¹² FO 371 8728, C7145/313/18: D’Abernon, tel. 175, 21.4.23.

¹³ On 23 April Curzon minuted, “... if I send for Herr Sthamer he will ask my advice as to the actual reply his Government should make and thus endeavour to shift the responsibility to me.” [Minute by Curzon, 23.4.23 on FO 371 8728, C7177/313/18: D’Abernon tel. 176, 22.4.23]. On 27 April, Lampson noted that he had had a conversation with the Counsellor of the German Embassy, but that, “Mindful of Lord Curzon’s decision that we should be careful not to commit ourselves in any shape or form to advice to Germany as to the nature of the offer she should make to France, I said I was afraid I must decline to express any opinion.” [FO 371 8633, C77441/1/18: Memo by Lampson, 27.4.23] Similarly, on 26 April, D’Abernon commented: “I have kept quite clear of Government circles for the last few days, as I do not want to suggest any particular line.” [Curzon Papers, Mss Eur. F. 112/205: D’Abernon’s Diary, 26.4.23].

¹⁴ Curzon Papers, Mss Eur. F. 112/205: D’Abernon’s Diary, 2.5.32.

be paid by means of loans by July 1927. 5 billion instalments would then be made in 1929 and 1931, provided Germany could manage the payments. Moreover, during the four year moratorium on the first 20 billion, Germany would pay no interest. On the contrary, the loans themselves would be used to pay the interest on the repayments, thus reducing the real value of the offer to a mere 15 billion marks.¹⁵ To expect the French to accept these terms was entirely unrealistic. Rather the Cuno Cabinet, facing mounting parliamentary opposition, hoped to force diplomatic progress by dividing Britain and France.¹⁶

The reactions within the British Government to the proposals are interesting. In particular, the favourable response of the Treasury needs to be emphasised. Seizing on the offer in the German note to submit the whole matter to an impartial tribunal, Niemeyer told Crowe:

“I am quite sure that this is the only way in which a decision can be reached. While at the moment the French would be most unwilling to contemplate any such thing, it seems to me that it would be a great mistake on our part for us not to express, so far as we are concerned, our readiness to accept such a solution... I very much hope, therefore, that we shall not be led into a hasty endorsement of the French rejection, and that we shall seriously consider whether we should not express public approval of the suggested reference to an independent body.”¹⁷

At this stage Foreign Office officials were more cautious. If they pushed for a settlement by means of an independent body it would certainly alienate France, and there was a strong possibility that it would destroy the Entente. What would the situation then be with regard to the Treaty of Versailles and the future treatment of Germany? What would happen to British security if she were at obvious loggerheads with the other principal European power? As Lampson commented: “Of course the essence of the whole problem is whether a settlement is generally desired or not? And if so, are we prepared to see a

¹⁵ Feldman, *Disorder*, pp. 662-3.

¹⁶ Rupieper, *Cuno*, pp. 149.

¹⁷ FO 371 8634, C7984/1/18: Niemeyer to Crowe, 4.5.23.

widening rift in our relations with France in order to achieve it?"¹⁸

The French, already angered by Curzon's 20 April speech¹⁹, adamantly refused to have anything to do with the German note. On 3 May Crewe was informed that a French rejection had been prepared.²⁰ The Belgian response was more encouraging. The Belgians had been more favourably disposed to Curzon's original speech²¹ and now that the German proposals arrived, Jaspar told Grahame that the Belgian government was in favour of sending a collective allied reply²². Although this reply would have to take the form of a rejection of the German note, it would allow Britain to "without detriment to her own standpoint resume her place in allied councils" and would provide Britain with a much better way of controlling the French, as "if French government accepted this procedure they would inevitably be bound henceforward to give due heed to British views, which would increase chances of a reasonable settlement."²³

Curzon, anxious that his attempt to prompt negotiations should not fail, seized on this slender opportunity even though it risked upsetting the Treasury by associating the British with some form of French rejection. He immediately instructed his ambassadors in Brussels and Paris to express Britain's support for "a friendly exchange of views between the principal allied governments" before addressing a reply to the German note.²⁴ The French, however, soon

¹⁸ Minute by Lampson, 5.5.23 on FO 371 8634, C7984/1/18: Niemeyer to Crowe, 4.5.23.

¹⁹ See FO 371 8729, C7516/313/18: minute by Crowe, 25.4.23; and minute by Lampson, 26.4.23 on FO 371 8729, C7315/313/18: D'Abernon, dispatch 268, 17.4.23.

²⁰ FO 371 8634, C7903/1/18: Crewe, tel. 454, 3.5.23.

²¹ On 24 April Grahame reported that: "Minister for Foreign Affairs expressed to me today great admiration for your speech... He hoped and believed speech would bring settlement with Germany nearer." [FO 371 8729, C7334/313/18: Grahame, tel. 86, 24.4.23.]

²² FO 371 8634, C7899/1/18: Grahame, tel. 92, 3.5.23.

²³ FO 371 8634, C7899/1/18: Grahame, tel. 92, 3.5.23.

²⁴ FO 371 8634, C7899/1/18: Tel. 69 to Grahame, 4.5.23; and FO 371 8634, C7903/1/18: tel. 192 to Crewe, 4.5.23.

stamped out any chance of such discussions.²⁵ On 4 May Jaspar received an urgent note from Poincaré proposing a Franco-Belgian meeting to discuss a separate reply.²⁶ Grahame persuaded the Belgians to ask the French to delay the dispatch of a separate rejection to Germany by 48 hours,²⁷ but Poincaré refused to budge. Railroading the Belgians into compliance, the French dispatched a note to the Germans on 6 May. Grahame commented:

“I was particularly disgusted with the Belgian Government for running away a second time... M. Poincaré must then have brought out his worst thunderbolt, for otherwise the Belgian Government would surely not have humiliated themselves in our eyes by curtailing the already ridiculously short delay which they had demanded.”²⁸

This incident was a major contributor to sealing Belgium’s fate as a second class power in Europe. The Foreign Office was now convinced that the Belgians were entirely in the hands of Poincaré, and in future it would pay little regard to the appeals or suggestions of its junior alliance partner. For example, when later in May Crewe reported that the Belgians were once more taking a tougher line with France,²⁹ Lampson scathingly remarked:

“I much misdoubt these ‘firm attitudes’ on the part of Belgium. When it comes to the point Poincaré dictates to them what they are to do. But it sounds very nice to be so independent before the event.”³⁰

Curzon now faced the question of what to do next. The most pressing issue was how the British themselves should reply to the German note. Although Curzon’s first attempt at tentative intervention had failed, he still saw the subtleties of that approach as affording the best prospects for progress. He

²⁵ Curzon had in fact been afraid that this would happen. On 4 May he wrote to Grahame that he: “earnestly hoped that M. Jaspar, having appealed for British support, would not now be frightened by M. Poincaré and run away.” [Curzon Papers, Mss Eur. F.112/240: Curzon to Grahame, 4.5.23.]

²⁶ FO 371 8634, C7961/1/18: Grahame, tel. 93, 4.5.23.

²⁷ FO 371 8633, C8049/1/18: Grahame, tel. 101, 5.5.23.

²⁸ Curzon Papers, Mss Eur. F.112/230: Grahame to Curzon, 9.5.23.

²⁹ FO 371 8637, C9075/1/18: Crewe, tel. 520, 22.5.23.

³⁰ Minute by Lampson, 25.5.23 on FO 371 8637, C9217/1/18: D’Abernon tel. 210, 23.5.23.

therefore allowed himself to be encouraged by vague signs that France might agree to negotiate if the Germans produced more 'reasonable' proposals. On 3 May Crewe had reported that Poincaré "did not desire to close any door, and other amended proposals, which could in any way be regarded as acceptable, would receive due consideration."³¹ The Germans also hinted that they would like another chance. On 6 May, Sthamer told Curzon that he "hoped that the imperfect tone and language of the note would nevertheless not result in the door being slammed in the face of negotiations."³²

In effect Curzon decided to try the same tactic as he had used in his 20 April speech. Once again he would prompt German proposals and then encourage general negotiations whilst all the time maintaining British neutrality. The difference was that this time he hoped to obtain a much more promising start from the Germans. On 7 May Curzon put his proposed policy before Cabinet along with a draft reply to the German note of 2 May. The proposed reply began in a severe tone: "I cannot conceal from Your Excellency that the proposals of your government have come as a great disappointment..."³³ But towards the end, the hint in favour of further German move was obvious:

"His Majesty's Government for their part are persuaded that in her own interest Germany will... proceed to reconsider and expand their proposals in such a way as to convert them into a feasible basis of further discussion. In such discussion His Majesty's Government will at the suitable moment be ready to take part by the side of their allies..."³⁴

Curzon's plan was to collaborate with the Italians so that each country produced similar replies to the German note.³⁵ In this way Britain's hand would be strengthened when dealing with France. As Curzon was acting Prime

³¹ FO 371 8634, C7903/1/18: Crewe, tel. 454, 3.5.23.

³² Curzon Papers, Mss Eur. F.112/240: Curzon to D'Abernon, 6.5.23.

³³ CAB 23 45: Appendix to Cabinet minutes, 7.5.23: Draft reply To German note of May 2.

³⁴ *ibid.*

³⁵ It is interesting that, now that he was more desperate in his dealings with France, Curzon was prepared to try to enlist the help of the Italians whom he had treated with such cynical disdain earlier in the crisis. [See above, Chapter II, pp. 97-98.]

Minister at this stage, the Cabinet had little choice but to agree to his proposed course of action and approve the draft reply he had prepared.³⁶ There was, however, some dissent.³⁷

Consultation with the Italians was in fact already underway. On 4 May Mussolini had suggested that the British and Italians should exchange views on the reply,³⁸ while on 6 May Curzon was informed that Mussolini agreed that the Italian and British notes should express the same broad ideas.³⁹ On 7 May, the Foreign Office telegraphed Curzon's proposed reply to the Italians. The Foreign Office also gave a copy of the draft to the Japanese Embassy.⁴⁰

Given his anxiety to reinforce his second attempt at tentative intervention by coordination with the Italians and the Japanese, it is interesting that Curzon did not suggest consultation with the United States. This alternative was raised in the Foreign Office. On 9 May Lampson suggested giving the United States Embassy a copy of the draft British note, arguing that:

“If we do not do so, they will probably resent it: and as sooner or later America may well be drawn into any final settlement (or, in the alternative, if it should come to a real split with the French over this wretched question) we may quite conceivably wish to have American goodwill on our side.”⁴¹

The Treasury also favoured approaching the United States. On 4 May Niemeyer suggested: “I suppose that there would be no chance of getting the Americans à propos of the note [*ie the German proposals*] to repeat Hughes's suggestion in some slightly more definite form?”⁴² At this point the suggestion of involving the United States was rejected by Crowe, who commented: “I see

³⁶ CAB 23 45: Minutes from Cabinet meeting on 7.5.23, 12 noon.

³⁷ See below, pp. 142.

³⁸ FO 371 8634, C8069/1/18: Tel. 124 to Graham, 4.5.23.

³⁹ FO 371 8634, C8069/1/18: Tel. 124 to Graham, 6.5.23.

⁴⁰ FO 371 8635, C8313/1/18: Memo by Lampson, 7.5.23.

⁴¹ Minute by Lampson, 9.5.23 on FO 371 8635, C8382/1/18: Conversation between Crowe and Italian Charge d'Affaires, 9.5.23.

⁴² FO 371 8634, C7984/1/18: Niemeyer to Crowe, 4.5.23.

no objection, but also no necessity;"⁴³ and by Curzon, who decided: "I see no necessity".⁴⁴ Curzon probably felt that the United States was not yet ready to intervene, and that therefore any approach to Washington might result in more harm than good. It is important to remember that reports on the situation in the US which were reaching the Foreign Office stated that American opinion was more sympathetic to the French than to the Germans. On 2 May, Lampson minuted: "American feeling has throughout been distinctly pro-French."⁴⁵

This evaluation was probably correct. Hughes did not want to become involved at this stage and was keen for France and Germany to find their own solution.⁴⁶ On 3 May Hughes told the German Ambassador in Washington that,

"...he supposed that the matter came down in the last analysis to an agreement between the Germans and the French, that the French were in possession and that it seemed to him that the question could only be solved by the most direct and intimate negotiations to find a satisfactory basis...The Secretary also suggested that action seeming to be intended to bring pressure on France from the outside would have the immediate effect of causing an unpleasant French reaction and make the negotiations more difficult."⁴⁷

Hughes repeated this advice to the Germans on 7 June.⁴⁸ It is also interesting that the State Department, worried by the American Ambassador in Berlin's

⁴³ Minute by Crowe, 9.5.23 on FO 371 8635, C8382/1/18: Conversation between Crowe and the Italian Chargé d'Affaires, 9.5.23.

⁴⁴ Minute on *ibid* by Curzon, 9.5.23.

⁴⁵ Minute by Lampson, 2.5.23 on FO 371 8730, C7583/313/18: Geddes dispatch 491, 20.4.23.

⁴⁶ For further information see M.P. Leffler, The Elusive quest: America's Pursuit of European Stability and French Security 1919-1933 (Chapel Hill, 1979), pp. 78-9 & pp. 83-6.

⁴⁷ FRUS 1923, Vol. II, pp. 60-61: Memo by Hughes on conversation with the German Ambassador, 3.5.23. Hughes repeated this advice to the Belgians: "...he wondered if it were not possible for the French and Belgians and Germans to find a practicable way of conducting negotiations to a point of reasonable adjustment. [FRUS 1923, vol. II, pp. 61: Memo by Hughes on conversation with Belgian Ambassador, 3.5.23.]

⁴⁸ FRUS 1923, vol. II, pp. 64: Memo by Hughes on conversation with the German Ambassador, 7.6.23.

pro-German tendencies,⁴⁹ kept him in Washington from May to July so that he could not mislead the Germans.⁵⁰

In the light of this American attitude, the British were forced to rely on the Italians and Japanese. On 10 May the Italian draft reply was received⁵¹, and on 14 May the Japanese.⁵² Both agreed with the main principles of the British note - that Germany's proposals were inadequate and that she should come forward with improved ones. As soon as the Italian reply was received, the Foreign Office authorised the dispatch of the British note.⁵³

Once this note had been sent, the British were left to play a waiting game. Curzon recognised the limitations of his policy: "We cannot go on playing a game of lawn tennis for ever with sharp relations across the net and occasional smashes into it."⁵⁴ However, as after the 2 May proposals, Curzon still refused to give any further advice to the German Government. On 29 May, Sthamer visited Curzon to ask for guidance in producing acceptable proposals. Curzon immediately dismissed the Ambassador saying:

"I could not possibly discuss the matter with him, or indicate any views which might be held by His Majesty's Government, without assuming a responsibility which I should be loath to accept, and which might be a source of serious embarrassment in the future."⁵⁵

⁴⁹ See F. Costigliola, 'The United States and the Reconstruction of Germany in the 1920s', *Business History Review*, Vol. 50 (1976), pp. 477-502.

⁵⁰ Feldman, *Disorder*, pp. 662. There were those in Britain who would have welcomed similar treatment for Lord D'Abernon. [See Gwynne's comments to Baldwin below, pp. 143]

⁵¹ FO 371 8635, C8402/1/18: Communication from Italian Chargé d'Affaires, 10.5.23.

⁵² FO 371 8636, C8703/1/18: Tokugawa to Lampson, 14.5.23.

⁵³ FO 371 8636, C8402/1/18: Tel. 132 to Graham, 10.5.23.

⁵⁴ Crewe Papers, C23: Curzon to Crewe, 11.5.23.

⁵⁵ Curzon Papers, Mss Eur. F.112/240: Curzon to D'Abernon, 29.5.23, disp. 802, C9451/1/18.

The German Note of 7 June 1923.

On 7 June 192³~~7~~ the new German proposals arrived.⁵⁶ They can broadly be divided into four categories: the Germans agreed to submit the question of their capacity to pay to an impartial tribunal; they agreed to allow allied inspection of German industry and financial records; they offered to substitute a system of annuities for the previous requests for foreign loans; and they offered certain guarantees to ensure reparation payment. The guarantees comprised the sum of approximately 1 billion GM from railways and industry, and a pledge of duties on luxury goods of an estimated 200 million GM per annum. The note concluded by admitting German liability to pay reparation and calling for an international conference to discuss all details.⁵⁷ When he handed the note to Curzon, the German Ambassador further added that his government did not regard the proposals as exhaustive but would be prepared to consider modifications.

This German offer was a great improvement on the 2 May plan. The Treasury were quick to point out that: "The offer of guarantees... is obviously a great step in advance, politically and psychologically"⁵⁸; while Bradbury encouraged Baldwin:

"The German memorandum cannot... be treated as a comprehensive proposal for the settlement of the reparation question. It does, however, give a foundation on which a satisfactory general plan could be built if the French were willing to cooperate, and I think, also, pretty clear indication of the willingness of the German Government to cooperate in such a plan."⁵⁹

As in May, the Foreign Office, while recognising the advances apparent in the

⁵⁶ On the internal difficulties faced by the German government regarding the 7 June proposals, particularly their efforts to persuade industry to provide guarantees, see Feldman, *Disorder*, pp. 663-7.

⁵⁷ FO 371 8638, C9926/1/18: Communication from German Ambassador, 7.6.23.

⁵⁸ FO 371 8638, C10065/1/18: Niemeyer to FO, 9.6.23.

⁵⁹ Baldwin Papers, Bx 125, pp. 107-14: memo (n.d.) by Bradbury on German note of 7.6.23.

German note, was more cautious in its optimism. Crowe emphasised that the German note made no reference to the crucial issue of passive resistance, and predicted trouble when - as undoubtedly they would - the French requested that Britain join with them in demanding the cessation of passive resistance as a precondition to any further consideration of the reparation problem.⁶⁰ Such a request by the French would pose great problems for the British as it would open the Pandora's box of the legality of the Ruhr occupation, thus highlighting what was in effect the crux of the British dilemma. If the British requested the end of passive resistance, then it would indicate that the British government thought that passive resistance was illegal and was not justified by the French action. In other words it would imply that the British felt that the French action was legal - and that by resisting, the Germans were in effect making an entirely unjustified 'act of war'. On the other hand, if the British refused to join with the French in calling for the end of passive resistance then they would by default be sympathising with the Germans, be viewing their resistance as legitimate, and therefore be implying that they viewed the whole occupation as illegal.

Crowe's fears were soon justified. On 11 June Curzon met the French and Belgian ambassadors. Both called for Britain to join with them in appealing to Germany to end passive resistance.⁶¹ Curzon tried to stall for time. On 13 June he dispatched a note to the French Ambassador asking what exactly was meant by the demand for the end of passive resistance.⁶² Did it mean simply that the German government should withdraw their decrees, or did the French government expect the Ruhr population actively to cooperate with the

⁶⁰ Minute by Crowe, 7.6.23 on FO 371 8638, C9827/1/18: Addison, tel. 221, 5.6.23.

⁶¹ CAB 23 45, Cabinet Minutes, 11.6.23.

⁶² In adopting this policy, Curzon was using a suggestion made by Crewe in a letter of 8 June that it would be possible: "...to keep the ball rolling by asking exactly what is meant by the cessation of Passive Resistance, and what would be the next step which the French Government would take, if Passive Resistance were to come to an end." [Curzon Papers, Mss Eur. F.112/201(a): Crewe to Curzon, 8.6.23. (Underlinings added by Curzon in pencil).]

French?⁶³ The Belgian Ambassador was asked the same questions.⁶⁴

Several weeks passed before, after a heated interview between Curzon and Saint-Aulaire,⁶⁵ the French reply arrived. This was predictably disappointing. Poincaré defined the cessation of passive resistance as involving the active collaboration of the Ruhr population and refused to give any assurances that modifications in the terms of occupation would follow the withdrawal of German government decrees.⁶⁶ A Belgian reply was also received which, though more friendly in tone, in essence merely reiterated the French line.⁶⁷ Poincaré was clearly more confident of his position, and thought that Germany's growing weakness would mean a French victory regardless of British support.⁶⁸

Thus, by the beginning of July little progress had been made since Curzon's House of Lords speech of 20 April. The stalemate was as intractable as ever, and Anglo-French relations were increasingly strained. Yet while diplomatic progress was slow, important developments had been occurring within the British policy-making machine. At a domestic-political level, the latent differences which had remained uneasily dormant since the onset of the crisis, now began to surface as frustration with the inadequacy of Curzon's policy crystallised. But at the very time when divisions in the Cabinet were growing, so the two key administrative departments - the Foreign Office and the Treasury - began to converge on a more actively Francophobic stance.

⁶³ FO 371 8639, C10272/1/18: Communication to the French Ambassador in London, 13.6.23.

⁶⁴ FO 371 8639, C10273/1/18: Disp. 638, to Grahame, 12.6.23.

⁶⁵ Curzon Papers, Mss Eur. F.112/240: tel. 2227 to Crewe, 3.7.23.

⁶⁶ FO 371 8642, C11803/1/18: Disp. 2267 to Crewe, 6.7.23.

⁶⁷ FO 371 8642, C11638/1/18: Disp. 720 to Wingfield (Brussels), 3.7.23.

⁶⁸ Foreign Office officials were aware of and worried by this trend. On 25 June Lampson commented: "The outlook is black... The inference to be drawn from the prolonged silence from France in replying to our note of June 13... is that France is playing for time, no doubt on the strength of the reports which are reaching him [Poincaré] to the effect that Germany is nearing the end of her tether." [Minute by Lampson, 25.6.23 on FO 371 8640, C10983/1/18: Crewe, tel. 610, 24.6.23.]

Domestic-Political Pressures.

As was shown in Chapter II, there is evidence that from the start of the occupation Bonar Law's position was compromised by considerable backbench support for France. As tentative intervention stagnated, this faction became increasingly dissatisfied with the government's stance and this dissatisfaction was expressed at the highest level by key politicians. For example, when Curzon submitted to Cabinet his draft reply to the German May 2 note, both Derby and Neville Chamberlain (the Minister for Health) wanted it to be more stringent towards the Germans. As Derby wrote privately to Curzon: "I do feel that this is one of the most important documents we have had to deal with and it is very important that nothing should be said which would be construed as a bias towards Germany."⁶⁹ On 17 July Baldwin received a letter from his Secretary of State for Air, Samuel Hoare, arguing that:

"At every turn it seems to me that the breach with France, even though it may be ultimately inevitable, is for the moment likely to delay and endanger the settlement of Europe. // If this is so I am inclined to think that a bad arrangement with France, unsatisfactory though it may seem to many of us, is better than a breach with France."⁷⁰

Worthington Evans agreed:

"It seems to me we are in some danger because we disapprove of French action in the Ruhr, of going to the other extreme and shaping our policy on the footing that the French are wrong and the Germans are right. // Is it not the truth that the Germans are wrong..."⁷¹

The editor of the Morning Post, H.A. Gwynne, bombarded Baldwin with yet more extreme advice.⁷² Gwynne consistently advocated an alliance with

⁶⁹ Curzon Papers, Mss Eur. F. 112/229: Derby to Curzon, 7.5.23.

⁷⁰ Baldwin Papers, Bx 126, pp. 81-8: Samuel Hoare to Baldwin, 17.7.23.

⁷¹ Baldwin Papers, Bx 126, pp. 102-110: Worthington Evans to Baldwin, 17.7.23.

⁷² For more information on the machinations of Gwynne, see K.M. Wilson, A Study in the History and Politics of the Morning Post, 1905-26, (New York, 1990), pp. 193-215; and Keiger, Poincaré, pp. 299.

France and was extremely critical of Curzon. On 13 June he wrote:

“In the present case, your delegates are, first of all Curzon, then Crewe, then D’Abernon. I went to see Bonar the other day and you will not be surprised to hear that he said that Curzon was a bad foreign secretary... As for D’Abernon he is a crook... Now these are the instruments with which you have to work. You are bound to fail if you use them.”⁷³

Such pro-French views - extreme in Gwynne’s case, but far more reasoned and deliberate within the ranks of the Conservative Party itself, were an important consideration for the Prime Minister. But at the same time as facing mounting support for a more Francophile stance, Baldwin also had to contend with pressure from those who wanted to submit the whole Ruhr question to the League of Nations. This lobby was not, perhaps, as influential as the Francophiles, as many of the most influential supporters of the League did not sit on the government benches. It did however now have a vociferous advocate in the form of Lord Robert Cecil, the Lord Privy Seal, who was in effect the ‘League Minister’. Cecil’s desire to submit the whole question of the Ruhr crisis to the new, post-war method of arbitration by the League of Nations brought him into conflict with both the Foreign Office and the Foreign Secretary.

Curzon’s suspicions of Cecil were aroused as soon as he realised that Cecil was to have responsibility for League affairs. On 2 June he wrote to Cecil:

“I do not wish there to be any misunderstanding about the fundamentals;... the League of Nations business is now under the Foreign Office and I am not prepared to delegate my responsibility to anybody.”⁷⁴

The following day Curzon was incensed to hear that Cecil had been interfering in diplomacy at Paris. Apparently Cecil had hinted unofficially to the French that unless progress towards negotiations was made, the British government

⁷³ Baldwin Papers, Bx 114, pp28-30: Gwynne to Baldwin, 13.6.23.

⁷⁴ Curzon Papers, Mss Eur. F.112/229: Curzon to Cecil, 2.6.23.

might bring the question of the Ruhr before the League.⁷⁵ Curzon's anger was clear. On 14 June he wrote to Baldwin:

"I am afraid he [Cecil] is out to make trouble. I will endeavour to keep the peace to the best of my ability. But I have no intention of admitting a second even if a subordinate Foreign Secretary nor of allowing the responsibility for League work to be taken away from the FO."⁷⁶

The quarrel quickly escalated. On 20 June, Cecil wrote to Baldwin:

"He [*Curzon*] thinks the old arrangement for dealing with the League of Nations affairs was satisfactory by which Balfour or Fisher took no interest in and had no knowledge of anything connected with the League of Nations policy of the country except what they could gain from the Foreign Office telegrams... I on the contrary think it a most unsatisfactory one... It is very little too much to say that the great mass of Foreign Office work goes on precisely in a prewar fashion and the amount of attention given to the League is very small."⁷⁷

Baldwin, anxious to maintain Cabinet unity, tried to calm both sides. Both Curzon and Cecil remained touchy⁷⁸ and as late as 7 August Curzon wrote:

"I must also ask your protection against the altogether mistimed and intolerable intervention of Bob Cecil at Paris. If he is to be at liberty to go over there and without any reference to you or me or the Cabinet to [*the text here is uncertain*] a policy of his own (with which I may say I wholly disagree) it renders my position quite impossible, and I shall have no alternative but to ask to be relieved of it."⁷⁹

This incident between Curzon and Cecil demonstrates the growing potential for conflict over foreign policy which existed in the Cabinet and the problems which such divisions could pose for Baldwin. Furthermore, Baldwin, like Bonar Law, had to take into account continued pressure from the Dominions, and particularly from General Smuts. On 7 July Smuts wrote to Baldwin: "British Government will soon have to choose between maintenance of Entente on the

⁷⁵ Baldwin Papers, Bx 114, pp.132-3: Cecil to Curzon, 3.6.23. See also: T194/277: Cecil to Bradbury, 6.6.23.

⁷⁶ Baldwin Papers, Bx 114, pp. 136-8: Curzon to Baldwin, 14.6.23.

⁷⁷ Baldwin Papers, Bx 114, pp. 150-2: Cecil to Baldwin, 20.6.23.

⁷⁸ For Crowe's commentary see Phipps Papers II, Bx 2/1, p11: Crowe to Phipps, 8.8.23.

⁷⁹ Baldwin Papers, Bx 114, pp. 157-160: Curzon to Baldwin, 7.8.23. See also Cecil's message to Baldwin, 8.8.23 [Baldwin Papers, Bx 127, pp. 100: Phipps disp. 740, 7.8.23].

one hand and maintenance of British self-respect and honour and Empire prestige as a first class Power on the other.” He then advised that Baldwin should: “solemnly renounce the Entente in a formal document...”⁸⁰

Smuts’ views were in sharp contrast with the increasingly restive Francophiles. These issues, coupled with the League disagreement, highlight the political difficulties Baldwin faced. While it seemed everyone was unhappy with the impotence of British policy, the prospect of united Cabinet support for an alternative was small. This was particularly unfortunate for Baldwin as public and commercial opinion was becoming yet more critical of the situation and was tending (apart from those elements of the press, such as the Morning Post, controlled by the Francophiles) to swing against France. For example, the Manchester Guardian openly supported the Germans’ June proposals⁸¹ while at the end of June the Times advocated action against France: “...if joint action is impossible, then the British Government must face the responsibility of making an effort on its own to arrest the destructive process before it is too late.”⁸² John Maynard Keynes commented on the British press reactions to the 7 June note: “The note has done all it was capable of doing and has ranged virtually the whole of British public opinion on its side. I don’t know when the press has been more unanimous in quiet approval.”⁸³

The Italian Ambassador felt that commercial and financial opinion was also hardening against France. On 3 July he reported to Mussolini:

“The delay of the French Government in answering the British Questionnaire [Curzon’s enquiry about the nature of passive

⁸⁰ CAB 24 161, CP 418: tel. from Governor General of the Union of South Africa to Secretary of State for the Colonies, 7.7.23. At this stage the Foreign Office fobbed off Smuts by writing that the questions raised by Smuts were: “...of such magnitude that they can hardly be dealt with now by an exchange of telegrams, but call for detailed discussion at the British empire Conference.” [CO 532/129: FO reply to Smuts, 17.7.23].

⁸¹ Manchester Guardian, 8.6.23, pp. 6.

⁸² The Times, 28.6.23, pp. 15.

⁸³ Keynes to Max Warburg (a German businessman), 21.6.23, cited in Rupieper, Cuno, pp. 163.

resistance] is keenly resented by public opinion here. The press adopts a sharp tone, demanding an immediate written reply from the French Government. To the difficulties due to the situation created by French action in the Ruhr, there is consequently now indignation at the (?tactics) of POINCARÉ, which are here considered far from courteous towards England. Commercial and financial circles are putting great pressure upon the government to secure energetic action with a view to a speedy solution of the present crisis, from which these circles are suffering severely. In diplomatic circles the feeling is that the critical moment in Franco-British relations has arrived, and that the general European situation has never been more dangerous since the armistice.”⁸⁴

Certainly the Bank of England sympathised with Germany’s plight. On 20 June its Governor, Montagu Norman, wrote to the President of the Reichsbank: “As you know, we are anxious to assist you at any time to the extent that lies in our power to do so...”⁸⁵ and by the end of July the Bank of England had advanced the Reichsbank over £7.5 million (secured against the Reichsbank’s London gold deposits) to prop up the mark.⁸⁶

The government also faced continuous questioning in Parliament from the opposition about the situation in the Ruhr.⁸⁷ By the end of June these questions were becoming more aggressive. For example, on 14 June Baldwin was asked whether: “...he is aware of the widespread objection felt in this country to any declaration... which would imply approval of the Franco-Belgian occupation...”⁸⁸; while on 27 June a comment on German collapse was: “What do the Government propose to do... Are they going to let the matter drift on?”⁸⁹

⁸⁴ HW 12/48: Torretta (London) to Rome, tel. 564, 3.7.23. Both Rupieper and Feldman argue that these pro-German trends in Britain encouraged the Germans to prolong passive resistance in the hope that Britain would intervene [Rupieper, *Cuno*, pp. 172-3 and Feldman, *Disorder*, pp. 668-9].

⁸⁵ Bank of England archives, OV34/71: Norman to President of Reichsbank, 20.6.23.

⁸⁶ Bank of England archives, OV34/71: Norman to President of Reichsbank, 21.7.23.

⁸⁷ For example, see Hansard 164 HC deb 5s, col.398 (16.5.23) and col.1262 (30.5.23).

⁸⁸ Hansard 165 HC deb 5s, col.721 (14.6.23), question by Charles Buxton (MP for Accrington).

⁸⁹ Hansard 165 HC deb 5s, col.2314 (27.6.23), question by Joseph Kenworthy (MP for Hull).

As the Ruhr crisis progressed British public and political opinion was becoming more polarised. While the general trend was in a pro-German direction, Baldwin was handicapped by the pro-French opinion of his own backbenches. To further compound Baldwin's and Curzon's problems, at the very time when the Conservative Francophiles were becoming more vocal, so the Foreign Office and Treasury were adopting a more actively Francophobic stance.

Administrative Pressures.

As was shown in the previous chapter, the majority of Foreign Office officials and British diplomats already sympathised with the Germans and blamed the crisis on the French. Their sympathies were strengthened as reports of French brutality and German weakness flooded into the Foreign Office.

On 30 March 1923 the Allied High Command (under French and Belgian control) ordered the dismissal and expulsion of all railwaymen who refused to return to work. By 15 May these penalties were being enforced. According to Kilmarnock as many as 500 000 people were involved, and it is hardly surprising that the Foreign Office frequently received detailed protests from the German Ambassador.⁹⁰ Wigram described the French action as “disgraceful... [as]... the offence of these railwaymen is...merely that they refused to work for what amounts to a hostile occupying authority.”⁹¹

Reports of French “justice” also provoked anger. After a disturbance at Essen, in which French soldiers shot 14 workmen, the French authorities court-martialled the managers of the works involved, and convicted them of instigating the disturbance. The managers were each sentenced to 10 years’ imprisonment and fined 100 million marks.⁹² Curzon commented: “The sentences were absolutely barbarous.”⁹³

These and similar reports convinced the Foreign Office that the French had

⁹⁰ For example see: FO 371 8731, C8782/313/18: communication from the German ambassador, 15.5.23.

⁹¹ Minute by Wigram, 17.5.23 on FO 371 8731, C8782/313/18: Communication from German Ambassador, 15.5.23.

⁹² FO 371 8730, C8436/313/18: Communication from German Ambassador, 10.5.23.

⁹³ Minute by Curzon, 15.5.23 on FO 371 8730, C8436/313/18: Communication from German Ambassador, 10.5.23.

pushed Germany to the brink of collapse. As Sterndale Bennett summarised: “...German resistance is about to break... The result, however, may not be the capitulation of Germany to France, but internal disintegration and disorder.”⁹⁴ On June 18 Joseph Addison (Counsellor at the Berlin Embassy) wrote to Lampson that:

“...the French will have the German carcass at their mercy by about October next. This, I fear, is exactly what Poincaré knows and what makes a reasonable settlement so difficult. We don’t want Germany to be a carcass. France does not mind very much if she becomes one and if decomposition supervenes, as she sees compensatory advantages.”⁹⁵

This letter prompted Lampson to act. He decided to gather as much information as possible on the impact of a German crash. He sent telegrams to other Whitehall departments and to British diplomats in Brussels, Paris, Italy, the Hague and Moscow asking for their views. In this communication he actually laid down his own opinion. He thought a German collapse would cause immediate chaos to all of Europe, including France; but what is interesting is that he saw German weakness as a short term phenomenon. He simply assumed that Germany would recover - and that she would take over France’s position as the dominant power on the Continent:

“Of course Germany will ultimately recover: several million odd thrifty and industrious souls cannot be indefinitely submerged - and in due course Germany will get her own back out of France, with interest; - but in the meantime if there is to be a smash it will be a nasty one and it will affect us all materially.”⁹⁶

Thus key British officials were resigned to a fundamental shift in the balance of power in Europe in Germany’s favour.

Replies to Lampson’s telegram soon began to filter into the Foreign Office. They were even more pessimistic than Lampson had expected. Rather than

⁹⁴ Minute by Sterndale Bennett, 19.5.23 on FO 371 8731, C8890/313/18: Kilmarnock, disp. 292, 16.5.23.

⁹⁵ FO 371 8640, C10791/1/18: Addison to Lampson, 18.6.23.

⁹⁶ FO 371 8640, C10791/1/18: Communication from Lampson, 26.6.23.

viewing German collapse as a short-term phenomenon, they predicted complete German disintegration, European chaos, and a fundamental shift in the balance of power towards France. Of particular interest was Addison's reply. He emphasised the political disintegration which he saw as the natural result of economic collapse: "I have always been of the opinion... that the present form of government in Germany is not generally popular."⁹⁷ He argued that hyper-inflation was already discrediting the existing capitalist system and could pave the way for chaotic communist uprisings. Although the communists might not be successful,⁹⁸ food riots would erupt across Germany. The army would have to be called in, and would probably act with great vigour in some areas (eg Bavaria) but much less so in others (eg Saxony). Each state would act separately, resulting in the dismemberment of Germany.⁹⁹ By August the Foreign Office accepted this worst-case scenario. Lampson forwarded Addison's letter to the War Council saying that it "is the most authoritative expression of opinion in the Foreign Office" and that Curzon "sees no reason to differ from the conclusions contained therein."¹⁰⁰

Foreign Office fears of the seriousness of the European situation were reinforced when the reports from Grahame and Hugh Knatchbull-Hugesson (at the Paris Embassy) arrived. These suggested that the irresponsible Belgians and French had no conception of the impending catastrophe. From Belgium, Grahame commented:

"I should like to point out as a preface that there is astonishingly little apprehension, either in government circles or among the public generally, of a collapse of the kind of which you seem to be

⁹⁷ FO 371 8641, C11392/1/18: Addison to Lampson, 26.6.23.

⁹⁸ Information reaching the FO suggested that reactionary groups (for example, Hitler's in Bavaria) were gaining ground at the expense of the communists. On 14 July Cadogan commented: "... the nationalists in Germany are gaining ground at the expense of the communists." [Minute by Cadogan, 14.7.23 on FO 371 8795, C12097/2719/18: Ryan disp. 493, 10.7.23.] On 13 August Tyrrell remarked: "Success of communist movement [in Saxony] unlikely." [Minute by Tyrrell, 13.8.23 on FO 3718795, C13325/2719/18: WO, MI3/5514, 1.8.23.]

⁹⁹ FO 371 8641, C11392/1/18: Addison to Lampson, 26.6.23.

¹⁰⁰ WO 190/14: Lampson to Secretary of Army Council, 17.8.23.

thinking. The prevailing idea is that a surrender of the German Government is what is to be expected, and not a collapse of the German political and economic system.”¹⁰¹

The report from Paris was more alarming. Although Knatchbull-Hugesson pointed out that: “If a collapse occurs, the chances of any economic result [*ie reparation*] for France are practically nonexistent...”; ¹⁰² he concluded on an ominous note, emphasising that the French would consider that any serious economic results of a German collapse would be more than offset by the advantageous effects of her political disintegration - which would guarantee French security. He then commented:

“The collapse of Germany would so increase the strength of the French position on the continent that it is unlikely that His Majesty’s Government will be very closely consulted by France as to the future, or that any great attention will be paid to our views unless they are very vigorously stated.”¹⁰³

Only the War Office approached the question from a different perspective. Their reply concluded that while a German collapse would precipitate widespread rioting and looting, the “forces on the side of order are strong enough and sufficiently organised...to deal with the situation...” Although the whole picture could be changed if France intervened and sent in reinforcements to keep order, the War Office did not think such French action likely. Rather, a collapse would result in a nationalist regime in Germany which France would object to as a “military dictatorship”, but which the War Office felt would be, at least at first, essentially unthreatening: “... the Germans in power would be prepared to do anything reasonable on the demand of the Allies... [and] would know that they were not yet sufficiently powerful, either in armament or organisation, to engage France.”¹⁰⁴ In the long term the War Office, in contrast to the Foreign Office, viewed Germany, not France as the threat to the European Balance of Power. In the short term they saw the impending

¹⁰¹ FO 371 8642, C11698/1/18: Grahame to Lampson, 3.7.23.

¹⁰² FO 371 8642, C11799/1/18: Mr. Knatchbull-Hugesson to Lampson, 5.7.23.

¹⁰³ *ibid*

¹⁰⁴ WO 190/12: A.T. McGrath to Lampson, 2.7.23.

German collapse as precipitating this enhanced German threat. They therefore agreed from a practical perspective with the Foreign Office assessment of the dangers inherent in the existing European situation. The War Office were not asked for, and did not provide, an opinion on what British policy should now be.

All the answers which Lampson received underlined the immediate gravity of the situation in the Ruhr. Moreover, leaving aside the War Office view (which was vigorously advocated in Cabinet by Derby but which had scant influence on the overall administration, dominated as it was by the Foreign Office and Treasury) it can be seen that, in general, British official and diplomatic opinion rested on the assumption that the longterm security, peace and stability of Europe depended on a strong but content and responsible Germany. French attempts to shackle Germany's strength by permanent controls on her sovereignty were counterproductive and would result in the saga of dismemberment and chaos so lucidly described by Addison. They would also contravene British interests by tilting the European balance of power in France's favour.

In the light of all this information, the Foreign Office began to consider ways of restraining the French. As early as 14 May, Crowe minuted that:

"I venture to submit that it is a matter for serious consideration whether we should not, by some such means, endeavour to place ourselves in a position to exert real pressure on France in connection with the now almost inevitable differences between the policies of our two governments regarding reparations and inter-allied indebtedness. Sooner or later it will become necessary for us to try and force an issue. We can hardly allow ourselves to be simply squeezed out by a purely Franco-Belgian combination, and see the whole economic situation in Europe brought to ruin through French obstinacy and entire disregard of the interests of this country. The only lever which we hold is our power of finance. But we do nothing even to prepare to use it... I should like to see a state of things created in which the French, when they come over here to raise money for their own purposes, found practical difficulties in discovering lenders. Naturally this should not

appear as anything due to government interference... If such a policy were adopted we should soon find the French money interests turning against their own government for following a policy which made English capital reluctant to come forward in support of French enterprise.”¹⁰⁵

Curzon, although cautious, did not dismiss the idea of using such methods to put pressure on France. He commented that Crowe’s suggestion was “valuable”¹⁰⁶ and authorised him to pursue enquiries.

On 31 May, Crowe sounded Montagu Norman, the Governor of the Bank of England, about his plan.¹⁰⁷ Norman argued lucidly against the suggestion. France, he said was in a very different situation now from a year ago. She had already achieved postwar reconstruction and no longer needed to borrow vast sums of money. Should she need to do so then she could easily look to places other than London.¹⁰⁸

Norman’s arguments were sufficiently strong to doom this initial Foreign Office suggestion. But Crowe was not the only senior official who was trying to think of ways of breaking the deadlock. Lampson was engaged in a similar pursuit and it was he who suggested that Britain threaten France with the possibility of independent British action to secure a reparation settlement unless she agreed to negotiations. “The thought suggests itself,” he commented,

“that the moment may fast be approaching when, in the interests of the social order of the world..., we may have to take a firmer line with France. My personal belief is that if we told her point blank that, in order to have done with this insufferable Reparation question, we were prepared to go ahead if necessary alone with an

¹⁰⁵ Minute by Crowe, 14.5.23 on FO 371 8636, C8895/1/18: Communication from Niemeyer, 12.5.23.

¹⁰⁶ Minute on *ibid* by Curzon, 15.5.23.

¹⁰⁷ FO 371 8638, C9678/1/18: Memo by Crowe, 31.5.23.

¹⁰⁸ Norman did, however, suggest an alternative way of putting financial pressure on France - through her debt to Britain. He advocated announcing that, as France could afford to waste vast amounts of money on the Ruhr, there was no reason why she should not be able to pay the debt she owed Britain - in full and with interest. Norman said that if this announcement were made at the right moment it would result in a fall in the value of the franc. This would alarm French finance and so might well induce the French government to assume a more reasonable approach to British views.

impartial assessment of Germany's capacity to pay and to accept the 22% (ie the Spa percentage) of that assessment as the share due to the British Empire even if France did not come with us, we should then find that France came along behind pretty quickly. We should then be done with the Reparation Commission and all its attendant evils. The French would no doubt scream: but sooner than be isolated and see us get our money they would follow our lead."¹⁰⁹

As yet this was only a suggestion, but it was soon to become a major policy alternative - primarily because it met with the support of the Treasury. Lampson concluded: "The idea is at least worth consideration: and I gather that the Treasury think there is something in it."¹¹⁰ Indeed the Treasury had long since lost patience with the French.¹¹¹ Bradbury told Niemeyer:

"Lampson's suggestion is on the same general lines as the advice I myself gave to the Prime Minister when I was last in London.// The technical juridical position as regards our escaping from the fetters of the Reparation Chapter of the Treaty of Versailles is, I fear, not very cheerful.// On the other hand, if I had the political responsibility for dealing with the matter, I should not be disposed to worry very much about the juridical technicalities."¹¹²

Lampson began to follow up his suggestion. On 9 June he asked Hurst for a legal view.¹¹³ On 12 June Hurst replied that, in his opinion, the Reparation Commission could not actually cancel any part of Germany's capacity without specific authority from each of the governments represented on the Commission. Any independent action by one power on this question would be a departure from the Treaty and "would in fact break up the Entente altogether on the subject of reparations."¹¹⁴ Hurst explained:

"Any such scheme as that which Mr. Lampson adumbrates must entail a complete break away on the part of this Government from the reparation machinery provided for in the treaty... // So long a period has elapsed since the French marched into the Ruhr that we should not at the present stage be able to justify a break

¹⁰⁹ Minute by Lampson, 25.5.23 on FO 371 8637, C9217/1/18: D'Abernon tel. 210, 23.5.23. (Lampson's underlinings).

¹¹⁰ Ibid.

¹¹¹ See for example Baldwin Papers, Bx 125, pp. 165-7: Warren Fisher to Baldwin, 12.6.23 and Baldwin Papers: pp. 214, Bradbury to Baldwin, 14.6.23.

¹¹² Baldwin Papers, Bx 125, pp. 246: Bradbury to Niemeyer, 27.6.23.

¹¹³ FO 371 8639, C10291/1/18: Minute by Lampson, 9.6.23.

¹¹⁴ FO 371 8639, C10291/1/18: Minute by Hurst, 12.6.23.

away on the reparations question as the result of the French and Belgian break away implied by their independent action.”¹¹⁵

From the legal standpoint, then, to pursue a course of independent action would be far from easy. But by this stage frustrations with French procrastination were increasing. For example, Lampson exploded:

“No-one save France wants to see Germany in fragments and a danger to Europe for years to come. It takes a Frenchman to ignore the after-effects of what is going on in the Ruhr and the Rhineland at this moment. It takes a Frenchman to perpetuate the tradition of national hatred by perpetrating acts in those regions which are little short of what the Germans did in time of war...”¹¹⁶

So angry was Lampson that he was undeterred by Hurst’s objections: “I admit that the idea suggested in my minute entails all the legal difficulties pointed out by Sir C. Hurst. But it occurs to me as possible that the moment is fast approaching when we may be forced to seek a practical solution regardless of legal difficulties.”¹¹⁷ Crowe agreed: “The question raised by Mr. Lampson is one deserving every consideration.”¹¹⁸ By this stage even Curzon was prepared to see further discussions: “I think the suggestion is worth pursuing.”¹¹⁹

As a result, Lampson began discussions with Hurst, Niemeyer and Sir John Fischer Williams (the British Legal Representative on the Reparation Commission). By 30 June the verdict was swinging towards action against France. Lampson reported that a consensus had been reached that it was possible for Britain to hold an independent enquiry into Germany’s capacity to pay, although for Britain actually to obtain money from Germany other than through the machinery of the Reparation Commission would be in breach of the Treaty. Despite the difficulties entailed in this action the Foreign Office by

¹¹⁵ *ibid*

¹¹⁶ FO 371 8639, C10291/1/18: Minute by Lampson, 22.6.23.

¹¹⁷ *ibid*

¹¹⁸ Minute on *ibid* by Crowe, 22.6.23.

¹¹⁹ Minute on *ibid* by Curzon, 23.6.23.

now favoured it. Lampson concluded: "...that the idea is at least worth pursuing and that it may well contain the germ of a real solution of the Reparation question."¹²⁰ Crowe agreed: "Although it is impossible to forecast now what would be the ultimate effect on France of the result of such an enquiry - especially if the US took part in it - it may be said that it will certainly be worthwhile to set it on foot."¹²¹

But Curzon, although he had sanctioned the enquiry, was aware of the Cabinet opposition such a departure would meet. At the beginning of July he still hoped that the French reply to his questions on the nature of passive resistance might provide the opening for a solution to the Ruhr crisis without necessitating a breach with France. He therefore decided not to instigate an independent enquiry, saying: "Let us first await the French and Belgian replies."¹²²

On 6 July the uncompromising French reply arrived. Over-ruling the Foreign Office/Treasury view, Baldwin and Curzon tried one last time to nudge negotiations forward without "taking sides" from either an international or a domestic-political perspective. As Torretta told Mussolini on 16 July: "...Curzon has been obliged to assume toward France a less (?rigid) attitude than his programme originally allowed, in view of the necessity of accommodating his views to those of certain other members of the Cabinet who desire to follow a more moderate policy."¹²³ On 12 July Baldwin and Curzon made identical statements to both Houses of Parliament calling for a collective reply to the German proposals.¹²⁴ According to Neville Chamberlain,

¹²⁰ Minute by Lampson, 30.6.23, on FO 371 8641, C11456/1/18: Central Department minute, 29.6.23.

¹²¹ Minute on *ibid* by Crowe, 30.6.23.

¹²² Minute on *ibid* by Curzon, 1.7.23.

¹²³ HW 12/48: Torretta to Mussolini, tel. 607, 16.7.23.

¹²⁴ CAB 23 46: Appendix to Cabinet on 12.7.23.

the Minister for Health, Curzon had been influenced by the Francophobes and had originally wanted the Cabinet to approve a harsher statement: "... the tone was distinctly 'nasty' towards France. It seemed to me that it would produce the worst impression there and among those of our people who are very pro-French."¹²⁵ Baldwin had toned it down, explaining that "he thought Curzon's draft too long for the H. of C. and that we must have something more calculated to carry with us our Francophile party and press."¹²⁶

On 20 July Curzon submitted to the allies a draft British version of the collective allied reply to the German proposals. This passed Cabinet more easily, with most of the discussion relating to small points of detail. Chamberlain commented: "Curzon bore all the criticism with remarkable patience and good temper."¹²⁷ The reply stated that Britain was prepared to join with the French and Belgians in calling for the end of passive resistance, but only if first, Germany's capacity to pay were submitted to some kind of impartial international expert enquiry; and second, that if the Germans agreed to end passive resistance, there should be "swift and immediate" changes to the character of the occupation. In other words, that there should be a progressive evacuation of the Ruhr.¹²⁸

Neutrality may have been maintained, but one has to stop and consider whether Curzon seriously thought anything more than good publicity could be achieved by this draft reply. This was certainly Crowe's reasoning: "... it ought to be possible so to draft a note... that, when it was published, world opinion would recognise that we had made a reasonable and generous effort for a

¹²⁵ Neville Chamberlain Papers, NC2/21: Neville Chamberlain's diary, 15.7.23.

¹²⁶ *ibid.*

¹²⁷ Neville Chamberlain Papers, NC2/21: Neville Chamberlain's diary, 20.7.23.

¹²⁸ FO 371 8644, C12540/1/18: Communication to French Ambassador, London, 20.7.23.

settlement.”¹²⁹ It also explains Curzon’s comment to Cabinet on 19 July: “Someone having asked a question as to the reception [of the note] by the French, he [Curzon] said Oh the French will receive this ‘with a gasp of delicious surprise.’”¹³⁰ Given that the French had consistently said that the Germans must abandon passive resistance unconditionally as a precondition to any form of progress, it was hard to imagine that Poincaré would voluntarily make any concessions to Germany in order to encourage them to do this. This was especially the case as by this stage Germany looked to be on the point of capitulation anyway.

The French and Belgian replies to the 20 July British draft reply were not long in coming, and naturally their response was cold. On 21 July, Poincaré told Phipps that France would not negotiate with Germany until passive resistance had stopped.¹³¹ Jaspar agreed - saying on 25 July that neither France nor Belgium could make the cessation of passive resistance the subject of a bargain.¹³² On 30 July the unmitigated failure of Curzon’s attempt to open negotiations was confirmed when lengthy and official communications were received from both the French and Belgians. Lampson angrily commented on Poincaré’s reply:

“The general gist of the note may be summed up as a determined opposition to any practical move towards settlement. It insists upon the continued occupation of the Ruhr, clearly aims at the collapse of Germany, and gives no indication of any sort as to what is proposed when that collapse actually occurs...”¹³³

Crowe expostulated: “It looks as if those were right who believe that M. Poincaré does not really desire a settlement, preferring to remain in the Ruhr

¹²⁹ FO 800/243, Crowe Papers: Memorandum by Crowe on proposed reply to German Note, 18.7.23.

¹³⁰ Neville Chamberlain Papers, NC2/21: Neville Chamberlain’s diary, 20.7.23.

¹³¹ FO 371 8644, C12613/1/18: Phipps, tel. 696, 22.7.23.

¹³² FO 371 8644, C12836/1/18: Grahame, tel. 176, 25.7.23.

¹³³ FO 371 8646, C13519/1/18: FO minute by Lampson (undated).

and to see Germany reduced to impotence, as ends valuable in themselves;"¹³⁴ while Curzon told Cabinet that: "the French note indicated a determined opposition by the French Government to any immediate move in the direction of a settlement and an intention to prolong negotiations until Germany collapsed."¹³⁵

All this was bound to provide ammunition for the already active anti-French lobby. The immediate question for the future, therefore, was whether patience with the French was finally exhausted, and whether Baldwin and Curzon, prompted by the Foreign Office and Treasury, would at last take a firmer stance.

¹³⁴ Minute by Crowe, 23.7.23, on FO 371 8644, C12619/1/18: Phipps, dispatch 1728, 22.7.23.

¹³⁵ CAB 23 46: Minutes of Cabinet Meeting on 1.8.23.

Conclusion

Both Rupieper and Feldman, in their detailed works on the German collapse, criticise British policy, particularly in June and July 1923, for misleading the Germans and giving them false hope. Rosenberg's main foreign policy aim was to involve Britain against France, and so the encouraging signals from London persuaded him to prolong passive resistance - ultimately with devastating consequences.¹³⁶

This criticism of Britain has not so far been addressed in the British historiography. The tendency has been to place full blame for the German collapse on the French. Maisel passes over the early summer of 1923 with a brief chronology of the exchange of notes,¹³⁷ while Sharp dismisses it as a period of "fruitless correspondence,"¹³⁸ Williamson and Bennett also avoid analysis of the dynamics behind British foreign policy, stating simply that the British became consistently more forceful in their attempts to force negotiations on the obstinate and unreasonable French.¹³⁹

As this chapter has demonstrated, the reality was much more complex. Immense problems and constraints behind the British position remained, and as the weeks passed and tentative intervention failed to prompt negotiations, these latent problems became more clearly reflected at a high policy level. With compromise between France and Germany more difficult than ever, disagreements over the Ruhr within and between the British administration, Cabinet, Parliament and public opinion grew. These differences increasingly affected Britain's policy as, despite the fact that the Cabinet remained

¹³⁶ Feldman, *Disorder*, pp. 668-9; Rupieper, *Cuno*, pp. 172-3.

¹³⁷ Maisel, *Foreign*, pp. 125.

¹³⁸ Sharp, 'Lord Curzon', pp. 87.

¹³⁹ Bennett, *British*, pp. 36-7; Williamson, 'Great Britain', pp. 81-2.

seriously divided, the Francophobes gained the ascendancy in the administration. Tragically, one result of this was to be, as Feldman and Rupieper contend, the false optimism and justifiable misinterpretation of the situation by the Cuno Cabinet. The other result - as will be described in Chapter IV - was to be the ultimate fragmentation of Britain's Ruhr policy when, faced with the continuation of the struggle on the Continent, the government finally tried to make the choice between France and Germany.

Chapter IV

The 11 August Note and its Aftermath, August - September 1923

By the beginning of August the international situation was no further forward than it had been at the onset of the crisis in January. Britain still found herself trapped in the middle ground between a France and a Germany each irreconcilable with the other. Meanwhile, the Ruhr crisis had continued to escalate and was now extremely serious.

In this chapter the developments during August and September 1923 will be examined. On 11 August the British government effectively abandoned its previous policy of benevolent passivity towards France when it sent a strongly worded note to the French government, sharply criticising French policy, declaring the occupation of the Ruhr to be illegal, and vaguely threatening some kind of unilateral “separate action” to hasten a settlement. However, when it became clear that Poincaré would not be moved by these threats the British made no move to act on them. On the contrary, they retreated from this position and instead, by September, were pursuing a policy of increased friendship with France. On 19 September Baldwin had a private meeting with Poincaré in which the Entente was reaffirmed. Seven days later the German government announced the unconditional cessation of passive resistance.

Historians of France and Germany are unanimous in condemning British policy at this time. Feldman, Rupieper, Kent, Trachtenberg, McDougall and Keiger all agree that Britain’s refusal to intervene on Germany’s behalf after

the 11 August note was the final straw for Germany.¹ Disillusioned with his Anglophile policy, the new German Chancellor, Gustav Stresemann, turned to France. When Poincaré refused to negotiate Stresemann eventually called off passive resistance on 26 September. Britain was therefore guilty at least of causing additional confusion in German policy, and at worst of betraying Germany by offering her false hope and encouraging her government to hold out for longer, thus exacerbating her eventual collapse. Why Britain acted in this way, however, is not explained.

This mystery has not been solved by the existing historiography on British policy. The most accurate works are those by Bennett and Uxbridge. Bennett's commentary is extremely brief, but he does recognise the contentious nature of the 11 August note and mentions that Cabinet differences prevented its being acted on.² Uxbridge too finds significant Cabinet differences at this time and suggests that they may have influenced policy.³ Sharp hints at the contradictions in British policy, saying that Baldwin miscalculated by agreeing to meet Poincaré in September.⁴ On the other hand, Williamson glosses over the 11 August note as a "reasoned summary of British policy", criticises France for her continued intransigence and then briefly narrates the Baldwin-Poincaré meeting, without commenting on the obvious inconsistency of British policy.⁵ Maisel, too, ignores the significance of the 11 August note and fails to identify any retreat on Britain's part.⁶

Crowe and Corp's account is yet more contentious. For them the 11 August

¹ Feldman, *Disorder*, pp. 736; Rupieper, *Cuno*, pp. 232; Kent, *Spoils*, pp. 224; Trachtenberg, *Reparation*, pp. 310; McDougall, *France's*, pp. 292; Keiger, *Poincaré*, pp. 302.

² Bennett, *British*, pp. 37-8.

³ Uxbridge, 'British Political', pp. 332-36 & 365.

⁴ Sharp, 'Lord Curzon', pp. 87.

⁵ Williamson, 'Great Britain', pp. 82.

⁶ Maisel, *Foreign*, pp. 126.

note ("Crowe's celebrated note of 11th August") marked the final triumph of Crowe's long and consistently held view that the Franco-Belgian action was illegal. That the occupation was illegal is accepted by Crowe and Corp as irrefutable, a fact proved by the 'magical effect' of the note both in Germany (where law and order returned) and on Poincaré (who began to reconsider his demands for the unconditional cessation of passive resistance). The note should immediately have been followed up by action, but was not because of differences between Curzon and Baldwin.⁷ As will be shown, Crowe and Corp's analysis has many weaknesses. Crowe had not consistently advocated declaring the Ruhr occupation illegal, and even when the 11 August note was sanctioned the Foreign Office were aware that their arguments were shaky and had not decided what 'separate action' meant. The note's effects on both France and Germany were bad: in Germany chaos mounted and the Cuno Cabinet collapsed, while in France Poincaré remained unmoved. Key Cabinet ministers had always been unhappy with the note and therefore separate action after it was never really on the agenda anyway. Moreover, Crowe and Corp's account, in common with those by Bennett, Williams, Uxbridge and Maisel, fails to address two key issues. First, why, if they were not going to act, did the British make the threats of 11 August? Second, why, rather than simply not act, did the British then compound their problems by trying to move towards France?

This chapter addresses these issues. It will be shown how the domestic-political and administrative divisions which had remained just below the surface before the French reply of 30 July now came to the fore and seriously disrupted British policy. The result was that the British reply to Poincaré's note - given on 11 August - was an inadequate compromise. To some extent embracing the views of the Francophobes, who had by this time gained

⁷ Crowe & Corp, *Ablest*, pp. 436-9.

ascendancy in the administration, it was intended to jolt the French into submission. But as the Cabinet did not support the idea of separate measures against France, real action was never intended. Such a policy entailed a large element of risk, and when Poincaré refused to be moved, the risk did not pay off. The implications for British policy were far-reaching. The attempt to assume the role of mediator had categorically failed. The Francophobes were discredited, the Francophiles in uproar. To silence these vocal critics, Baldwin tried to undo the 11 August mistake by approaching Poincaré.

The 11 August Note.

By the end of July it was clear that tentative intervention had failed. Twice the Germans had been persuaded to make proposals, but on neither occasion had Britain been able to come near to breaking the stalemate, which was by now centred around the complex issue of passive resistance. On 30 July, notes from the French and Belgians simply emphasised their view that passive resistance must cease unconditionally before any advance could be made. For the British the immediate questions for consideration were those of what should be done with regard to these French and Belgian notes, as well as the original German note of June 7. On 1 August these questions were discussed in Cabinet. No clear policy was agreed upon, with the Cabinet preferring to concentrate on matters of immediate expediency rather than on any long term strategy. It was decided that Curzon would draft a reply to the French and Belgian notes which should include: "...a statement of British policy in regard to Reparations...".⁸ What this statement should say however was not specified, other than that it should be: "...in the nature of an appeal to the public opinion of the world".⁹

The Cabinet thus left the responsibility for the contents of the draft note very much in the hands of Curzon and the Foreign Office. The Foreign Secretary did not give a strong lead. As late as 6 August he minuted on one of the many revised drafts which had been prepared: "...I am not clear whether our present reply is to consist merely of a summing-up of the situation and correspondence up to date... or whether we are to go ahead with our independent policy."¹⁰ In these circumstances, with the Foreign Secretary undecided and the Cabinet

⁸ CAB 23 24: Cabinet minutes, 1.8.23.

⁹ *ibid*

¹⁰ Minute by Curzon, 6.8.23 on: FO 371 8647, C135688/1/18: Draft reply by Crowe, 7.8.23.

brief vague, it was natural for the suggestions and advice of Foreign Office officials to be of crucial influence. In the last chapter it was shown how, as the Ruhr crisis progressed and the British policy of tentative intervention failed, key figures in the Foreign Office - including Lampson and Crowe - began to advocate taking a more active policy against France. Their views were now translated into the government's policy, as the evidence shows that it was the Foreign Office which was primarily responsible for the inclusion of one of the most crucial sections of the note: that concerning the legality of the French occupation.

The legal question had been raised on several occasions since the occupation began, but before August it had generally been thought too complex and controversial to merit contesting with the French. The basic debate was over the question of whether international law (as embodied in this matter by the Treaty of Versailles) allowed the French and Belgians, without British agreement, to occupy the Ruhr valley as a justifiable sanction resulting from German default. This question was examined in the Spring of 1923 and was shelved because of its controversial and ambiguous implications.¹¹ After reading a report by the Law Officers at this time, Curzon concluded: "... it is clear that we shall do no good by raising the legal question and I certainly have no intention of doing it."¹² But by the summer the legal question was again raised by Foreign Office officials who were aware of the problems, but who chose to ignore or gloss over them in an attempt to coerce France. In other words, the raising of the legal question in August represents another symptom of the ascendancy of the Treasury view within the Foreign Office and is an example of its disruptive influence on policy.

¹¹ See above, Chapter II, pp. 112-4. On 11 April the Law Officers reported that the legal question depended on the interpretation of the words 'economic and financial prohibitions and reprisals' and that as HMG had previously occupied three Rhineland towns in 1921, for them now to object to the French measures would render them open to charges of hypocrisy.

¹² See above, Chapter II, pp. 113-4.

In the previous chapter it was shown how Lampson, angry at French intransigence and alarmed by reports of imminent German collapse, began to examine the possibility of separate action by Britain to break the stalemate and force negotiations. Despite legal objections from Hurst, Lampson, encouraged by the Treasury, did not abandon the idea. By the end of June both he and Crowe were advocating the establishment of some form of independent enquiry.¹³

At the same time, the Foreign Office was reexamining even more fundamental issues. In particular, British officials were angry at the French practice of using Rhineland High Commission Ordinances (forced through with Kilmarnock abstaining) to coerce the Ruhr and Rhineland populations. On 12 July Cadogan wrote to the Law Officers concerning ordinances 153 and 154, which allowed the French and Belgians to seize any form of property they liked for the purpose of reparations.¹⁴ Once more the Law Officers were dubious, reiterating the views expressed by Hurst on a previous occasion when he said: "I am not clear that they [*HMG*] would derive any advantage from it [*protesting about the legality of ordinances*] unless a change of attitude in the part of HMG is contemplated and the era of benevolent neutrality is coming to an end."¹⁵ Cadogan concluded gloomily: "It follows, then, that we cannot make our proposed protest to the French Government on this point..."¹⁶

But Lampson was no longer content to let matters rest. By now a clear leader of the Foreign Office Francophobe camp, he seized on the fact that the Law Officers had only been commenting on the occupation of the Rhineland, not the

¹³ See above, Chapter III, pp. 152-6.

¹⁴ Minute by Cadogan, 2.8.23 on FO 371 8736, C13098/313/18: Report from Law Officers, 30/7/23.

¹⁵ Minute by Hurst, 17.5.23 on FO 371 8732, C9456/313/18: FO Minute, 8.5.23.

¹⁶ Minute by Cadogan, 2.8.23 on: FO 371 8736, C13098/313/18: Law Officers' Report, 30.7.23.

Ruhr:

“...the French and Belgian Governments are within their rights in applying within the occupied Rhineland such measures of financial and economic coercion as are authorised by the treaty...// Of course there has never been any question as to measures taken outside the occupied territory (ie the Ruhr) being legal.”¹⁷

In adopting this line of argument Lampson was influenced by the Treasury, with whom he was already in consultation concerning the possibility of separate action, and whose Francophobia was becoming more strident than ever. Sir Norman Warren Fisher (Permanent Secretary of the Treasury and Head of the Civil Service) described the French note of 30 July as a direct assault on Britain:

“In short the French require the English as a condition of co-operation to accept French dictation and to sink their own views...// The British Government is to abdicate and - in common with Germany - Great Britain is to accept a French hegemony of Europe in the (imagined) interests of France. I submit that the French attitude leaves us only one alternative viz: in the light of our own responsibilities to the world and to ourselves to enter, if possible jointly with the Italians, into direct conference with Germany.”¹⁸

On 2 August Niemeyer submitted to the Foreign Office the Treasury's version of the British reply. This suggested taking an independent line by declaring the occupation to be illegal and inviting the Permanent Court of Justice at the Hague to decide the matter.¹⁹

Though not as extreme as the Treasury, the Foreign Office, already susceptible to the Francophobe view, now advocated taking a definite line on the legal question. On 1 August a Central Department minute concluded that even if the British had actively cooperated with the French:

“... neither the German Government nor the German population would ever have acquiesced in the occupation of the Ruhr. *They regard that measure as illegal: they regard the attempted coercion*

¹⁷ Minute on ibid by Lampson, 2.8.23.

¹⁸ Baldwin Papers, Box 126, pp. 246-7: Warren Fisher to Baldwin, 31.7.23.

¹⁹ FO 371 8647, C13592/1/18: Niemeyer to Lampson, 2.8.23.

of the inhabitants as directly contrary to international law - a point upon which we do not differ from them.”²⁰

Another minute on the following day went to great lengths to absolve Britain from charges of hypocrisy if she chose to raise the legal question:

*“The occupation threatened in 1920 and 1921 was joint action and was external to the treaty, the action taken in 1923 was separate action and is claimed to have been taken under a particular clause of the treaty. *HM Government have never assented to the view that German territory might justifiably be occupied under para. 18 of annex II as a separate measure by one or two of the allied powers acting alone.*”²¹*

These opinions were being expressed at precisely the time when government policy was at its most malleable. Tentative intervention had failed and indecision reigned as to the best way to reply to the French note of July 30. It is more than mere coincidence that it was these exact legal arguments which were incorporated in the final draft of the British reply, which having met with Treasury approval,²² went before Cabinet on 9 August.

Although much of the earlier part of the note was concerned with rallying public opinion by making Britain’s financial position appear reasonable and realistic, there were, even in this part, strongly worded criticisms of French policy. For example, the French note of 30 July was described as: “...a series of argumentative passages, enquiries on points of detail... whilst fundamental principles are only mentioned in order to declare that they do not admit of discussion.”²³

The note soon moved into more controversial territory: “...His Majesty’s Government have never concealed their view that the Franco-Belgian action in

²⁰ FO 371 8737, C13593/313/18: Foreign Office minute, 1.8.23. [My italics].

²¹ FO 371 8737, C13594/313/18: Foreign Office Minute, 2.8.23. [My italics].

²² Minute by Phipps, 9.8.23 on T160/155/F6066/3: FO draft reply to French and Belgian notes of 30.7.23, 8.8.23.

²³ CAB 24 161, CP 390 (23), C13659/1/18: Curzon to Saint-Aulaire, 11.8.23.

occupying the Ruhr, quite apart from the question of expediency, was not a sanction authorised by the Treaty itself". It then argued that there was "no inconsistency" between the British government's position over sanctions in 1921 and in 1923, as on the first occasion:

"The Allies jointly decided to threaten Germany with the occupation of further territory just as they might have threatened her with a renewal of war, for her failure to perform her Treaty obligations some of which had no connection whatever with Reparations."

It concluded with the concealed yet unmistakable threat: "They [*HMG*] are reluctant to contemplate the possibility that separate action may be required in order to hasten a settlement which cannot be much longer delayed without the gravest consequences to the recovery of trade and the peace of the world."²⁴

²⁴ *ibid*

Curzon's Motives.

Although the Francophobic Foreign Office faction in collusion with the Treasury influenced the drafting of the note, the ultimate responsibility for authorising the reply lay with the Foreign Secretary. Had Curzon blocked these Foreign Office tendencies, the illegality paragraphs and the hint of separate action would have been omitted. Despite his apparent confusion on 6 August over the contents of the note, by 9 August Curzon must have decided that it should take the form of a strongly worded rebuff to France.

The most convincing explanation for Curzon's actions is that he had still not entirely abandoned his aim of fostering negotiations between France and Germany, although he was finally beginning to recognise that in order to do this Britain would have to exert much greater pressure for compromise on either one or the other. In his opinion the Germans had made large concessions in their June 7 note. It was now France's turn. Panic-stricken reports from Germany spurred Curzon on.

The communists were gaining ground alarmingly and controlled the states of Saxony and Thuringia. In Dresden workers were organising themselves into control commissions to confiscate food from farmers. Meanwhile the extreme Right was growing rapidly, particularly in Bavaria. But perhaps most serious was the situation in the Ruhr and Rhineland, where continuing and increasing hardship was producing demoralisation, violence and unrest and - most dangerous - indifference towards or even support for separatism. On top of all these regional disturbances the Cuno government also faced a national food crisis and serious currency collapse. The depth and extent of the crisis finally forced the interest groups - which had previously been handicapping Cuno's

efforts - to sink their differences in an attempt to save the very fabric of German society. The Reichstag parties at last agreed to a common programme of taxation, and industry and banking agreed to a 500 million gold mark loan. But the effort was too late to prevent political crisis. On 8 August the KPD (Communists) demanded Cuno's resignation, and the next day it was clear that the SPD (Social Democrats) were divided over whether to support him.²⁵

The British were aware of these developments. On 9 August Kilmarnock reported that: "...the situation is rapidly growing worse, and the machinery for supplying the dense population of the Basin appears to be on the verge of breaking down altogether."²⁶ D'Abernon reported that Rosenberg thought the German government was on the verge of collapse and facing a "desperate Communist attack". Rosenberg appealed for immediate "moral help" from Britain, claiming this would make all the difference to the government's chances of maintaining order.²⁷

These considerations, coupled with the internal pressure Curzon was under from the Foreign Office and Treasury caused him to authorise the drafting of a firm, almost threatening reply to the French note of 30 July. Curzon's attitude provided the Francophobes with the perfect opportunity to begin to put into motion the policy of separate action. Yet Curzon's intentions at this stage were not so strong. He hoped that the mere words of the note would have such an effect on French opinion that Poincaré would agree to negotiations, without them having to be followed up with actions. The overall views of his Cabinet colleagues meant that action was never realistically on the government's agenda at this stage. The Foreign Secretary, caught in the middle ground both

²⁵ Feldman, *Disorder*, pp. 698-705; Rupieper, *Cuno*, pp. 174-216.

²⁶ FO 371 8738, C13889/313/18: Kilmarnock, disp. 630, 9.8.23.

²⁷ FO 371 8699, C13794/203/18: D'Abernon, tel. 270, 11.8.23.

in domestic terms between pro- and anti-French factions, as well as in international terms between France and Germany, opted for a classic Curzonian compromise in a vague attempt to pacify all parties. He tried to bluster his way out of the impasse, hoping that the mere words of the note would be enough to move Poincaré, without them having to be backed up in practice. As Derby subsequently commented:

“... we have bluffed - and assuredly our bluff will be called - and we shall stand convicted to the world as a government which threatens something which it cannot perform. I feel despair at the present moment. We have alienated our allies - we have strengthened our enemy.”²⁸

Derby summarised the risks of the policy perfectly. To try to move Poincaré by bluff risked having that bluff called. If Poincaré refused to be intimidated, British policy would be revealed to all to consist of mere empty threats. The implications would be extremely serious: British prestige would be severely damaged - perhaps, in view of her disastrous track record as mediator since April, beyond repair - while Poincaré's position would be correspondingly strengthened. With Britain obviously not going to act Poincaré would be free to do as he wished in the Ruhr. The short-term dangers of this strategy were also serious. First, any further prolongation of the diplomatic exchange automatically strengthened Poincaré's position (and therefore made him more likely to resist Curzonian threats) by giving him more time to weaken Germany in the Ruhr.²⁹ Second, Curzon was attempting a delicate balancing act within a potentially polarised government. Not only did he need cunningly to exploit the arguments of the Francophobes without entirely capitulating to their programme, but he also needed to obtain the overall support of the Cabinet. It was by no means certain that such support would be forthcoming - and, should he fail, he risked precipitating a serious Cabinet divide.

²⁸ WO 137/1: Derby to Baldwin, 15.8.23 (not sent).

²⁹ A FO minute by Lampson recognised that it was in France's interest to prolong the diplomatic exchange in order to give her time to exhaust Germany and defeat passive resistance. [FO 371 8646, C13519/1/18: FO minute by Lampson, undated, received 7.8.23.]

Opposition from the Cabinet.

The difficult passage of the note through Cabinet on 9 August emphasises the lack of united government support for the course it adopted and demonstrates the potentially explosive effect which Curzon's policy could have. After much discussion the Cabinet did accept the note, but only because they felt that its opening paragraphs provided a reasoned presentation of the British position. Thus the Cabinet agreed: "That it was necessary to publish to the world a full statement of the British case which would remove the misunderstandings that had grown up both in this country and abroad in regard to the British position."³⁰ The Cabinet was not, however, happy with the policy of putting pressure on France and only agreed to it when Curzon emphasised that actual action would not be necessary, as the tone of the note itself should be enough to influence France. Edward Wood, the future Lord Halifax, later regretted having been convinced by this argument. He subsequently wrote to Baldwin: "...I encouraged myself (and I think was encouraged by the Foreign Secretary!) to build greater hopes upon the educative effects of our Note upon public opinion than events have warranted."³¹ Even at the time the Cabinet only accepted the note on condition: "that the Prime Minister and Secretary of State for Foreign Affairs should carefully examine the draft in the light of the discussion, with a view to softening some passages which it was thought might be badly received by public opinion in France..."³²

The Cabinet were certainly not prepared to sanction definite action against France and basically opted for a policy of procrastination rather than decision, resolving:

"In view of the difficulty in the present conditions of determining a

³⁰ CAB 23 46: Cabinet minutes, 9.8.23.

³¹ Baldwin Papers, Box 127, pp. 349-52: E. Wood to Baldwin, 30.8.23.

³² CAB 23 46: Cabinet minutes, 9.8.23.

policy more than a few weeks ahead, to reserve the question of the next step to be taken, and more particularly as to the possible 'separate action' referred to in the last paragraph of the Draft Note, until a reply had been received from the French and Belgian Governments and the general effect of the publication of the Note was known."³³

In fact the note was not "softened" but was sent in its existing form. It is also interesting that although there was no unanimous agreement for the policy advocated in the note, there was also not agreement upon any alternative course. Indeed, alternatives had been suggested to the Cabinet. As early as 4 August Cecil had circulated his own version of the reply, which politely called for a cessation of German passive resistance to be met by a French termination of the military nature of the occupation and the submission of the whole question to a conference held under League auspices with the Americans in attendance.³⁴ This suggestion had been raised at the Cabinet meeting on 9 August, but did not meet with wholehearted support. Wood explained: "I was deterred from assenting to this view at the Cabinet by a doubt as to its wisdom... What has happened since has rather led me to modify my judgment, and I am anxious as to where our policy may take us."³⁵ When his plan was rejected Cecil made no secret of his opposition to Curzon's approach. He told Baldwin:

"I was extremely depressed by the decision of the Cabinet because I do not think that there is any issue to the path which they are provisionally engaged except a humiliating diplomatic defeat for this country...// We must agree with France if we possibly can, even at very considerable sacrifice. I am certain that that is what it will come to ultimately and to begin a course of that kind by a note such as the Cabinet sanctioned this morning seems to me little short of madness. I am afraid I do not even hold a very high opinion of its arguments."³⁶

Derby, too, was vocal in his opposition to the policy of taking a firmer line with

³³ *ibid*

³⁴ CAB 24 161, CP 376 (23): Memo by Cecil, 4.8.23.

³⁵ Baldwin Papers, Box 127, pp. 349-52: E. Wood to Baldwin, 30.8.23.

³⁶ Baldwin Papers, Box 127, pp. 105-7: Cecil to Baldwin, 9.8.23.

France. As early as 1 August Derby had made it clear that he wanted to take a more conciliatory line towards France, and was alarmed at the prospect of Curzon being in control of the note. On 1 August he wrote to Lloyd-Graeme: "If the answer was to be given by the PM I should feel quite happy but a certain other influence, although it is very intelligent, is also very apt to do the right thing in the wrong way."³⁷ He also wrote a detailed letter to Baldwin emphasising the dangers of a hard line policy towards France. He hoped the British reply would: "...be conciliatory and not a closing of the door";³⁸ adding: "I hope too much stress will not be laid upon the illegality of the entry of the Ruhr", and arguing: "I see great force in Poincaré's argument that even if the Ruhr did resume its normal condition, it would be impossible to settle now once and for all the total reparation capacity of Germany." He concluded forcefully:

"What I don't feel the Cabinet realises is that France has got the whip hand on us - We can't turn her out of the Ruhr. We can only try to persuade her to make the occupation as little onerous as possible. GC can't dictate to her - much as he would like to, and I don't want to see the Government put itself into an impossible position, and to demand something which it cannot enforce."³⁹

The following day Derby left for France, and was away for three weeks. He was therefore not at the eventful Cabinet meeting of 9 August. He was, however, kept up to date about events by Leo Amery, who sympathised with his arguments.⁴⁰ After the Cabinet meeting, on 10 August, Derby warned Baldwin that he and Amery thought that: "...it would be a fatal blunder to send the note with a threat of separate action - when such separate action has not been considered in all its possible *[illegible]*"⁴¹

At the same time, Baldwin was also being lobbied Gwynne of the Morning Post.

³⁷ Baldwin Papers, Box 127, pp. 22: Derby to Lloyd Graeme, 1.8.23.

³⁸ Baldwin Papers, Box 127, pp. 19-21: Derby to Baldwin, 1.8.23.

³⁹ *ibid*

⁴⁰ On 10 August, Amery himself wrote to Baldwin expressing alarm at the last sentence of the note, with its threat of separate action. [Baldwin Papers, Box 127, pp. 111-5, Amery to Baldwin, 10.8.23.]

⁴¹ Baldwin Papers, Box 127, pp. 108-9: Derby to Baldwin, 10.8.23.

On 1 August he wrote:

“Make no mistake. Today or within the next week or so we shall be settling our foreign policy in Europe for the next twenty years or more. The issue before us is whether we are to pursue a course which will lead to isolation or whether we are going to work through the troublous times that lie in front of us hand in hand with France. You know that I have never been afraid to advocate to their logical conclusion the arguments in favour of a close alliance with France as I have been willing to see a British battalion on the Ruhr...”⁴²

The Treasury on the other hand remained adamantly opposed to any reconciliation with the French. For example, as late as 5 September Bradbury commented:

“I am convinced that a Germano-British Entente founded on a German conviction that we will fight like lions for fair-dealing, but never support even an ally in what we believe to be wickedness, would be the best guarantee for the future peace of Europe. But if we have ultimately to go to Germany with hands soiled through pandering to France, Germany will be able to exploit us in future as France has done in the past, and we shall never see the end of the see saw of alternate Teutonic and Gallic bullying of a weaker neighbour.”⁴³

In view of reactions such as these from important Conservative Cabinet ministers and other influential figures, as well as the conditions which the Cabinet attached when it authorised the note, it is clear that even when the note was written and sanctioned, the government did not intend having to follow it up with actual action against France. As a result the note was - in its very nature - fundamentally flawed. In order for it to have any influence on France its contents were made contentious and threatening. Its drafting was therefore influenced by the Francophobe lobby, who composed it with the intention of it being followed through with separate action by Britain. The problem was that as Britain had so clearly laid her cards on the table, she risked completely losing face if it became apparent that she was not - after all - prepared to act on her threats.

⁴² Baldwin Papers, Box 127, pp. 24: Gwynne to Baldwin, 1.8.23.

⁴³ Baldwin Papers, Box 128, pp. 18-19: Bradbury to Baldwin, 5.9.23.

Reactions to the 11 August Note and the Shift of British Policy.

It was soon clear that Curzon's gamble had not paid off. On 11 August the note was handed to Saint-Aulaire and it was quickly published in the newspapers. An outraged response ensued from both British and French opinion. Neither response was what the British wanted. Although those newspapers such as The Times, the Manchester Guardian and Westminster Gazette, which had been expressing unease at the French occupation since the spring, praised the note,⁴⁴ influential British figures publicly criticised the government's policy. Moreover, Poincaré, rather than being intimidated into submission, was provoked into opposition. Yet given the circumstances it is hard to be surprised by the note's reception. After maintaining a religious silence for seven months the British Government were declaring not simply that they now viewed the occupation as illegal, but that they always had done so! But if this had always been their attitude, why had they not voiced it in January, when by doing so they might have restrained the French, instead of waiting until August? On 14 August, Sir John Simon (MP for Spen Valley) wrote to The Times complaining that the government had waited until 7 months into the occupation before declaring that it was illegal, especially in view of the importance of the legality of the occupation to the French case.⁴⁵ Lord Parmoor reiterated these views in a letter to the Manchester Guardian on the following day, and went even further - declaring that Germany was entitled

⁴⁴ See Uxbridge, 'British Political', pp. 113. On 12 August the Westminster Gazette declared: "No other course is consistent with the dignity and interests of this country, and we do not regret a word of the justifiable resentment which is beneath the earlier sentences of the British reply." The Times declared: "The Note is strong, but, in our opinion not too strong. It was high time that such a clear statement of the British case was made." [The Times, 13.8.23, pp. 9.]

⁴⁵ FO 371 8739, C14360/313/18: The Times, 14.8.23. Interestingly, Austen Chamberlain, the prominent ex-Coalitionist who understandably held a grudge against Baldwin, shared these views. He wrote privately to his sister: "...they [the Government] sit silent for six months and then burst out with a public communication... How could they think it possible that France should give way when by their own action they had converted any such yielding into an open humiliation for her?" [Austen Chamberlain Papers, AC5/1/286: Austen to Hilda, 18.8.23].

to compensation from France and Belgium!⁴⁶

Only D'Abernon and Bradbury seemed to think that the Note would have a helpful effect in facilitating a European compromise. On 16 August D'Abernon noted in his diary:

“On the Continent the effect of the English Note of August 11 has been magical. In Germany it has contributed most powerfully to restore order and to inspire the ruling classes with some courage and determination to save themselves. It has had a not less powerful effect on the French attitude towards Germany.”⁴⁷

On 15 August Bradbury wrote to Niemeyer: “The note is admirable and I hope HMG will be able to see it through. The reaction up to the present has been milder than I expected.”⁴⁸

This optimism was misplaced. Rosenberg and Cuno had continued passive resistance in the hope that some form of help would arrive from Britain. The 11 August note was not sufficient to salvage Cuno's credibility and forestall the political crisis he was facing. On 12 August the Cabinet resigned.⁴⁹ On 14 August D'Abernon wrote: “There have been labour riots all over Germany and in Berlin. Killed and wounded must be over 200 but general strike called by Communists has failed and was today withdrawn by them.”⁵⁰ British policy had added to Germany's problems and exacerbated her political crisis. Fortunately the Cuno Cabinet was in fact replaced by a stronger government - a Grand Coalition, led by Gustav Stresemann and supported by the SPD and committed to implementing the emergency taxation and stabilisation

⁴⁶ FO 371 8739, C14358/313/18: Extract from Manchester Guardian, 15.8.23.

⁴⁷ Curzon Papers, Mss Eur. F.112/205: D'Abernon's Diary, 16.8.23.

⁴⁸ T160/155/F6066/4: Bradbury to Niemeyer, 15.8.23.

⁴⁹ FO 371 8699, C13800/203/28: D'Abernon, tel. 271, 12.8.23. This view of the inadequacy of the 11 August note from the German perspective follows Feldman's interpretation: “...Cuno may have been moving towards a stabilisation programme of his own, but it was too late because his entire effort had been subject to Rosenberg's expectation that England would save Germany from France.” [Feldman, Disorder, pp. 216.]

⁵⁰ FO 371 8649, C13991/1/18: D'Abernon, tel. 278, 14.8.23.

measures passed by Cuno in his final days. This development took place despite, not because of, the British note.

Moreover, the note did not move the French. On 20 August, an official French reply arrived. This was a vast document, running to 78 pages in translation, and divided into two parts. The first part was basically a general survey of the reparation question since the signature of the peace treaty. The second was a point by point, and very tenacious, criticism of the British note of 11 August.⁵¹ Its effect was to reinforce the stalemate with a vengeance. Poincaré reiterated his refusal to withdraw from the Ruhr as payment was made; he rejected the idea of an impartial enquiry into Germany's capacity to pay on the ground that it would be a direct assault on the Reparation Commission; and he attacked the British note's legal arguments.

Typically, the Treasury was unrepentant in its condemnation of this French communication. Lampson commented: "The Treasury takes the line that the Note is not only unhelpful but that it is the negation of common sense..."⁵² In a memo written on 24 August, Fischer Williams advocated dismissing the French note out of hand, legal arguments included, and pushing ahead with separate action in the form of seeking arbitration.⁵³

But at this stage the Foreign Office, despite their views prior to the dispatch of the 11 August note, were no longer so willing to be convinced by the Treasury's waiving of the legal aspect. Poincaré had argued his case well, in particular emphasising Britain's inconsistency in being prepared to occupy German territory in 1921 but not in 1923. The Foreign Office recognised that the

⁵¹ FO 371 8650, C14380/1/18: Phipps, dis. 1940, 21.8.23 (enclosing Poincaré's reply of 20.8.23 and a translation of this).

⁵² Minute by Lampson, 22.8.23, on: FO 371 8650, C14380/1/18: Phipps, dis. 1940, 21.8.23.

⁵³ FO 371 8739, C14705/313/18: Fischer Williams to Lampson, 24.8.23.

French reply did pose them serious problems: "On the whole there is little grounds for optimism as a result of perusal of this note: France does not propose to budge, and it is not evident how we can do so. The impasse is thus, for the moment, complete."⁵⁴ Lampson brooded pessimistically: "This is not hopeful, and we are really where we were in Paris in January last."⁵⁵ Hurst was also cautious: "In the face of M. Poincaré's categorical statements, the British explanations - even though sound - would look obscure, and the public at large would become doubtful"⁵⁶

Matters were not helped by the arrival of a Belgian reply on 27 August.⁵⁷ This was not so harsh and unfriendly as the French one,⁵⁸ but its content was disappointing. The Belgian government did say that once passive resistance had ceased they would take steps to modify the occupation, but they still refused to leave the Ruhr except in proportion to payments received. The Foreign Office commented:

"The note, therefore, does not bring a solution appreciably nearer. Yet for all the wide differences which separate Belgian and British ideas, the Belgians are clearly nearer to our point of view than are the French, and would come nearer still were it not for the fact that whenever they desire to go forward they have to keep looking nervously backward to see what the French are doing."⁵⁹

But as with the French note, the Treasury reaction was much harsher: "The Note, which is couched in very friendly terms is long and diffuse with dreary wastes of ancient history, shaky statistics and bad reasoning."⁶⁰

Clearly the French and Belgians were playing for time so that the situation in

⁵⁴ FO 371 8652, C14733/1/18: FO memo, 25.8.23.

⁵⁵ Minute by Lampson, 22.8.23, on: FO 371 8650, C14380/1/18: Phipps, dis. 1940, 21.8.23.

⁵⁶ Minute by Hurst, 22.8.23 on *ibid.*

⁵⁷ CAB 24 161, CP 393: Belgian reply, 27.8.23.

⁵⁸ FO 371 8653, C14855/1/18: Wingfield to Lampson, letter, 27.8.23.

⁵⁹ FO 371 8653, C14857/1/18: FO memo, 30.8.23.

⁶⁰ FO 371 8653, C14856/1/18: Treasury memo, 28.8.23.

the Ruhr would swing in their favour. In these circumstances the British should have made a choice. Either they should have acted on the 11 August note and pushed ahead with some form of enquiry - either into the legal question or into Germany's capacity to pay. Although this would have risked breaking with France and dividing the Cabinet, it at least offered a chance of saving Germany from collapse and showing international opinion that Britain had the courage to back her words of 11 August with action. Alternatively, the British should have done nothing, thus maintaining their neutrality and retaining the option of intervention at the conference table at a later date once the conflict on the ground was over, to reassert their international position and safeguard their finances. But as Britain had already issued the 11 August note for her now to do nothing would damage her prestige. It also risked allowing France the opportunity to dictate the peace by achieving an unequivocal victory on the ground over Germany.

Despite the risks involved in this second alternative, and although the Foreign Office had pushed for independent action prior to 11 August, this was the approach it now favoured. Recognising that independent action would involve a protracted debate over legal technicalities (a debate which it was by no means clear Britain would win) the Foreign Office resorted to delaying tactics. Though previously a vociferous Francophobe, Crowe now wrote:

“...whilst I see no difficulty whatever in answering the note controversially, I remain as doubtful as ever as to what action or general line of policy is open to us. I confess my inclination would be to defer any decision until the question of general policy has been thoroughly discussed not only in the Cabinet, but with the Dominions. They will have their representatives in London before long. Why not avail ourselves of this fact in order to give us breathing space...?”⁶¹

Baldwin was quick to take advantage of Crowe's suggestion of delay. Lampson commented on 28 August: “Sir E. Crowe's letter has been seen by the Prime

⁶¹ FO 371 8651, C14678/1/18: Crowe to Lampson, letter, 23.8.23.

Minister who is understood to favour the general idea that no decisive step should be taken until the Imperial Conference has met and considered the attitude to be adopted by the British Empire.”⁶² Curzon was more cautious, remarking that if the issue was left to the Imperial Conference then none of the delegates would know anything about the subject except Smuts - who would then be free to push his Francophobic views onto everyone else. Curzon concluded: “I foresee prolonged discussions - indefinite delay - and a doubtful result.”⁶³ Despite his criticism the Foreign Secretary was - as ever - unable to suggest an alternative.

The Prime Minister left for his annual holiday to Aix in France only a few days after the French note was received⁶⁴, writing to Curzon that no immediate Cabinet action was necessary and that he wanted time to reflect.⁶⁵ Baldwin, however, did not simply opt for a policy of procrastination. He also began tentatively to explore the possibility of moving closer to France. Only a few weeks after the 11 August note had made Britain’s opposition to French action clear, Baldwin was postponing a definite policy decision regarding the action to be taken subsequent to the French 20 August note, while at the same time considering a policy of trying to cement relations with France by means of personal diplomacy and private meetings between himself and Poincaré.

Baldwin’s actions may partly have resulted from his preoccupation at this time with another political decision - that of adopting protection as the Conservative Party’s policy of the future. He made this complex and ultimately crucial party political decision during his 1923 holiday at Aix - the

⁶² Minute by Lampson, 28.8.23, on C14678/1/18, Crowe to Lampson, letter, 23.8.23, enclosed in FO 371 8650, C14380/1/18: Phipps, disp. 1940, 21.8.23.

⁶³ Minute by Curzon, 29.8.23, on: C14678/1/18: Crowe to Lampson, letter, 23.8.23, enclosed in FO 371 8650, C14380/1/18: Phipps, disp. 1940, 21.8.23.

⁶⁴ Minute by Tyrrell, 22.8.23, on FO 371 8650, C14380/1/18: Phipps, dispatch 1940, 21.8.23.

⁶⁵ Baldwin Papers, Box 114, pp. 171: Baldwin to Curzon, 25.8.23.

very time when he would also have been contemplating Ruhr policy. As he subsequently commented: "I spent a lot of my holiday in 1923 walking in the hills around Aix and thought it all out by myself."⁶⁶ In the main, however, this U-turn in foreign policy from threats to friendship towards France, happening in the space of only a couple of weeks, signals the final eruption of the conflicting opinions which had been developing below the surface of Britain's Ruhr policy since the onset of the crisis. When Poincaré refused to be intimidated by the 11 August note the inconsistencies behind the British position were obvious to all. The Foreign Office retreated from its previously strident stance, now cautious regarding the legal question and unwilling to advocate a definite line. Meanwhile Cabinet differences exploded. Key members of the Cabinet, who had been extremely restive before the 11 August note was sent, could now only be pacified by promises from Baldwin that he would seek to salvage relations with France.

On 10 August Derby had already advocated such a policy: "I am quite certain that if the dispatch of the note could coincide with a private talk between you and Poincaré - much good could result, and I hope you will consider the possibility of such a meeting."⁶⁷ Once the French reply of 20 August was received he was incensed. He met Baldwin on 25 August and threatened to resign unless Baldwin met Poincaré. Baldwin wrote to Curzon: "Derby came to tender his resignation yesterday! But withdrew it on learning that I was willing to meet Poincaré!"⁶⁸ Other Francophiles were also pressing the Prime Minister. Edward Wood wrote: "In spite of its obvious risks, I think for you to meet Poincaré is a far better chance than a continuance of this long range literary bombardment."⁶⁹

⁶⁶ Quoted by Jenkins, Baldwin, pp. 72.

⁶⁷ Baldwin Papers, Box 127, pp. 108-9: Derby to Baldwin, 10.8.23.

⁶⁸ Baldwin Papers, Box 114, pp. 171: Baldwin to Curzon, 25.8.23.

⁶⁹ Baldwin Papers, Box 127, pp. 349-52: E. Wood to Baldwin, 30.8.23.

The idea of a meeting between Baldwin and Poincaré had in fact been raised two months previously. The suggestion apparently came from Poincaré, who told Crewe on 25 June that he would be happy to meet Baldwin after the French Parliament rose in mid-July.⁷⁰ It may well, however, have been prompted by interference from Gwynne, who wrote on 17 June to Poincaré's private secretary that: "We have in Mr. Baldwin a Prime Minister determined to find a solution to the difficulties which beset both our countries. He is a friend of France... What is needed now immediately is a little informal conversation between Monsieur Poincaré and Mr. Baldwin..."⁷¹

The idea was raised again during a conversation between the French Ambassador and Crowe less than a week before the 11 August note. Saint Aulaire suggested that as Curzon was to pass through Paris the following week (on his way to Bagnoles on holiday) he should meet Poincaré. This: "could... easily be arranged, and would undoubtedly do good. Such a meeting might even, he suggested, form a preliminary to a more exhaustive exchange of views which might possibly hereafter be arranged between M. Poincaré and Mr. Baldwin."⁷² At this point, with the government just preparing the 11 August note, Crowe was quite adamant in his condemnation of the plan:

"I confessed that if the views expressed in such uncompromising way in M. Poincaré's notes and speeches represented, as M. Poincaré was never tired of asserting, France's last word on the matter of reparations, I found it difficult to believe that any way could be found by personal discussions to harmonise with the British view."⁷³

However, by the third week of August, with British policy at stalemate and the Cabinet in uproar, Baldwin's position changed. After his stormy interview with Derby on 25 August, he wrote to Curzon: "The time for a personal interview *[ie*

⁷⁰ Curzon Papers, Mss Eur. F. 112/201b: Crewe to Curzon, 25.8.23.

⁷¹ Wilson, *Morning Post*, pp. 204-5.

⁷² FO 371 8646, C13356/1/18: Curzon to Phipps, disp. 2545, 3.8.23, enclosing note by Crowe, 3.8.23.

⁷³ *ibid*

between himself and Poincaré] is rapidly approaching. If that happens I would report immediately to the Cabinet.”⁷⁴

The tendency in historiography has been to view British policy as divided between Baldwin and Curzon at this point.⁷⁵ This, however, was not the case. Baldwin kept Curzon fully informed of the possibility of a meeting between himself and Poincaré, and Curzon did not just acquiesce in but actively cooperated in the overtures to Poincaré. There is no evidence (until afterwards when he spoke with hindsight) that he disapproved.⁷⁶

Curzon’s desire to cooperate with Baldwin’s plans is evident from his account of his actions when he passed through Paris on his way home from holiday in Bagnoles on 1 September:

“Poincaré, whom I had hoped to elude, was in Paris! Crowds of newsmen were dogging me about. I felt sure that if I did not even leave a card on him that every paper in Paris would denounce me... and produce the final rupture of the Entente.// So I thought I must take the risk, and down I went to the Quai d’Orsay to leave my card. But confound it! He was in. So in I went - and sat and talked to him for twenty minutes about... anything but the Ruhr. Then I escaped. No harm done.// If as I understand you propose to see him on your return, can you give me an idea of the proposed starting point or [illeg] point of your conversations. For on the basis of the Notes I [illeg] do not see how we are to converge.”⁷⁷

Curzon’s meeting apparently did no harm and indeed, it was glowingly reported in the French press.⁷⁸ Moreover, Poincaré, keen to neutralise the effects of the 11 August note by revealing Britain’s policy to be fundamentally inconsistent, was by now increasing his pressure for a personal meeting. At the end of August Phipps reported that several French newspapers were expressing the

⁷⁴ Baldwin Papers, Box 114, pp. 171: Baldwin to Curzon, 25.8.23.

⁷⁵ See Bennett, *British*, pp. 37-8; Crowe & Corp, *Ablest*, pp. 439.

⁷⁶ Crowe commented on the relationship between the Prime Minister and Foreign Secretary : “Baldwin and Curzon in particular work very well together.” [Phipps Papers: Phipps II, Box 2/1, pp11: Crowe to Phipps, 8.8.23.]

⁷⁷ Baldwin Papers, Box 114, pp. 174-7, Curzon (Paris) to Baldwin, 1.9.23.

⁷⁸ FO 371 8654, C15038/1/18: Phipps, tel. 811, 2.9.23.

hope that a meeting between Baldwin and Poincaré would soon be arranged,⁷⁹ while on 1 September he told Tyrrell that he had heard that: "M. Poincaré was very anxious to see Mr. Baldwin, but seemed to fear that Lord Curzon would object to such a meeting."⁸⁰

At the same time Britain was also being approached by the Stresemann Cabinet, which was trying one final time to stabilise the domestic situation by resolving the Ruhr crisis without total capitulation. On 30 August the German Acting Secretary of State, von Schubert, met D'Abernon. He said that the German government was prepared to accept the British proposals previously put to the French on 20 July in their entirety and asked Britain to help them formulate suitable guarantees.⁸¹ On 2 September Stresemann made a speech at Stuttgart in which he said that the Germans were ready to make material sacrifices if a solution to the Ruhr conflict could be obtained on the basis of German productive pledges.⁸² But by this stage the Cabinet Francophiles were effectively calling Britain's shots. The fiasco of 11 August had discredited the Francophobes and silenced the Foreign Office. Baldwin was now trying to appease Derby by pacifying Poincaré. The German appeals were therefore rebuffed. On 3 September, Tyrrell remarked: "The Germans know as well as we do that unless they can make the first move as regards passive resistance the French toes will remain dug in: the key is in Berlin."⁸³ The British also refused to give Germany any form of direct financial aid:

"Not only have the French made it abundantly clear that passive resistance must cease before any general settlement can be obtained, but it must also be made obvious to the German Government that HMG cannot as a government advance money to them to support passive resistance..."⁸⁴

⁷⁹ FO 371 8654, C14872/1/18: Phipps, tel. 801, 30.8.23.

⁸⁰ Curzon Papers, Mss Eur. F.112/231b: Phipps to Tyrrell, 1.9.23.

⁸¹ FO 371 8740, C14921/313/18: D'Abernon, tel. 292, 30.8.23.

⁸² FO 371 8740, C15528/313/18: FO memo, 7.9.23.

⁸³ Minute by Tyrrell, 3.9.23, on FO 371 8654, C15052/1/18: D'Abernon, tel. 296, 1.9.23.

⁸⁴ Minute by Sterndale Bennett, 7.9.23, on: FO 371 8654, C15459/1/18: D'Abernon, tel. 306, 6.9.23.

This change of emphasis in British policy very nearly had disastrous consequences. The Germans finally abandoned their Anglophile policy and began to approach the French.⁸⁵ On 4 September D'Abernon reported that a friendly discussion had taken place between Stresemann and the French ambassador in Berlin.⁸⁶ This report was substantiated by the French Chargé d'Affaires in a conversation with Tyrrell on 8 September.⁸⁷

At first the British were quite happy to see Germany approach the French. On 5 September Lampson commented: "...it is quite clear that France and Germany are drawing appreciably closer together. So much the better."⁸⁸ They were also unmoved by reports of Franco-German industrial negotiations. Rumours of such talks had surfaced sporadically for some time and had not been regarded as especially worrying. For example, at the end of July, D'Abernon reported that it had been proposed by "private feelers from Paris" that mine magnates from France and Germany should meet for negotiations.⁸⁹ By September there was more serious evidence to suggest Franco-German industrial cooperation. On 3 September, Colonel Ryan reported that:

"Workmen in Rheinstahl factory near Düsseldorf have agreed among themselves to work under French under condition that (1) all political prisoners will be released (2) all deportees will be allowed to return.// This is of some interest as up to now there has been little sign of workmen giving way.// Feeling generally amongst workmen in northern portion of British area is also running on these lines and they together with industrialists in that area wish to come to some arrangement with the French.// The French High Commissioner informed me today that both he and General Degoutte have been approached recently by certain leading industrialists who wished to discuss basis of a reparations plan."⁹⁰

⁸⁵ Feldman, *Disorder*, pp. 720; Rupieper, *Cuno*, pp. 232; McDougall, *France's*, pp. 292; Trachtenberg, *Reparation*, pp. 310; Keiger, *Poincaré*, pp. 301-2.

⁸⁶ FO 371 8654, C15335/1/18: D'Abernon, disp. 302, 4.9.23.

⁸⁷ T194/11: Memo by Tyrrell, 8.9.23.

⁸⁸ Minute by Lampson, 5.9.23, on FO 371 8654, C15335/1/18: D'Abernon, tel. 302, 4.9.23.

⁸⁹ FO 371 8646, C13373/1/18: D'Abernon, dispatch 486, 30.7.23.

⁹⁰ FO 371 8740, C15243/313/18: Ryan (Coblenz), tel. 353, 3.9.23.

On 13 September, Kilmarnock reported that a meeting had taken place between French and German industrialists (including Stinnes) a fortnight previously,⁹¹ and an SIS report on 14 September confirmed this.⁹²

The British refused to take such reports seriously, viewing them as empty threats by Germany. On 7 September, Cadogan, after a conversation with the German Chargé d’Affaires, remarked:

“In speaking of the alternative of Germany: ‘throwing herself into the arms of France’, he evoked the old bogey of a Franco-German industrial alliance from which we should be excluded, and while urging the disadvantages for us of such a combination he emphasised that it was the last thing in the world that Germany wanted but that she might be forced into it.”⁹³

The Treasury agreed. As late as 28 September, Bradbury wrote to Niemeyer:

“The Franco-German coal-iron combine is an old bogey which was originally trotted out to make our flesh creep shortly after the armistice, and which we may rely on having set up again every time either a French or a German thinks the moment opportune for trying to put the fear of God into us.// It leaves me quite unperturbed.”⁹⁴

The British chose to ignore these indications that serious negotiations were about to take place between France and Germany. They consistently refused German appeals for help, and instead were pushing for a meeting with Poincaré. In adopting this attitude the British were patently disregarding the plight of Germany and abandoning her to collapse - an eventuality which they had consistently professed to oppose.

By the time the British realised what was happening it was too late to intervene. By 10 September it was clear that Britain might be excluded from a European settlement. The Germans had made a definite offer of pledges to the

⁹¹ FO 371 8655, C15910/1/18: Kilmarnock, tel. 359, 13.9.23.

⁹² FO 371 8655, C16111/1/18: SIS Intelligence report, 14.9.23.

⁹³ Minute by Cadogan, 7.9.23, on FO 371 8654, C15459/1/18: D’Abernon, tel. 306, 6.9.23.

⁹⁴ Baldwin Papers, Box 128, pp. 94-6: Bradbury to Niemeyer, 28.9.23.

French. Although it was unlikely that at this stage a solution would be found on the basis of a bilateral bargain, there was a real fear that as diplomatic links had already been established between the French and Germans, they would simply be continued once passive resistance had ceased, and Britain would be excluded from having any real influence in the ultimate settlement. On 12 September the German Chargé d’Affaires read Cadogan two letters from von Schubert, reprimanding the British:

“the burden of which was that the stance and inaction of England was stultifying the policy which he, von Schubert, had consistently pursued, that those in Germany who had always maintained that nothing was to be expected from us was being proved right, and that in fact it was evident that in placing any hope in us he had ‘backed the wrong horse’”.⁹⁵

The possibility of British exclusion was reinforced by the fact that, by 17 September, even the Belgians - usually so eager to act as mediators between the Entente partners, were this time disregarding the British. On 17 September Grahame reported that Jaspar had said that: “His Majesty’s Government gave the Belgian government no encouragement and indeed showed a contemptuous indifference to any attempts which the latter made to help matters.”⁹⁶

At the same time the possibility of Britain using Italy to counteract the other European powers was ruled out by the Corfu affair. On 31 August Mussolini had occupied Corfu after the murder of the Italian General Tellini on Greek soil. Greece, with British support, immediately appealed to the League of Nations, but on 5 September the appeal was blocked by France, who did not want to set a precedent for a negotiated solution to the Ruhr crisis. The question therefore went before the Conference of Ambassadors. Though France, no longer worried by League involvement, subsequently supported Britain, the final settlement

⁹⁵ FO 371 8699, C16056/203/18: Conversation between Cadogan and German Chargé d’Affaires, 12.9.23.

⁹⁶ FO 371 8655, C16145/1/18: Grahame, tel. 206, 17.9.23.

was only a qualified success. Mussolini withdrew from Corfu on 27 September, but Greece had been forced to accept responsibility for the initial murder and pay a large fine. Mussolini presented this as a huge propaganda victory. The League had been undermined, but most significant for the British from the perspective of the Ruhr was that the events revealed Britain's dependence on French support in such international conflicts.⁹⁷

In this international context, and in the light of mounting reports of Franco-German communication, the Foreign Office by the second week of September at last began to reconsider the wisdom of remaining aloof from developments in the Ruhr. On 10 September a Foreign Office memo on the issue concluded: "We should be in a stronger position to try to influence the French government if the German offer, like the offer of June 7, were addressed to all the allied governments and not as in this case to France and Belgium alone."⁹⁸ The Treasury, however, displayed their usual scornful arrogance. Niemeyer wrote to McFadyean:

"It seems to me that reparation is now completely insoluble. I think, in the Summer, resolute and continuous action by the British Government might have produced some effect. As the moment has been allowed to pass, I see nothing now for it but to let French policy in Germany run to its inevitable end in about 6 weeks or 2 months, and then say to the French 'You have rejected all our proposals, you have created this mess, how do you now propose to proceed to get out of it?'"⁹⁹

Bradbury wrote to Baldwin:

"I hope we shall keep out of all Franco-German discussions at this stage// If Dr. Stresemann is able to provoke a 3 cornered discussion, he has a good chance of bringing about a quarrel between us and the French...// I would leave P & S to come to an agreement if they can about 'guarantees'. When the machine is built - and it will be a fearful and wonderful contraption - it will not be able to start without petrol - ie British or American credits,

⁹⁷ For more information on Corfu, see: Cassels, *Mussolini's*, pp. 95-126; P.J. Yearwood, "Consistently with honour": Great Britain, the League of Nations and the Corfu Crisis of 1923", *Journal of Contemporary History*, 21(1986), pp. 559-579.

⁹⁸ FO 371 8655, C15855/1/18: FO Memo, 10.9.23.

⁹⁹ McFadyean Papers, "Treasury Business 1919-1923": Niemeyer to McFadyean, 18.9.23.

and American credits will not be forthcoming without British.”¹⁰⁰

The Foreign Office were no longer so amenable to the Treasury line as they had been in June/July. Tyrrell commented:

“...Mr. Bradbury’s views betray to say the least of this his usual ignorance of the mechanics of diplomatic dealings. // It is preposterous to [illeg] that we could remain aloof if invited by the parties to take part in their conversations.”¹⁰¹

Cadogan agreed: “We cannot but welcome in principle any Franco-German conversations likely to lead to a settlement of the Ruhr question...// It seems that if we are invited by M. Poincaré to join in these conversations, we cannot refuse to do so...”¹⁰² Tyrrell told Baldwin even more explicitly that Britain should participate in discussions: “...if only with the object of preventing a Franco-German scheme being drawn up almost entirely at our expense.”¹⁰³

It was at this point that Baldwin finally held his private meeting with Poincaré. British policy was in disarray. France was poised on the brink of victory, while Germany, staring defeat and all its attendant evils in the face, had been consistently refused British support despite the words of the 11 August note. Within the British policy making machine divisions were still rife over the best course to pursue. Differences between the Foreign Office and the Treasury had surfaced, with the Foreign Office advocating participation in any European negotiations while the Treasury remained adamantly isolationist.

It is impossible to know for certain why Baldwin made the misjudged decision to meet Poincaré. However, as we have seen, its origins are to be found in the Cabinet reaction to the British 11 August note. In particular, Lord Derby’s threatened resignation unless relations with France were improved may well

¹⁰⁰ Baldwin Papers, Box 128, pp. 41-3: Bradbury to Baldwin, 11.9.23.

¹⁰¹ Minute by Tyrrell, 13.9.23 on FO 371 8655, C16201/1/18: memo by Cadogan, 13.9.23.

¹⁰² FO 371 8655, C16201/1/18: Memo by Cadogan, 13.9.23.

¹⁰³ Baldwin Papers, Box 128, pp. 48-9: Tyrrell to Baldwin, 13.9.23.

have played a part. Certainly the Italians thought that these were the reasons: "Mr Baldwin (has had?) to adopt this attitude since it carries out the wishes of the Conservative Party... and because, moreover, in the English Cabinet there has asserted itself latterly with great force the recognition of the necessity in which England finds herself of not detaching herself from France..."¹⁰⁴ It seems that, preoccupied with the issue of Protection and spurred on by the need to appease the Cabinet, Baldwin overestimated his ability to influence Poincaré by personal diplomacy.

Baldwin wrote to Curzon on 14 September that his: "...chief desire in seeing this singularly difficult President of the Council is to get into his head that our government speaks the truth and can be trusted and that the Prime Minister and the FO speak with one voice"; and that: "In short, my object is to work for the Entente and for a prompt settlement, by every means that may occur to me. If I cannot move him, we shall have a difficult course to steer..."¹⁰⁵ Curzon replied in encouraging tones on 17 September that a conversation on the lines Baldwin had indicated could: "... do nothing but good", and concluded that Poincaré: "... will never have a more friendly British government to deal with than ours."¹⁰⁶ Given the circumstances of the British position at this time, however, it is hard to see how anything significant could have been achieved.

On the afternoon of 19 September Baldwin had a two hour private conversation with Poincaré at the British Embassy in Paris. Baldwin emphasised the importance for Poincaré to trust him "as implicitly as France had trusted England in the time of Sir Edward Grey", and explained how worried British public opinion was by the situation in the Ruhr. He also asked

¹⁰⁴ HW12 50: Sandicchi (Rome) to London Embassy, 3309, 22.9.23.

¹⁰⁵ Curzon Papers, Mss Eur. F.112/229: Baldwin to Curzon, 14.9.23.

¹⁰⁶ Baldwin Papers, Box 114, pp. 180: Curzon to Baldwin, 17.9.23.

Poincaré what would happen to the occupation once passive resistance had ended. The meeting was polite and friendly. Poincaré stressed the importance he attached to personal conversations, but he evaded the issue of what he would do once passive resistance had ceased - merely saying that “there could be no question of a practical solution before Germany had shown herself prepared to discourage passive resistance...”¹⁰⁷

A closer examination of this meeting reveals that, rather than being a success for Britain, it was on the contrary a coup for Poincaré. The French Premier had stuck to his guns over passive resistance and had conceded nothing. Moreover, the press communiqué issued after the meeting stated that a “common agreement of views” had been established and that “on no question is there any difference of purpose or divergence of principle which could impair the cooperation of the two countries.”¹⁰⁸ This implied that Britain had accepted French policy. As Crewe cautiously warned Curzon:

“... the wording of the communiqué may conceivably cause some French people in England to think that a closer approach to the French policy was made than is really the case, almost amounting to acceptance of the Ruhr occupation. Everybody may not have observed that there was no arrangement with the French methods, but only on the principle of getting as much as possible out of Germany.”¹⁰⁹

On discovering the contents of the communiqué, Curzon reacted angrily to the talks. Returning to London from Kedleston on 24 September, he met Allen Leeper, his Assistant Private Secretary, at St. Pancras. Leeper commented on how “scornful” Curzon was of the meeting.¹¹⁰ It was unfortunate that Curzon had not predicted the outcome of the conversations earlier, when his

¹⁰⁷ Baldwin Papers, Box 108, pp. 3-38, Note on conversation between Baldwin and Poincaré on 19.9.23, undated.

¹⁰⁸ The Times, 20.9.23. Curzon blamed Tyrrell for this communiqué and the two were not subsequently on speaking terms. [See H. Nicolson, Curzon: the Last Phase, 1919-1925, (London, 1934), pp. 372-3.

¹⁰⁹ Curzon Papers, Mss Eur. F. 112/201b: Crewe to Curzon, 21.9.23.

¹¹⁰ Leeper Papers, Box 1/6: Diary, 24.9.23.

intervention might well have been able to stop them. As it was, Poincaré had succeeded in obtaining an important advantage over Britain. Exploiting the confusion within the British policy-making machine, he had succeeded in wooing Baldwin with the possibility of closer Anglo-French relations, while in reality he had conceded nothing. On the contrary, he had combated the 11 August note and had made British policy appear hopelessly inconsistent. When a few days later passive resistance collapsed and Germany was forced to capitulate, Poincaré held all the cards. He had side-stepped the British and had secured an unequivocal victory over Germany in the confrontational stage. In this Poincaré had certainly been aided by the degeneration in British policy. Domestic-political constraints had paralysed the British position. During the crucial summer months of 1923 it had proved impossible to agree on a definite line of support for either France or Germany. The vacillations between the two had discredited Britain in the eyes of both Germany and her allies. As Austen Chamberlain wrote:

“It seems to me that we are becoming the scold of Europe. We run about shaking our fists in people’s faces, ascertaining that this must be altered and that that must stop. We get ourselves disliked and distrusted and misunderstood, and in the end we achieve nothing and relapse into humiliated silence or laboriously explain how pleased we are.”¹¹¹

Poincaré’s prospects when entering the concluding stage of the Ruhr struggle certainly appeared strong. It would remain to be seen whether he would capitalise on the advantage he had so painstakingly achieved.

¹¹¹ Austen Chamberlain Papers, AC5/1/290: Austen to Ida, 22.9.23.

Conclusion

Two questions remain to be answered. First, should Britain have acted differently and if so, how? Second, if Britain had pursued a viable alternative course, would it have materially influenced events in Europe? Clearly it is impossible to answer either question categorically, but some observations can be made.

For Britain to have acted on the 11 August note was, as has been shown, never on the agenda. Domestic-political factors prevented it, the practical difficulties of such separate action were immense, and it was impossible for Britain to break completely with France completely. At the same time, given the prevailing atmosphere of sympathy for German reconstruction, action on behalf of France was never seriously considered and at no time was the Foreign Office asked to draw up such a plan. In the final analysis it was impossible for Britain to choose between France and Germany. But, rather than vacillating as she did, she could have striven to continue the policy of strict neutrality. That she did not do this owed much to the influence of domestic-political factors on foreign policy. Britain need not have swung towards France after 11 August, and indeed, need not have compromised her position initially by wording the 11 August note so strongly. In particular, the threat of separate action could have been omitted. Although to have continued to steer a middle course would have been immensely difficult and would have left Britain open to huge criticisms, both domestically and internationally, it could perhaps have been possible if strong political leadership had contained disruptive internal factions.

Would the maintenance of strict neutrality and an obvious refusal by Britain

to become involved in any way have made any difference to the Ruhr crisis? Perhaps Germany would have called off passive resistance sooner and therefore not have experienced so traumatic and devastating a crash, but this is by no means certain. It could equally be argued that Germany had to go through the experience of collapse before all sections of her society were willing to accept major internal restructuring and, ultimately, the cessation of passive resistance. Furthermore, it is by no means clear that Poincaré would have relented before Germany had entirely capitulated, and therefore the ultimate scenario might not have been much changed anyway.

Thus an alternative British course of strict neutrality might not have made much material difference to the situation in Europe. It would, however, have made a difference to Britain's own position. Had Britain's policy since August not been so inconsistent, Britain's position at the end of September would have been stronger and clearer. As it was, when passive resistance finally ended, Britain was in a weak position from which to reenter the field of European diplomacy. Poincaré held all the cards and had a real chance to form an agreement with Germany on his own terms. The British were left hoping that Poincaré would falter and himself throw away this advantage. They were not to be disappointed.

Chapter V

Britain and the German Collapse, September - December 1923.

As the next two chapters both deal with events during the autumn of 1923, their analysis is interlinked. This chapter examines British policy and the German collapse, while Chapter VI examines Britain's role in the establishment of the committees of experts in December 1923. It will be shown that, in contrast to the policy vacillations during the summer months, the British adopted a much more consistent strategy throughout this period. British politicians and officials felt that a true solution to the Ruhr crisis could be reached only through an internationally agreed settlement of the reparation dispute. It was on this goal, examined in Chapter VI, that they concentrated their attention, and therefore, as this chapter demonstrates, they sought to maintain their distance from events on the ground in Germany and the Ruhr.

This chapter explores Britain's evaluation of the German collapse and shows how, although anxious not to become directly involved, the British carefully monitored the situation on the spot, whenever necessary trying to encourage the continuation of the central German government and administration by warning off the French from intervention. Four areas will be examined: French efforts to use their Interallied Mission of Control for the Mines and Factories (MICUM)¹ to conclude agreements with the Ruhr industrialists direct; French involvement with the separatists; the Rhenish bank of issue; and developments in the British zone of occupation in the Rhineland. Table II provides a chronological framework for both this chapter and for Chapter VI.

¹ Mission interalliée de contrôle des usines et des mines originated as the committee of engineers sent into the Ruhr in January 1923 to work the mines and extract reparation.

**Table II:
Chronology of International Diplomacy and Events in
the Ruhr and Rhineland, September - December 1923**

	<u>Events in Ruhr/Rhineland</u>	<u>International Diplomacy</u>
26.9.23	End of passive resistance.	
27.9.23		Baldwin makes friendly speech towards France at Northampton.
30.9.23	Separatists hold mass meeting at Dusseldorf.	
1.10.23	French produce scheme for transferring all railways in Rhineland, including British zone, to French control.	Baldwin makes friendly speech towards France at Imperial Conference.
4.10.23	HMG refuse French or Belgian interference in administration of railways in British zone.	
5.10.23		Curzon calls for French initiative in a speech to Imperial Conference.
7.10.23	Agreement between Otto Wolff and MICUM.	
8.10.23		Poincaré complains to Baldwin about Curzon's speech of 5.10.23.
9.10.23		Coolidge declares that US government still adheres to New Haven declaration.
12.10.23		FO telegraph Washington for clarification of US stance.
14.10.23	German government declare that Régie is to be recognised throughout occupied territory (excluding British zone) as a temporary administration.	
15.10.23		Aide memoire received from Hughes encouraging unanimous communication from European nations.
16.10.23	French begin aggressive tactics towards British zone with aim of establishing Régie control there.	
17.10.23		Baldwin replies to Poincaré's letter of 8.10.23 by supporting Curzon.
19.10.23		FO sends telegram to Paris, Rome and Brussels recommending joint invitation to US for either (1) general economic conference or (2) enquiry under Reparations Commission.
21.10.23	Separatists take over Aix-la-Chapelle and proclaim Rhineland Republic. Belgian troops remain neutral.	
22.10.23	Separatists take over Ems, Mayen and Saarburg in French zone. FO decides to delay railway question by instructing officials on spot to find local solution.	

23.10.23	Separatists occupy Wiesbaden, Trier, Duren and Duisberg in French zone. In Belgian zone nationalists counter-attack at Aix-la-Chapelle and Munchen Gladbach. FO decide that separatist government will not be permitted unless constitutionally brought about by German Government.	
24.10.23		Germans submit note to Reparation Commission requesting moratorium. Bradbury delays consideration of note.
25.10.23	Baldwin's Plymouth speech warns of dangers of break-up of Germany. Sudden French support for separatists. Tirard say French have recognised separatists as de facto authority in their zone. Under French and Belgians support separatists occupy Coblenz and set up provisional government.	Baldwin's Plymouth speech announces policy of Protection and precipitates December general election. Belgians agree to second proposal of 19.10.23.
26.10.23		French favour second proposal of 19.10.23, but only on condition that scope of enquiry is strictly limited.
27.10.23	17% of coal owners in Ruhr have formed agreements with MICUM.	Italians favour second proposal of 19.10.23.
29.10.23	Kilmarnock tells Tirard that separatist actions infringe Rhineland agreement.	
30.10.23	Crewe warns Poincaré that success of separatists would destroy Treaty of Versailles.	FO submit text of draft invitation to US (calling for enquiry under reparation commission) to France, Belgium and Italy for approval.
31.10.23		Poincaré says he will only agree to draft invitation with major alterations.
1.11.23		Belgians agree to draft invitation with minor alterations.
2.11.23	Poincaré denies any involvement with separatists. Belgians withdraw support separatists and escort them out of Aix.	
3.11.23		Italians agree with Belgians concerning draft invitation.
6.11.23		FO appeals to Washington, Brussels and Rome to join in a joint appeal to Poincaré for him to drop his conditions.
7.11.23		Hughes refuses to participate in joint communication to France, but does agree to apply separate pressure to Poincaré. Belgium refuses to join in joint note to Poincaré.

8.11.23		Bradbury reports that French attitude in Reparation Commission has softened.
9.11.23	Separatists leave Crefeld and Urdingen. Belgian zone is now free from Separatists.	Belgians agree to apply separate pressure on Poincaré.
13.11.23		Barthou proposes in Reparation Commission that committee of experts should be established to estimate Germany's <u>present</u> capacity to pay.
14.11.23	Negotiations between Tirard and separatists begin for formation of autonomous Rhineland State within framework of Reich.	
15.11.23	Kilmarnock refuses to enter into local negotiations between French and Separatists.	
24.11.23	Agreement formed between MICUM and Commission of Six.	
27.11.23	FO decide to delay all questions connected to "exploitation" by seeking local arrangements.	Bradbury reports that he has for some time been negotiating in the Reparation Commission and has arrived at idea of two committees. Other delegates seem ready to accept this solution.
29.11.23	Separatists movement wracked by internal differences.	
30.11.23		Reparation Commission passes resolution to establish two committees.
1.12.23		FO contact Washington to ask if Americans will participate on committees
2.12.23	Separatists leave Bonn, Beuel, Königswinter, Godesberg.	
11.12.23		Americans announce willingness to participate in committees.
13.12.23	Bradbury suggests strategy of delaying the MICUM agreements in the Reparation Commission.	
14.12.23	Agreement reached between British officials and Régie.	
15.12.23	Separatist movement in Rhineland has failed.	
26.12.23		Reparation Commission announce that Committees have been appointed.

The existing literature on British policy does not deal with these months in any detail. Crowe and Corp and Maisel content themselves with brief narratives, while Bennett barely mentions the establishment of the experts' committees.² Williams briefly covers the establishment of the experts' committees and mentions the practical difficulties facing the British and their unease at French involvement in the MICUM agreements.³ Interestingly it is Rupieper who provides the most detailed account to date of Britain's role at this stage.⁴ Clearly a fuller appraisal of Britain's role during these crucial months is needed. However, any attempt to analyse British foreign policy at this time is rendered extremely difficult by the immense problems involved in interpreting French policy. Despite extensive work, a whole range of unanswered questions remain regarding the actions and motives of Poincaré during the autumn of 1923.⁵

Trachtenberg argues that Poincaré opposed intervention by or cooperation with Britain. Rather he sought to enhance French security by exacerbating Germany's crisis - by discreetly supporting the separatists, by pushing for an industrial agreement and by supporting a Rhenish bank of issue. But Poincaré failed to pursue his aims consistently on the spot in the Ruhr and so lost control. Increasingly overwhelmed by the complexities of the situation, he impulsively broke with his aims and accepted expert inquiries. Trachtenberg concludes that at this most crucial time French policy was "working at cross-purposes" and that "Poincaré had no firm conception of where he wanted to go and what it would take to get there..."⁶

² Crowe & Corp, Ablest, pp. 439-442; Maisel, Foreign, pp. 126-9; Bennett, British, pp. 38.

³ Williamson, 'Great Britain', pp. 83-5.

⁴ Rupieper, Cuno, pp. 229-234.

⁵ For an interesting discussion of French motives, see J. Jacobson, 'Strategies of French Foreign Policy after World War I', Journal of Modern History, Vol. 55, No. 1 (1983), pp. 78-95.

⁶ Trachtenberg, Reparation, pp. 311-334.

McDougall, on the other hand, interprets French foreign policy as much more consistent. When passive resistance ceased Poincaré refused to negotiate with Germany because he always wanted an international settlement of reparation, including Britain and the United States. Thus Poincaré awaited a sign from Britain, and in the meantime tried to strengthen France's position regarding Germany (by means of MICUM, the separatists, and by seeking to maintain French control over the Rhine-Ruhr railways) so that he would be in a position to achieve an eventual international settlement on lines favourable to France - a European integration of Germany on terms of parity and partnership, but with permanent controls on German sovereignty. The problem was that Poincaré lost control of the situation on the spot and so forfeited his bargaining cards.⁷

Finally, Keiger also sees Poincaré as aiming for an international settlement including the Anglo-Saxons. But, in contrast to McDougall, Keiger argues that Poincaré was therefore opposed to any measures (such as a Franco-German industrial agreement or an independent Rhenish state) which could alienate Britain. That France became drawn into such projects owed more to wayward officials than to Poincaré's own wishes. Moreover, Poincaré was also influenced by domestic-political factors - in particular a desire not to become too dependent on the Right before the 1924 elections. Hence he courted the Radicals by agreeing to a collective solution to reparation and the Ruhr.⁸

The purpose of this thesis is not to enter the debate on Poincaré's motives, but to deal with the British side of the equation. As will be shown in this chapter and in Chapter VI, the British essentially adhered to the Trachtenberg approach. They saw Poincaré as increasingly confused and inconsistent, hostile to British and United States intervention, and vaguely pushing to

⁷ McDougall, *France's*, pp. 293-345.

⁸ Keiger, *Poincaré*, pp. 303-5.

secure French supremacy over a crumpling Germany. Given the information and signals they received from Paris and the occupied territories, this British evaluation was entirely understandable. None of the evidence they received suggested that Poincaré had any desires for an international settlement along the lines suggested by McDougall. The fact that Britain, despite being closely informed about the situation, was totally oblivious to such purported aims by Poincaré raises doubts both as to Poincaré's consistency in pursuing them, and indeed, to their very existence.

The Crisis of Weimar

The French and Belgians will have on their hands a “corpse like form agitated by convulsive movements”.⁹

As soon as the end of passive resistance was declared on 26 September, the Weimar Republic faced grave threats to its very existence. Problems began in Bavaria, a state always unsympathetic to Weimar. Violently anti-French and strongly reactionary in their sympathies, Bavarians regarded the cessation of passive resistance as capitulation and seized on the opportunity of widespread disruption to try to increase their own power within the German Reich. Citing the necessity of preempting reactionary Right-wing disturbances as his reason, the Bavarian Prime Minister, Eugen von Knilling, appointed the Right-wing nationalist, Ritter von Kahr, as dictator of Bavaria. Knilling's assurances that he had acted to suppress mass meetings planned by Hitler¹⁰ sounded somewhat hollow when it was reported that, despite orders from Berlin, Hitler's paper was still appearing and he was still holding his meetings.¹¹ A more likely explanation, as it seemed to the British, was that Bavaria was trying to break free from its federal chains.¹² John Thelwall (the Commercial Secretary in Berlin) wrote to Wigram on 12 October:

“Among the chaotic political and financial conditions which have now obtained in Germany for some weeks, one definite result has clearly emerged, and that is the separation of Bavaria from the Reich. It is true that no official pronouncement has been made to this effect, but for practical purposes severance is complete.”¹³

These developments in Bavaria had the overall effect of pushing Germany to the Right. Stresemann interpreted the appointment of von Kahr as a move

⁹ Curzon Papers, Mss Eur. F 112/230: Grahame to Curzon, 21.9.23.

¹⁰ FO 371 8754, C16865/347/18: Robert Clive, Consul General for Bavaria (Munich), tel. 12, 28.9.23.

¹¹ FO 371 8755, C17178/347/18: Clive (Munich), tel. 13, 3.10.23.

¹² FO 371 8754, C16789/347/18: Clive (Munich), tel. 11, 27.9.23.

¹³ FO 371 8745, C17887/313/18: Thelwall to Wigram, 12.10.23.

against his authority and replied by appointing the Minister for War, Otto Gessler, as dictator for the entire Reich. A protracted crisis between the Bavarians and the central government ensued, particularly regarding the loyalty and control of the Reichswehr.¹⁴

The appointment of Gessler as Reich dictator also precipitated a political crisis in Berlin. As a result of Gessler's appointment, Stresemann's constitutional supporters abandoned him, leaving him unable to obtain Reichstag support for an extension of his existing emergency powers by means of an Enabling Act¹⁵. On 4 October Stresemann's government fell. Six days of political chaos followed before a new government formed. The new government was basically composed on the same lines as the old one and so was also in danger of falling unless the Enabling Act was passed.¹⁶ President Ebert therefore announced that if Stresemann could not get the two-thirds majority necessary to pass this act, he could dissolve the Reichstag.¹⁷ In other words, the Reichstag must pass the act or be dissolved - throwing Germany into yet more confusion by precipitating elections.

Meanwhile the German government also faced problems from the Left. While reactionary activities were concentrated in Bavaria, the Communists were strongest in Saxony and Thuringia. On 9 October it was reported that the Communists had struck a deal with the precariously balanced provincial Socialist Government in Saxony whereby, in return for their support, they would be rewarded with some Cabinet posts. The same thing was expected to happen in Thuringia.¹⁸ The German government, more cautious when dealing

¹⁴ FO 371 8755, C18827/347/18: Clive (Munich), tel. 20, 31.10.23.

¹⁵ Limited emergency powers covering the appointment of Gessler had already been introduced on 26.9.23.

¹⁶ FO 371 8817, C17320/16779/18: Addison, tel. 357, 6.10.23.

¹⁷ FO 371 8817, C17607/16779/18: Addison, tel. 362, 11.10.23.

¹⁸ FO 371 8699, C17690/203/18: Addison disp. 710, 9.10.23.

with the reactionary Bavaria, was in contrast much more severe when dealing with this threat from the Left. On 20 October D'Abernon reported: "Disintegration is proceeding at an alarming rate... The government are sending considerable reinforcements to Saxony - several battalions accompanied by artillery."¹⁹ On 28 October D'Abernon continued: "German Government have sent an ultimatum to Saxon Government... They demand resignation of Saxon government and request an immediate answer failing which certain measures will be taken."²⁰

The background to all this political chaos was economic chaos. A brief glance at the exchange rate of the mark amply demonstrates Weimar's financial collapse during the autumn of 1923.

On 9.10.23 £1 = 7,000 million marks²¹

On 10.10.23 £1 = 18, 000 million marks²²

On 18.10.23 £1 = 24,000 million marks²³

On 21.10.23 £1 = 80,000 million marks²⁴

On 23.10.23 £1 = 250,000 million marks²⁵

In the face of these frightening inflation rates, the German government at last took some action. Acting under the limited emergency powers already operational, on 21 October a new mortgage currency was introduced, based on agricultural, industrial and commercial assets. Nevertheless, in the short term, the situation continued to deteriorate. On 3 November, Edward Thurstan, the Consul General at Cologne, warned of the "menace threatening Europe from the paralysation of the great Ruhr industrial machine", and continued:

¹⁹ FO 371 8817, C18052/16779/18: D'Abernon, tel. 377, 20.10.23.

²⁰ FO 371 8699, C18533/203/18: D'Abernon tel. 393, 28.10.23.

²¹ FO 371 8667, C17565/8/18: Addison, tel. 360, 10.10.23.

²² FO 371 8667, C17565/8/18: Addison, tel. 360, 10.10.23.

²³ FO 371 8668, C18055/8/18: D'Abernon, tel. 378, 21.10.23.

²⁴ FO 371 8668, C18055/8/18: D'Abernon, tel. 378, 21.10.23.

²⁵ FO 371 8668, C18658/8/18: D'Abernon, tel. 394, 29.10.23.

“The measure of impending disaster is so stupendous that it would be idle for me to mince my words or to attempt to gloss over facts. Unless the French recoil in fear at the eleventh hour from their reparation demands, unless a stable currency can be found, unless railway transportation can be speedily restored, nothing but a miracle can prevent millions of people in the Ruhr and Rhineland literally fighting for their lives in a short space of time”.²⁶

On 12 November D'Abernon reported: “A complete breakdown of financial system appears possible and moment when government will have no means of paying officials or maintaining order may not be far off.” So alarmed was D'Abernon that he suggested sending the female staff of the Embassy home from Berlin.²⁷

Meanwhile the central government was facing increasing criticism from its own political supporters. In particular, the fact that Stresemann seemed to be dealing more emphatically with the Communists than with the Bavarian reactionaries precipitated opposition from the Socialists. On 2 November the government was plunged into yet another crisis when the Socialists left the Stresemann coalition. When Stresemann decided to remain in office, filling up his Cabinet with ministers from other parties, he was also attacked by the Nationalists, who had hoped for his fall and a dictatorship of the Right. The new government was therefore very precarious, facing political threats from both Left and Right. It also faced huge economic problems as it had to decide whether to continue credits (unemployment doles and subsidies to employers) to the Ruhr. The possibility of financial support to the workers of the Ruhr being cut off brought yet more loud protests from the Socialists, who threatened actively to oppose the government in consequence.²⁸

²⁶ Curzon Papers, Mss Eur. F 112/205: Letter from Thurstan (Consul General at Cologne) to D'Abernon, 3.11.23.

²⁷ FO 371 8818, C19571/16779/18: D'Abernon, tel. 428, 12.11.23.

²⁸ Minute by Sterndale Bennett, 21.11.23, on FO 371 8689, C20136/129/18: D'Abernon disp. 837, 14.11.23.

At this point, political events were overtaken by Hitler's attempted coup in Bavaria on 9 November.²⁹ The putsch quickly failed but the central government still took rapid precautionary measures. In doing this it moved still further to the Right. After the coup President Ebert gave von Seeckt, as head of Reichswehr, huge powers, and the military presence in Berlin was greatly increased.³⁰

The economic situation continued to deteriorate and by 23 November, the Stresemann government was desperate. Facing increasing pressures from anarchist extremes, von Seeckt banned the Deutschvölkische, the NSDAP, and the Communists.³¹ As a result the government lost any remaining support from the Communists and Nationalists. Stresemann was already opposed by the Socialists because of his action in Saxony and Thuringia. He lost a vote of confidence by 80 votes and was forced to resign.³² His hundred days as Chancellor were over. Describing Stresemann's legacy, D'Abernon commented:

"The confusion in the political world here is indescribable - not only are there five or six parties with widely divergent views, but in each party there are at least three sections who differ profoundly from one another. It appears more and more doubtful whether it will be possible to form a ministerial majority based upon votes of the Reichstag."³³

After prolonged and complex negotiations a new Cabinet was formed under

²⁹ For interesting British views of the coup and its failure, see Clive's reports of 13 November [FO 371 8756, C19732/347/18: Clive, tel. 25, 13.11.23.] and 14 November [FO 371 8756, C20352/347/18: Clive to Lampson, 14.11.23.], when Clive commented: "I can only believe that Ludendorff has lost his reason and is no longer sane. He seems to have imagined that such was the awe that he inspired that at the mere sight of him the Reichswehr and the police would fall in behind him and obey his orders. Hitler, a half-educated demagogue, fired by the success of his oratory with women and young men, most of whom had not been to the war, thought he had merely to say the word and the country would flock to his standard. They did not even take such military precautions as would have been obvious to a schoolboy volunteer."

³⁰ FO 371 8818, C19379/16779/18: D'Abernon, tel. 419A, 9.11.23.

³¹ FO 371 8818, C20368/16779/18: D'Abernon, tel. 455, 23.11.23.

³² FO 371 8818, C20372/16779/18: D'Abernon, tel. 459, 23.11.23.

³³ Curzon Papers, Mss Eur. F 112/205: D'Abernon's diary, 25.11.23.

Wilhelm Marx, with Stresemann as foreign minister. D'Abernon remarked that "Broadly speaking it is a reincarnation of Stresemann regime", and stressed that it was still basically in limbo as it needed an emergency powers act.³⁴ On 8 December the Reichstag finally granted the new government the necessary emergency powers. Sterndale Bennett concluded: "This appears to mark the close of the German Cabinet crisis which has been going on ever since the end of September, when passive resistance in the occupied territories was abandoned."³⁵

Thus the Weimar crisis was severe indeed. The Reich faced a combined threat from both Communists in Saxony and Thuringia and from Right-wing reactionaries in Bavaria. Moreover, in the face of such structural challenges and economic chaos the irresponsible tendencies of the Weimar political parties became more pronounced. Weak and frequently changing governments paralysed the government machine, leaving Stresemann forced to shift to the Right and to rely on military emergency powers to guide the Republic through the crisis.³⁶

In the light of this information, all of which is from the British archives and so was, in principle, available to British politicians and officials at the time, the British attitude is extremely interesting.³⁷ The documentary evidence reveals the British to have been singularly unsympathetic towards the German collapse. The Treasury viewed the entire Ruhr crisis as the direct result of both French and German stupidity, and therefore thought that they should be left to sort out this latest German collapse between themselves. With any

³⁴ FO 371 8818, C20829/16779/18: D'Abernon, tel. 481, 1.12.23.

³⁵ Minute by Sterndale Bennett, 10.12.23, on FO 371 8818, C21233/16779/18: D'Abernon, tel. 490, 8.12.23.

³⁶ For a more detailed analysis of the situation in Germany during autumn 1923, see Feldman, *Disorder*, Chapter 16.

³⁷ Docket notes and initials on FO information on the German collapse show that most documents were seen by Lampson and Crowe, and often by Curzon.

luck the pair would entirely exhaust themselves in their attempts to do this and the French would finally learn their lesson. The British would then be left in by far the superior position and would be able to dictate the terms of the ultimate reparation settlement according to their own wishes. On 18 September, Bradbury wrote to Baldwin that:

“...If there is going to be a political and social débacle in Germany, there is nothing we can do to stave it off until either the French become alarmed at the results of their own handiwork, or third parties are forced to intervene in the interest of common humanity - that is to say, it is necessary to let things get worse before they can be made better... I think that it is most important from the political point of view that German chaos (if there is to be chaos), or the financial breakdown of the occupation (if unoccupied Germany can keep going), should take place in time to have its maximum influence on the French elections next spring, and I am all for letting things come to a head as quickly as possible.”³⁸

Niemeyer agreed with Bradbury. On 19 September he wrote to the Chancellor, Neville Chamberlain:

“... the real difficulties of the French are just about to begin, as in any event Germany will not be able to go on financing the Ruhr much longer. The burden of so doing will then fall on France and Belgium, who must either pay for coal in order to enable the Ruhr collieries to pay wages, or, if the miners still won't work, will have to pay to feed them unless they are prepared to face disorder from a starving population... The collapse of “passive resistance” doesn't settle the problem: it only makes it more acute for the French”.³⁹

The Treasury continued to support this view. Bradbury wrote to Niemeyer on 1 October:

“Germany will sooner or later have to leave the occupied territories - old and new - round the necks of the French. The result will be the strangulation of the French, whether occupied and unoccupied Germany perishes in the process or not.// The main hope is that the process of strangulation will proceed rapidly enough to make the French release their hold before any of the deaths have taken place... It is difficult politically for unoccupied Germany to leave occupied Germany to its fate, but it seems to

³⁸ T194/11, p56: Bradbury to Baldwin, letter, 18.9.23.

³⁹ T194/277, pp. 81a: Niemeyer to Chamberlain, 19.9.23. Baldwin had appointed Neville Chamberlain as Chancellor in August. Previously he had held the post himself, along with the position of Prime Minister.

me to be essential that France should have the full financial burden of keeping the occupied territories going on her shoulders before complete exhaustion and chaos supervenes in unoccupied Germany.”⁴⁰

To some extent, this Treasury attitude also rubbed off on the Foreign Office. Although (as we shall see when British policy regarding the French separatists and MICUM agreements is examined) the Foreign Office was not prepared to witness a complete German disintegration and French ascendancy, it was extremely reluctant to become involved unless it was absolutely necessary. Anxious to remain aloof, Foreign Office officials tended not to interpret reports of impending German disintegration too pessimistically. For example, the Foreign Office was never particularly worried that there would be a Communist uprising, as it saw the Germans to be moving to the Right in order to preempt such an eventuality. On 1 October, Addison remarked : “... opinion is moving towards a strong government and... it is not impossible that counter revolution will occur before there is any revolution to repress.”⁴¹

Believing the government to be safe from Communist attacks, and noting Stresemann’s quick action in the face of the Bavarian situation, the Foreign Office also chose to remain skeptical about imminent German dismemberment. On 30 October Lampson minuted:

“All these agitations for independence of the Reich by individual states, eg Bavaria, Saxony etc., need not be taken too seriously. After all, they are well aware that economically all the component parts of Germany are interdependent. All this blowing of trumpets is no doubt excellent for local consumption: but when it gets down to hard business it is permissible to doubt whether very much will come of it all.”⁴²

Accordingly, both the Treasury and the Foreign Office refused to send any aid to Germany. On 11 September Addison requested that Britain give financial

⁴⁰ T194/11, p78: Bradbury to Niemeyer, 1.10.23.

⁴¹ FO 371 8816, C16988/16779/18: Addison, tel. 347, 1.10.23.

⁴² Minute by Lampson, 30.10.23 on FO 371 8747, C18508/313/18: D’Abernon disp. 750, 24.10.23.

support to Germany. Wigram dismissed such suggestions: "Personally, if the catastrophe is as near as Mr. Addison suggests, I should think it would need a very charitable person to lend Germany anything."⁴³ Even in November, D'Abernon blamed the food shortages in Berlin on the Germans for failing to distribute the food properly rather than on an overall lack of food.⁴⁴ On 30 November, Wigram commented:

"The position then seems to be this. The feeding of Germany by foreign nations will presumably help to tide Germany over the present winter. Unless the German and French governments see reason, however, it will only prolong the agony, since it is the German currency policy and the French Ruhr policy which are together responsible for the difficulty of getting food from the country to the town. The one makes the farmers unwilling to deliver their food, the other has destroyed railway communications in the Ruhr at least.// It does not seem clear that in these circumstances it is really to the interest of His Majesty's Government actively to encourage it. Foreign food, it would seem, will in fact only subsidise each of the two parties to the recent struggle and enable them to continue a little longer in their present methods."⁴⁵

The Treasury were even more forceful in their refusal to send aid. On 24 November Niemeyer wrote:

"Palliatives such as food grants or foreign groups of currency loans only put off the day of real reform...// What is needed is not props for rottenness: but that the crisis should come to a head, so that the real reconstruction can start as soon as possible. Not till France, realising her responsibility for the starvation of Germany before the world, makes it possible for there to be effective Budget reform in Germany will foreign aid in any large sums be either forthcoming or really effective."⁴⁶

It is interesting to note, however, that despite the Treasury's hard line, private British firms were taking an interest in helping Germany. Of particular interest was the involvement of Messrs. Baldwins, Limited (of which Robert

⁴³ Minute by Wigram, 18.9.23, on FO 371 8667, C16440/8/18: Addison to Lampson, 11.9.23.

⁴⁴ FO 371 8817, C19209/16779/18: D'Abernon, tel. 410, 6.11.23.

⁴⁵ Minute by Wigram, 30.11.23, on: FO 371 8818, C20585/16779/18: D'Abernon disp. 878, 23.11.23.

⁴⁶ FO 371 8668, C20649/8/18: Treasury communication, 24.11.23.

Horne was managing director). On 28 November, in answer to a Foreign Office enquiry regarding the provision of British credit for financing the supply of British coal to Germany the Board of Trade wrote that they had:

“... no official information respecting this private commercial transaction with which, of course, His Majesty’s Government are not concerned. The Board understand, however, from unofficial sources that negotiations with this object have been proceeding for some time and it is believed that they have now been satisfactorily concluded. It is understood that the business has been entrusted to Messrs. Baldwins, Limited...// Large quantities of coal have been exported from this country to Germany for some time past and the significance of the negotiations in question is that German importers are no longer able to pay promptly in sterling for imported coal.”⁴⁷

D’Abernon also hinted that London was providing financial help for the Germans. In his diary of 18 November he stated that in a conversation with Stresemann, the German Chancellor remarked that he had received an offer of a loan of £25 million sterling from London. Although he would not name those involved, Stresemann said that they were “in the first rank of financiers”.⁴⁸

Thus the official British attitude forcefully trumpeted by the Treasury was to maintain as much distance as possible from Germany’s collapse, even when such a distance meant the risk of famine and starvation in Germany. In practice, however, it was to prove virtually impossible for the Foreign Office to implement a blanket policy of non-intervention. As had happened when Britain had attempted to maintain ‘benevolent neutrality’ during the onset of passive resistance, so too upon its collapse did Britain find herself more and more a part of an increasingly complicated situation. And once more it was French activities and Britain’s perceptions of French strategy on the spot in the Ruhr and Rhineland which forced Britain to become involved.

⁴⁷ FO 371 8668, C20621/8/18: Board of Trade - CRT 5725/23: 28.11.23.

⁴⁸ Curzon Papers, Mss Eur. F. 112/205: D’Abernon’s Diary, 18.11.23.

British Perceptions of French Strategy

“The whole game as played by France is sickening and revolting. But we ought to be gradually getting accustomed to it.”⁴⁹

The basic British attitude towards France upon the culmination of passive resistance was to be critical, but not to over-estimate the strength of her position. We have already seen how both the Treasury and the Foreign Office thought the best strategy was to allow France to be tried by the test of exploitation, and that they therefore sought to maintain a considerable distance from the central German financial and political crisis. In principle they continued this policy in more direct dealings with the French regarding the Ruhr and Rhineland. Partly this was through a desire to see France's reparation policy crushed by the burden of a collapsing Germany, but it was also because they did not think they needed to become involved as they did not think that France had any consistently thought out plan to put into action once passive resistance had stopped.

There was, however, always a limit to this policy of non-intervention against French measures. The Foreign Office, never quite so hard-line as the Treasury, was constantly alive to the political dangers entailed in a total German collapse. While the financial burden of such an occurrence might prove unbearable for France, they were aware that both the political and strategic benefits that France might reap were great. The Foreign Office were adamant that the British government should not stand aside to such an extent that Germany entirely disintegrated and the Rhine/Ruhr area became little more than a French colony. Once the Foreign Office began to see a consistent and, in their eyes, ominously sinister French plan emerging in the form of the

⁴⁹ Phipps Papers, Box 2/3, pp. 13: Crowe to Phipps, 24.11.23.

MICUM agreements, the separatist movement in the Rhineland and the Palatinate, the proposed Rhineland bank of issue, and French moves in the British zone of occupation, the British finally rallied and began to pursue a much more consistent and clear policy of opposition to France.

This change in British policy was by no means a swift transformation and in many ways it stemmed merely from reactions to French moves. Yet as the French found themselves embroiled increasingly in confusion and difficulties, so the position of the British strengthened and a clear policy crystallised. By late October, determined not to be pushed around by an increasingly desperate France, the British adopted a silent indifference to the MICUM agreements, playing for time in the belief that they would be short-lived and unworkable. Similarly they refused to be drawn into the separatist activities or to succumb to French pressure for a separate Rhineland bank of issue. They simply monitored the situation, and when they felt the French were overreaching themselves and threatening the very unity of Germany, they warned them off. Thus British policy towards the close of 1923 makes a sharp contrast to previous months. Britain adopted delaying tactics towards the situation on the spot, allowing France to become embroiled, while concentrating on what really did matter - inter-governmental negotiations regarding reparation.

In view of this, it seems that Poincaré missed the brief but golden opportunity which he had before British policy recovered. Having worked so hard for the advantage he had won by mid-September, Poincaré threw it all away by not having a proper plan upon the end of passive resistance.⁵⁰ Poincaré simply continued his hardline policy towards Germany, refusing to negotiate until the German government produced evidence that it would resume reparation

⁵⁰ Most modern historians tend to agree that Poincaré missed an opportunity at this point to capitalise on his victory in the Ruhr. See Trachtenberg, Reparation, pp. 311; Rupieper, Cuno, pp. 234; McDougall, France's, pp. 293; and Keiger, Poincaré, pp. 305.

payments. On both 10 and 17 October⁵¹, Poincaré met the German chargé d'affaires. On each occasion he refused the German entreaties to find an agreement. In doing this he missed his chance of trumping the British and Americans with a *fait accompli*. Had Poincaré presented the Anglo-Saxons with a Ruhr and reparation agreement, world opinion would probably have made it very hard for them to refuse to accept. He could then have transformed an initial, bilateral agreement into an essentially international settlement on French terms and with France in the driving seat. In refusing to come to an arrangement with the Germans Poincaré left himself with the unenviable task of trying to vindicate his entire Ruhr policy by making his "pledge" productive now that passive resistance had ceased.

As soon as the British were aware of Poincaré's refusal to enter into any negotiations with the Germans, they realised the minefield of difficulties awaiting him in the Ruhr. Kilmarnock remarked of the French stance:

"Present French attitude is puzzling. They have so far refused to "negotiate" with anybody and seem to think that the wheels of industry will start revolving again spontaneously. Consequence is that official abandonment of passive resistance has so far had little effect."⁵²

Tyrrell commented: "When it comes to tackling this question of exploitation seriously, I think we shall find that the French have no workable plan."⁵³

Baldwin agreed. After his 19 September meeting with Poincaré he told Neville Chamberlain that Poincaré had declared that:

"as to plans for the future it would be time enough to talk about these when Stresemann had surrendered. From which Baldwin concluded he [Poincaré] had no plan. He [Baldwin] thought him quite honest but absolutely ignorant of finance and prophesied that he would get a shock when he found that he would get no reparation out of the Ruhr occupation."⁵⁴

⁵¹ See FO 371 8745, C17714/313/18: Addison tel. 363, 12.10.23 and FO 371 8746, C18149/313/18: Conversation between Crowe and the German Ambassador, 20.10.23.

⁵² FO 371 8744, C17323/313/18: Kilmarnock tel. 377, 7.10.23.

⁵³ Minute by Tyrrell, 27.9.23 on FO 371 8744, C17255/313/18: FO memo, 27.9.23.

⁵⁴ Neville Chamberlain Papers, NC2/21: Neville Chamberlain's diary, 24.9.23.

The British appraisal was to prove correct. Poincaré's pause was his undoing. He became entirely preoccupied with immense practical difficulties in the Ruhr. The result was that his overall control over foreign policy was loosened and his domestic-political situation weakened. My interpretation follows Trachtenberg's analysis of Poincaré as confused and inconsistent at this point and contravenes McDougall's view of Poincaré as consistent and farsighted in his aims for an international settlement of reparation. An examination of four topics - the MICUM agreements, the separatists; the Rhineland bank and the British zone of occupation - shows how the tide turned against the French and in favour of the British position.

The MICUM Agreements.

From the time when the first rumours began to reach the Foreign Office that the French were negotiating with German industrialists while at the same time shunning the Stresemann government, to the stage - several months later - when the full extent of the MICUM agreements was known, the British were never really worried by agreements concluded between individual German industries and either the French High Commission or the Control Commission (MICUM). The British remained confident that such agreements were unworkable and could only ever be temporary. They were right. That Poincaré apparently became convinced that these chaotic, ad hoc arrangements, which grew out of the necessity of getting the occupied territories back to work, could be used as a basis of a reparation settlement on French terms, was one of his major mistakes. His distraction with this scheme, coupled with his involvement with the separatists, cost him victory in the negotiation stage of

the Ruhr crisis.⁵⁵

The French had begun to try to take over and work mines and factories by means of the MICUM as early as the end of August. Right from the start, British commentators were decidedly scathing regarding the success of such efforts. One of the first collieries to be taken over was the “Victor”. On 20 September, Kilmarnock emphasised the difficulties which the French had encountered when trying to run this mine. The local population had refused to cooperate with the French, despite the very tempting offers made to them. In the Ruhr as a whole, only 200 Germans had been recruited out of a total mining population of 600,000, and these had been: “shady and undesirable elements comprising deserters, thieves and other criminals [who] have accepted employment under these bodies either to obtain protection from the German police or to escape being sued before a German court.”⁵⁶ In consequence the French had not been able to extend their programme and work more mines.

Once passive resistance ended, the situation changed. The Germans were no longer boycotting their industries, and so it was essential for the French to try to get the Ruhr economy operating again, with a view both to minimising the effects of the occupation and obtaining reparation. It was natural for the French, as the occupying power, to try to form agreements with the Germans to start production. The Foreign Office did become a little concerned at this stage, and asked D’Abernon about the likelihood of Franco-German industrial

⁵⁵ Historians of France at this time agree that Poincaré became distracted and even overwhelmed by the MICUM agreements, but disagree over why Poincaré pursued them. My thesis supports Trachtenberg’s argument that they were a confused attempt to aggravate the German collapse and increase French security; rather than McDougall’s, that they were an attempt by Poincaré to consolidate France’s victory and enhance Poincaré’s position at the international conference table; or Keiger’s, that whatever the zeal of certain French officials, Poincaré was never enthusiastic for the industrial agreements. [Trachtenberg, *Reparation*, pp. 321; McDougall, *France’s*, pp. 294; Keiger, *Poincaré*, pp. 303-4.]

⁵⁶ FO 371 8742, C16564/313/18: Kilmarnock, Coblenz, disp. 845, 20.9.23.

agreements being concluded.⁵⁷ On 27 September D'Abernon reassured the Foreign Office that:

“So far no private arrangements between French and German industrials have been come to, one of main reasons being Monsieur Poincaré’s refusal to countenance them.// There is no theoretical or practical objection on the part of German industrials to making trade agreements with French but in practice they will ask for such terms and such control that agreement may not be easy.”⁵⁸

Captain Georgi, one of Lord Kilmarnock’s advisors on the Rhineland High Commission, also assured the Foreign Office that there was nothing to worry about. On 4 October the Foreign Office received a minute telling them that a Franco-German industrial combination over the Ruhr and Lorraine was unworkable in post war circumstances, as Ruhr coke was no longer cheap and therefore it was not now profitable for the Lorraine iron industry to use it.⁵⁹

Despite these assurances, reports continued that negotiations were taking place between the French and German industrialists. On 7 October, the German industrialist Otto Wolff made an arrangement with the Control Commission on behalf of the Phoenix and Rheinstahl works.⁶⁰ The situation was far from clear cut. Apparently Poincaré had not invested Degoutte with the power to actually sign an agreement with the German industrialists but only to negotiate with them, and when Degoutte did sign Poincaré was very angry and had to apologise to the Reparation Commission⁶¹. The fact that Degoutte disobeyed Poincaré’s instructions regarding French policy is indicative of a wavering in Poincaré’s control over the French machine. In the end Poincaré did go along with Degoutte’s agreement, and despite Poincaré’s initial reluctance, by the end of October, the MICUM agreements had become

⁵⁷ FO 371 17453/313/18: Private telegram to D'Abernon, 26.9.23.

⁵⁸ FO 371 8744, C17454/313/18: D'Abernon, tel. unnumb., 27.9.23.

⁵⁹ FO 371 8744, C17190/313/18: Minute by Captain Georgi, undated, received 4.10.23.

⁶⁰ FO 371 8745, C17887/313/18: Thelwall to Wigram, 12.10.23.

⁶¹ FO 371 8745, C17887/313/18: Thelwall to Wigram, 12.10.23.

a major force in French policy. On 27 October, Kilmarnock reported: "General Degoutte in his daily communique of yesterday states that 17% of coal owners in Ruhr have by now come to terms with MICUM and are under an obligation to resume deliveries of reparation coal, and negotiations are in progress with the rest."⁶²

The first three weeks of November also saw agreements between the French High Commission and the dye factories, the Solingen Chamber of Commerce, the chemical industries, the shoe Industry, the wine merchants, the leather industry, the jewellery industry and the paper and textile industries.⁶³ Basically all these agreements provided for a resumption of work and payment of reparation in kind as well as fines. It is significant, however, that these agreements were valid for a few months only.

Poincaré's strategy was not a wise one. It relied on too many factors which were beyond his control. Predictably, both the German government and the German industrialists stalled for time. Therefore the most important agreement - with the 'Commission of Six' major German industrialists led by Hugo Stinnes - was not formed until the 24 November.⁶⁴ The agreement was to be in force until 15 April, 1924, and had 5 main clauses: (1) the mines would pay \$15 million for the period 1.1.23 - 1.11.23; (2) in future the mines would pay 10 francs in tax per ton coal sold; (3) the mines would give the allies 18% of their net production; (4) stocks situated in the Ruhr on 1.10.23 were to remain the property of the allies; and (5) the existing regulations for export licenses would remain in force.⁶⁵

⁶² FO 371 8747, C18534/313/18: Kilmarnock tel. 430, 27.10.23.

⁶³ FO 371 8752, C21575/313/18: FO minute, undated, received 14.12.23.

⁶⁴ FO 371 8749, C20419/313/18: D'Abernon, tel. 460, 24.11.23.

⁶⁵ FO 371 8749, C20439/313/18: Crewe disp 2672, 24.11.23.

Throughout the formation of the MICUM agreements, the British were never unduly worried, although as Poincaré stepped up his efforts, British officials did voice suspicions. For example, on 12 October Bradbury wrote to Chamberlain that:

“On the whole, I regard the Wolff agreement as a very clever move on the French side. It will be difficult for other groups not to follow suit, and if similar arrangements are concluded all round, M. Poincaré will have secured a considerable, if purely temporary, success, on the basis of which he would be in a very favourable position to negotiate if he sees fit to do so.”⁶⁶

On 2 November Kilmarnock commented: “...there is no doubt in my mind that the French policy is directed towards the conclusion of Franco-German industrial arrangements... The French miss no opportunity of getting into touch with manufacturers and negotiating with them”⁶⁷, while on 5 November Finlayson wrote:

“I believe that it is M. Poincaré’s intention to place the projected Conference before a “fait accompli”. If he has got what he wants from the Industrialists he can snap his fingers at the Conference and he has further this advantage that he will be able to say that the Conference was not torpedoed by him but by the Germans themselves.”⁶⁸

The consensus opinion, however, as that - even after the most important agreement of 24 November between MICUM and the Commission of Six - the agreements would ultimately come to nothing. On 26 October, Chapman, of the Board of Trade declared: “So long as such arrangements are confined to questions regarding the delivery of coal, they do not appear to give rise to any

⁶⁶ T194/261, pp. 105: Bradbury to Chamberlain, 12.10.23.

⁶⁷ FO 371 8748, C19025/313/18: Kilmarnock, disp. 1014, 2.11.23.

⁶⁸ Memo by Finlayson, 5.11.23, enclosed in FO 371 8748, C19300/313/18: D’Abernon, disp. 799, 5.11.23. Finlayson reiterated these views a few days later [see FO 371 8748, C19259/313/18: D’Abernon, tel. 412, 7.11.23. enclosing information from Finlayson].

serious objection from the point of view of British interests.”⁶⁹ Thurstan remarked of the Stinnes agreement: “It remains to be seen whether this agreement will prove to be in any way workable in view of the transportation and currency difficulties, quite apart from those inherent to the agreement itself”⁷⁰; while on 2 January 1924 Lampson minuted: “General opinion [is] that the recent Franco-German industrial agreements are unworkable”,⁷¹ and Crowe added: “This opinion has always been held in expert circles here.”⁷²

Convinced that they were impracticable, the British kept their distance from the whole affair, by default allowing Poincaré to become embroiled. On 17 November Lampson commented:

“I should, *prima facie*, be strongly averse to our being drawn in between the German industrialists (or German Government) and the French Government, in any shape or form. We have dissociated ourselves from the whole policy of “productive pledges” and it would be a mistake now to get drawn into a wrangle between the Germans and French...”⁷³

British policy was simply to wait for the MICUM agreements to play themselves out, and if possible to help ensure this outcome. Bradbury wanted actively to oppose the French over MICUM by forcing the Reparation Commission to say that accepting MICUM payments raised the issue of the legality of the Ruhr.⁷⁴ The Foreign Office did not want to precipitate a

⁶⁹ FO 371 8747, C18388/313/18: Board of Trade, CRT 4896, 26.10.23. Chapman, however, added in his report that British interests could be threatened if a Franco-German heavy industrial combine was formed. Therefore the Board of Trade sent Sir William Larke (of the National Federation of Iron and Steel Manufacturers) to the Ruhr to ascertain exactly what was happening. He reported to Curzon on 4 December, concluding that although there was some evidence of a desire for an Franco-German combine, he thought progress unlikely. [T160/174/F6731/1: Minute by Lampson, 13.12.23.].

⁷⁰ FO 371 8750, C21014/313/18: D'Abernon disp. 907, 30.11.23, enclosing disp. from Thurstan, 27.11.23.

⁷¹ Minute by Lampson, 2.1.24 on FO 371 8752, C21992/313/18: D'Abernon dispatch 969, 14.12.23.

⁷² Minute by Crowe, 2.1.24, on FO 371 8752, C21992/313/18: D'Abernon dispatch 969, 14.12.23.

⁷³ Minute by Lampson, 17.11.23, on FO 371 8749, C19948/313/18: D'Abernon, tel. 437, 16.11.23.

⁷⁴ FO 371 8752, C21870/313/18: Bradbury, communication, 13.12.23.

showdown with the French, and instead opted to use the Reparation Commission more subtly as a delaying tactic to thwart French policy. Lampson suggested:

“There is, however, another and less heroic line of approach. Might not the Reparation Commission inform the German government that they have received the copies of the agreements etc., just communicated to them, that they note the request of the German government to be credited on reparation account with the deliveries in kind etc., made under these agreements, that the matter will be not lost sight of etc, but that being of a particularly complex character no immediate decision need be looked for.”⁷⁵

Hurst agreed: “There seems to me a great deal to be said in favour of Mr. Lampson’s proposal for a less heroic course of action than that proposed in Sir J. Bradbury’s memorandum.”⁷⁶

As a result, the British decided to leave matters to the Reparation Commission surreptitiously to delay for as long as possible. By 9 January 1924 they were still awaiting the Commission’s verdict on the validity of the agreements.⁷⁷

The Separatists.

The British approach to the separatist movement in the Rhineland and Ruhr during the autumn of 1923 was more pro-active than it was concerning the MICUM agreements. It was, however, based on the same broad principles. Once more the British preferred not to become involved, but merely to follow events. But whereas the British were able to maintain an essentially passive role regarding MICUM, with the separatists they had to do more, employing limited intervention to prevent matters from going too far. The policy was successful. The French overreached themselves and did great damage to their

⁷⁵ Minute by Lampson, 20.12.23 on FO 371 8752, C21870/313/18: Bradbury, communication, 13.12.23.

⁷⁶ Minute by Hurst, 21.12.23, on FO 371 8752, C21870/313/18: Bradbury, communication, 13.12.23.

⁷⁷ Curzon Papers, Mss Eur. F.112/241: FO Memo on British Policy in Occupied areas, 9.1.24.

position.⁷⁸

Even before the end of passive resistance was declared, the British were aware that separatist activity in support of an independent Rhineland state was increasing.⁷⁹ They also appreciated that the fostering of such a movement would be in French interests. As soon as passive resistance ceased, separatist activity increased dramatically. On 30 September a mass meeting was held at Dusseldorf. When it ended in rioting and bloodshed, with 17 killed and around 400 wounded, the British immediately blamed the French. Kilmarnock reported:

“...every effort appears to have been made by the French authorities to encourage the Separatists in their efforts to make this meeting a success. Facilities were granted by the “Régie” ... in the supply of trains... Separatists who were arrested were found to be in possession of French revolvers and ammunition... It is practically certain that, if the French authorities had provided patrols and posts, very little - if any - trouble would have occurred, but after having encouraged the organisers of the meeting by every means in their power, at the last moment they (the French) seem to have retired from the proceedings.”⁸⁰

Throughout October, the separatist movement continued to gather pace, particularly in the Belgian zone of occupation. This put the Belgian government in a difficult position. It was not in their interests to see an independent Rhineland under French control, as this would leave them strategically encircled by France. At 2 am on 21 October separatists took over the government offices, town hall, post office and telegraph offices at Aix-la-Chapelle (situated in the Belgian zone of occupation) and proclaimed a Rhineland Republic.⁸¹ The Belgians ordered their troops to remain neutral.

⁷⁸ For more information on Rhenish separatism, see, H.E. Nadler, The Rhenish Separatist Movements During the Early Weimar Republic, 1918-1924 ,(London, 1987), pp. 303-378.

⁷⁹ On 13 September, there was a separatist meeting at Aix-la- Chapelle which was attended by about 15,000 [FO 371 8684, C16617/129/18: Lord D'Abernon, disp. 649, 19.9.23].

⁸⁰ FO 371 8684, C17592/313/18: Kilmarnock, disp. 899, 9.10.23.

⁸¹ FO 371 8685, C18051/129/18: Ryan, Coblenz, tel. 405, 21.10.23.

Britain's principal source of information on the subject, Lieutenant- Colonel Rupert Ryan, the Deputy High Commissioner on the Rhineland high Commission, commented:

"I am of the opinion that the Belgians now find themselves in a dilemma. They have for a long time past been coquetting with Smeets and Dorten groups [ie the Separatists] without approving their aims. They are now faced with the success of a party whose aims are the creation of an independent Rhineland state. This state and probability of its coming under French control are considered by them a danger."⁸²

Reports of activity in the French zone soon followed. By 22 October some smaller towns, including Ems and Saarburb, were in the hands of the separatists⁸³ and on 23 October the separatists occupied the public buildings in Wiesbaden, Trier, Duren and Duisburg.⁸⁴ But Ryan now reported that the tide might have turned against the separatists, especially in the Belgian zone:

"In Aix-la-Chapelle and München Gladbach nationalists counter attacked with sticks and drove Separatists out of some public buildings. There are some signs of collapse of movement in this area."⁸⁵

By 24 October a small band of separatists clung to one remaining public building at Aix, while at Coblenz the separatist movement had failed.⁸⁶ Ryan reported that the Belgian commissioner:

"regards movement as dead there [ie in Belgian zone] for the present but fears that it might break out again if Separatists consolidate themselves in French zone.// Belgian Government was entirely opposed to establishment of an independent republic but they were in favour of formation of Rhineland into a federal state within the Reich."⁸⁷

The British zone had throughout remained a haven of comparative normality and calm. On 23 October, General Godley had reported: "... I do not consider there is any cause for anxiety in the situation as regards Cologne, nor do I at

⁸² FO 371 8685, C18086/129/18: Ryan, tel. 406, 21.10.23.

⁸³ FO 371 8685, C18210/129/18: Ryan, tel. 412, 22.10.23.

⁸⁴ FO 371 8685, C18252/129/18: Ryan, tel. 415, 23.10.23.

⁸⁵ FO 371 8685, C18253/129/18: Ryan, tel. 416, 23.10.23.

⁸⁶ FO 371 8685, C18315/129/18: Ryan, tel. 420, 24.10.23.

⁸⁷ FO 371 8685, C18367/129/18: Ryan, tel. 422, 24.10.23.

present see reason why clash between civil population and troops should occur.”⁸⁸

On 23 October Ryan had made his first real appraisal of the situation:

“While it is difficult as yet to predict outcome of Separatist action, following observations may serve to throw light on situation existing at the moment. // Separatist successes have been won by comparatively small bodies of men, majority of which belong to the lowest classes of the population. In Coblenz for instance whole action has been undertaken by at the most 400 Separatists.”⁸⁹

Ryan thought that the successes had been possible because of the apathy of the population, their dissatisfaction with Berlin and their belief that it was useless to struggle against the separatists as they were supported by the French. He continued:

“Up to now I have no direct evidence that French have intervened directly in any way to help Separatists to power but their sympathies as might be expected are on that side and neutrality as interpreted by them has operated throughout in favour of Separatists and against authorities in power.”⁹⁰

The situation, however, suddenly changed. Rather than describing the decline of the Separatist movement, at the end of October reports began to emphasise French involvement in and encouragement of the movement. In fact, it soon transpired that the French, forcing the Belgians to go along with them, were to recognise a de facto separatist government in their zone. As with the MICUM agreements, Poincaré found himself drawn into an ad hoc policy by the force of circumstance and by the actions of others. This time the policy was of a much more sinister nature. Trachtenberg, McDougall and Keiger all emphasise the problems Poincaré encountered regarding the more violent separatist groups. Facing pressure from unruly officials, domestic pressure, and pressure from the separatists themselves, Poincaré became heavily involved in separatist

⁸⁸ FO 371 8685, C18318/129/18: Godley to WO, tel. 50004, 23.10.23.

⁸⁹ FO 371 8685, C18303/129/18: Ryan, tel. 418, 23.10.23.

⁹⁰ FO 371 8685, C18303/129/18: Ryan, tel. 418, 23.10.23.

activities against his better judgment.⁹¹

On 25 October the French High Commissioner told Ryan that:

“recent events had produced a wave of enthusiasm in France which could not be disregarded... The Separatists were now de facto authority in French zone and there was no alternative but to recognise them as such.”⁹²

Thurstan also reported a sudden increase in French and Belgian support for the movement, saying that at Aix-la-Chapelle, Bonn, Duisburg, Düsseldorf and other towns the separatists were receiving help:

“The Separatist insurrections, which everywhere show signs of being speedily suppressed through opposition of local inhabitants, are now clearly being supported by force by Belgian and French authorities and, seeing that latter adopted a more or less neutral attitude at the outset, there are grounds for suspecting that, when the movement appeared to be about to collapse, they received instructions from their respective governments to give it their active support and maintain it by all means at their disposal.”⁹³

On 25 October the separatists, under French protection, occupied all the public buildings in Coblenz and claimed that they were the legitimate government of the Rhineland.⁹⁴ Thurstan reported that trains run by the Franco Belgian railway organisation (the Régie) had brought hundreds of armed separatists to Aix-la-Chapelle on the evening of 1 November, and that the townspeople were being terrorised.⁹⁵

All the British informants were now highly critical of the French action. On 25 October Thurstan commented:

“It should clearly be understood that Separatist forces, who French and Belgians have armed, are in general drawn from lowest depths of population. They are conveyed from one town to

⁹¹ Trachtenberg, Reparation, pp. 321; McDougall, Frances', pp. 305; Keiger, Poincaré, pp. 305.

⁹² FO 371 8685, C18378/129/18: Ryan, tel. 425, 25.10.23.

⁹³ FO 371 8685, C18430/129/18: Thurstan, Cologne, tel. 31, 25.10.23.

⁹⁴ FO 371 8685, C18431/129/18: Kilmarnock, Coblenz, tel. 427, 26.10.23.

⁹⁵ FO 371 8686, C18932/129/18: Thurstan tel. 32, 2.11.23.

another by regie trains or lorries and general public, whatever Separatist sympathy they may have, will never willingly endure them. As they are utterly incompetent their advent to power under allied bayonets could only serve to aggravate already desperate economic situation.”⁹⁶

D’Abernon went even further in his criticism of the French and accused them of plotting to dismember Germany:

“Evidence is accumulating that separatist risings are result of preconceived plan on the part of French and would long ago have been suppressed by local police and inhabitants had it not been for direct French and Belgian support. In these circumstances French will probably succeed in establishing a so called separatist administration in all principal Rhineland towns against will of practically entire population.”⁹⁷

Thurstan agreed: “...the French and Belgians have deliberately chosen this moment to put their Rhineland Republic scheme into operation...// ... [G]angs of desperadoes have been deliberately armed and let loose on the Rhineland population ...”⁹⁸

In the light of these new and more serious reports of French actions, the British attitude and approach had to be defined. It seemed that dismemberment of Germany was definitely the French aim. The limits to the British policy of non-involvement had been reached and swift measures were necessary. On the morning of 23 October an important meeting took place in Crowe’s room. Here it was decided that any change of regime *brought about in accordance with the German constitution* could not be objected to or interfered with.⁹⁹ As there was no way that the German government would ever agree to a completely independent Rhineland, this decision basically meant supporting the German government against the separatists if it proved

⁹⁶ FO 371 8685, C18430/129/18: Thurstan, Cologne, tel. 31, 25.10.23.

⁹⁷ FO 371 8685, C18531/129/18: D’Abernon, tel. 391, 28.10.23.

⁹⁸ Curzon Papers, Mss Eur. F. 112/205: Thurstan to D’Abernon, 3.11.23.

⁹⁹ Minute by Cadogan, 24.10.23 on FO 371 8685, C18312: Rhine Army, Cologne, to WO, 50005, 23.10.23.

necessary to do so. It was also agreed that, in the interests of the maintenance of public order in the British zone, British troops would suppress any acts of violence.¹⁰⁰ In other words, the British would refuse to allow the separatists to gain ascendancy in the British zone - an occurrence which would be essential for the formation of any kind of viable independent republic.

The British also issued a stern warning to their allies. This was not made by Curzon, but, to prevent Poincaré from ignoring it in the hope that it did not represent Britain's true policy, it was given by the Prime Minister in a public speech at Plymouth on 25 October. Britain, Baldwin declared "cannot contemplate with any satisfaction the disintegration or disruption [of Germany], which must put back for years her powers of reparation. Nor can we contemplate the breaking-off of any part of Germany into a separate state, which would at once break the Treaty of Versailles."¹⁰¹

This speech was quickly followed by diplomatic measures. On 29 October, Kilrnarnock protested to the Rhineland High Commission¹⁰² and on 30 October Crewe was instructed to issue Poincaré with an official warning that:

"In view of the situation created by the Separatist movement in the Rhineland and other parts of Germany, His Majesty's Government feel it incumbent upon them, as signatories of the treaty of Versailles, to call the serious attention of their allies to the grave consequences which would follow from the setting up of independent sovereign states carved out of territories within the existing frontiers of Germany. // Such a disruption of the Reich would materially affect the status of Germany as a contracting party to the treaty, so much so that in certain important respects the latter would automatically cease to operate, and would require complete revision."¹⁰³

On 2 November the French replied by denying any involvement with the

¹⁰⁰ Minute by Cadogan, 24.10.23 on FO 371 8685, C18312: Rhine Army, Cologne, to WO, 50005, 23.10.23.

¹⁰¹ *The Times*, 26.10.23, pp. 17.

¹⁰² FO 371 8685, C18657/129/18: Kilrnarnock, tel. 440, 29.10.23.

¹⁰³ FO 371 8686, C18733/129/18: Tel.361 to Crewe, 30.10.23.

separatists and adding that in any case the spontaneous constitution of independent states in Germany did not necessitate a revision of the Treaty of Versailles.¹⁰⁴ The Foreign Office was alarmed. On 5 November Crewe again approached Poincaré¹⁰⁵ and on 14 November Poincaré again denied any French involvement.¹⁰⁶ On 16 November Crowe had a heated exchange with the French ambassador.¹⁰⁷ Saint-Aulaire again denied any French involvement with the separatists and added that British information “was derived from lying reports of German *agents provocateurs*...” Crowe was incensed and replied that:

“It was Lord Kilmarnock and his officers who had furnished us with the particulars which had been brought to M. Poincaré’s notice... Even M. Poincaré would probably not class Lord Kilmarnock among German *agents provocateurs*. I said that I would take note of the fact that M. Poincaré opposed a flat denial to the facts for which our officials had vouched.”¹⁰⁸

While the French pushed still harder for a separatist state, the Belgians began to submit to the British threats and to withdraw their support from the separatists. This Belgian support had in any case always been tenuous as they never wanted to see a French controlled satellite state in the Rhineland and Ruhr.¹⁰⁹ On 2 November Belgian troops escorted the separatists out of Aix.¹¹⁰ Kilmarnock commented:

“My impression is that Belgian authorities have tried to maintain an attitude of neutrality throughout and that in those cases where Separatists have received Belgian support, that support

¹⁰⁴ FO 371 8686, C18935/129/18: Crewe, tel. 972, 2.11.23

¹⁰⁵ FO 371 8687, C19135/129/18: Crewe, tel. 981, 5.11.23. Lampson minuted on this on 6.11.23: “The essential fact is that whatever they may say the French have no intention whatever of taking action against the Separatists in their zone. This, in practice works out much the same as supporting them.”

¹⁰⁶ FO 371 8688, C19855/129/18: Crewe, disp. 2596, 15.11.23.

¹⁰⁷ Minute by Crowe, 16.11.23 on FO 371 8688, C19855/129/18: Crewe, disp. 2596, 15.11.23.

¹⁰⁸ Minute by Crowe, 16.11.23 on FO 371 8688, C19855/129/18: Crewe, disp. 2596, 15.11.23.

¹⁰⁹ Both Nadler and McDougall agree that it was Britain’s opposition to the separatists which gave the Belgians the confidence to oppose the movement and argue that this Belgian weakening, coupled with British pressure, influenced Poincaré. [Nadler, *Rhenish*, pp. 342-3; McDougall, *France’s*, pp. 314-5.]

¹¹⁰ FO 371 8686, C18933/129/18: Thurstan tel. 33, 2.11.23.

has resulted from action of irresponsible subordinates and not from orders emanating from higher authority...// Though it is at present early to express definite opinion the events of today may well prove to be the beginning of the collapse of the Separatist movements.”¹¹¹

By 9 November the Belgian zone was free from Separatists.¹¹² Kilmarnock observed: “I learn from a confidential source that evacuation... is due to Belgian pressure.”¹¹³

By mid November French tactics also seemed to change. It seemed that British pressure was having some effect. Facing opposition from both the British and now the Belgians, the French began to encourage the formation of a federal Rhineland state within the German Reich instead of a completely independent Rhineland. The Foreign Office was adamant that even this should not be allowed and Kilmarnock was instructed not to enter into any discussions with local politicians.¹¹⁴ The German government, however, in the face of mounting internal chaos coupled with pressure from the French, began to show signs of weakening.¹¹⁵ On 14 November Berlin agreed to allow unofficial negotiations between the French High Commissioner and more responsible Rhineland political parties regarding the establishment of some kind of autonomous Rhenish state within Germany.¹¹⁶

At these negotiations it was suggested that a solution could be found if France

¹¹¹ FO 371 8686, C18987/129/18: Kilmarnock, tel. 453, 2.11.23.

¹¹² FO 371 8687, C19452/129/18, Kilmarnock, tel. 470, 10.11.23.

¹¹³ FO 371 8687, C19384/129/18: Kilmarnock, tel. 468, 9.11.23.

¹¹⁴ Minute by Lampson, 15.11.23 on FO 371 8688, C19747/129/18: D'Abernon, tel. 433, 14.11.23.

¹¹⁵ At first the German government had been absolute in its opposition to any form of separatist pressure. On 14 November the German government published the following communique: “Regarding rumours current abroad to the effect that an autonomous Rhineland republic is about to be established with the approval of German government it must be stated that government will in no circumstances enter into any discussion regarding a possible alteration of status of Rhineland and the Ruhr vis-à-vis Reich. Government will never take a step in this direction or authorise proclamation of a Rhineland republic.” [FO 371 8688, C19747/129/18: D'Abernon, tel. 433, 14.11.23.]

¹¹⁶ Minute by Sterndale Bennett, 23.11.23 on FO 371 8689, C20334/129/18: Kilmarnock, tel. 488, 22.11.23.

and England guaranteed the maintenance of the Rhineland as a state separate from both France and Prussia, and on 15 November the French High Commissioner approached Kilmarnock. Kilmarnock replied that he could not enter into any negotiations.¹¹⁷ Lampson commented: "The slower we go in all this the better - otherwise we may find ourselves in the position of repenting at leisure."¹¹⁸

By 22 November an agreement between the Rhineland parties and the French seemed more possible. Apparently the separatists had come up with another plan, giving limited autonomy to the occupied territories, which they wanted to submit to the French High Commissioner. This time they had already consulted the German government. Kilmarnock was not optimistic of the plan's success:

"I am informed that German government is prepared to give its consent to this proposal... // I shall be more than surprised if this proposal meets with approval of French... The present proposal is in my opinion a hybrid which will satisfy no one and which if accepted will on account of its provisional and ambiguous nature only serve to encourage further French intrigue."¹¹⁹

Walford Selby, a First Secretary in the Central Department, was more concerned: "According to this telegram the German Government are ready to cede autonomous rights in the Rhineland."¹²⁰ Crowe however refused to be alarmed by the possibility of an agreement between the French and Germans at this stage, merely noting: "We must await developments."¹²¹

Crowe's evaluation proved correct. The possibility of an agreement quickly aborted. The French continued their hardline approach, refusing to negotiate

¹¹⁷ FO 371 8688, C19864/129/18: Kilmarnock, tel. 477, 15.11.23.

¹¹⁸ Minute by Lampson, 17.11.23 on FO 371 8688, C19864/129/18: Kilmarnock, tel. 477, 15.11.23.

¹¹⁹ FO 371 8689, C20334/129/18: Kilmarnock, tel. 488, 22.11.23.

¹²⁰ Minute by Selby, 23.11.23 on FO 371 8689, C20334/129/18: Kilmarnock, tel. 488, 22.11.23.

¹²¹ Minute by Crowe, 23.11.23 on FO 371 8689, C20334/129/18: Kilmarnock, tel. 488, 22.11.23.

further unless the terms of the plan were entirely favourable to them.¹²² The result was that the French ran out of time. Before the negotiations could get anywhere, the separatist movement, always ad hoc and disjointed, began to collapse spontaneously owing to internal differences. On 29 November Ryan reported: "Internal dissension has all but terminated existence of Separatist Provisional Government at Coblenz."¹²³

On 29 November the separatists at Duisburg were disarmed by the Belgians¹²⁴ and an attempt by the separatists to hold a mass meeting at Essen on 26 November was a complete failure - the separatists actually had to be protected by the French military police.¹²⁵ On 2 December, the separatists hauled down their flag from the town halls at Bonn, Beuel, Königswinter, Godesberg and other Rhine towns.¹²⁶ By 15 December the separatist movement in the Rhineland and Ruhr had entirely failed.¹²⁷

With evidence mounting that the separatists were now a spent force, the British felt there was no point in taking further issue with France. On 10 December Lampson minuted: "On the whole we might leave matters as they are."¹²⁸ This was particularly the case as by this stage the British had succeeded in their principal goal of involving the Americans in a negotiated settlement to the entire reparations question.

But the separatist episode was not yet over. While the attempt in the Rhineland and Ruhr had failed, the French foolishly concentrated their support

¹²² FO 371 8690, C20504/129/18: Colonel Ryan, Coblenz, tel. 495, 26.11.23.

¹²³ FO 371 8690, C20699/129/18: Ryan, tel. 498, 29.11.23.

¹²⁴ FO 371 8690, C20761/129/18: Kilmarnock, tel. 500, 30.11.23.

¹²⁵ FO 371 8690, C21012/129/18: D'Abernon, disp. 905, 30.11.23.

¹²⁶ FO 371 8691, C21219/129/18: D'Abernon, disp. 932, 6.12.23.

¹²⁷ FO 371 8691, C21786/129/18: Kilmarnock, disp. 1220, 15.12.23.

¹²⁸ Minute by Lampson, 10.12.23 on FO 371 8690, C20972/129/18: Crewe, disp. 2735, 3.12.23.

on the Palatinate - an area about which the British had little information. The Foreign Office were shocked when on 27 December the French Rhineland High Commissioner suddenly announced that France had recognised a de facto government in the Palatinate, based at Speyer.¹²⁹ Lampson expostulated: "The French action is really preposterous."¹³⁰ Crowe commented: "I do not think we should sit down under this French attempt to bully us out of our perfectly good position. If we give way in this instance we shall seriously suffer in prestige and in practical influence."¹³¹

Anxious to find out precisely what was going on, the Foreign Office sent the British consul-general at Munich to investigate. Relations with the French were strained still further when the French replied by trying to limit the consul-general's investigations by attaching their own official to him. The situation also came to a head in the Rhineland High Commission, when the French and Belgian Commissioners wished to register the decrees issued by the separatists against Kilmarnock's objections.¹³²

So upset were the Cabinet by the French actions that they actually considered taking stringent financial measures against the French:

"... in view of the large loans which France is making to Czechoslovakia and other countries in central and Eastern Europe, the Cabinet welcomed the suggestion made by the Secretary of State for Foreign Affairs, with the concurrence of the Chancellor of the Exchequer - that the Chancellor of the Exchequer should circulate to the Cabinet the reply which he had sent to the Foreign Office to an enquiry as to the practicability and desirability of raising the question of the payment of interest by the French Government on their war debt to this country."¹³³

¹²⁹ FO 371 8691, C22363/129/18: Kilmarnock, disp. 1273, 27.12.23.

¹³⁰ Minute by Lampson, 3.1.24 on FO 371 8691, C22363/129/18: Kilmarnock, disp. 1273, 27.12.23. It must be remembered that throughout the Rhenish separatist saga, the French had denied officially helping the movement.

¹³¹ Minute by Crowe, 9.1.24 on FO 371 9771, C399/91/18: Phipps, disp. 49, 8.1.24.

¹³² CAB 23 46, Minutes of Cabinet, 17.1.24. For more information on the collapse of the separatist movement in 1924, see below, Chapter VII, pp. 294-295.

¹³³ CAB 23 46, Minutes of Cabinet, 17.1.24.

But external factors militated against taking further action. By this stage the Committees of Experts had been appointed, and it seemed foolish to risk jeopardising this possibility of a solution by breaking with France. Political circumstances in Britain also did not favour action - the whole government was in limbo after the December 1923 elections. Moreover, the French now found themselves in financial crisis anyway. As Crewe reported:

“Public interest here has been so completely monopolised by the eccentricities of the franc that there has been little room for anything else, and even the Palatinate question has by no means aroused the excitement which might have been expected, either at the Quai d’Orsay or in the Press.”¹³⁴

Thus while this last twist in the tale of the separatist fortunes may have been unfortunate for the British, it came too late to alter the realities of the situation. The British had helped to block the separatists at the time when they could have precipitated German disintegration. Britain’s opposition to Poincaré from late October hindered the most dangerous separatist schemes and left the French Premier desperately trying to restrain his officials to the constitutional formation of a federal Rhineland. The corollary of this was that Poincaré found himself once more distracted and preoccupied with the situation on the spot. By January 1924 the Committees of Experts had been established and Germany was recovering. The Palatinate episode was thus more indicative of French than of German weakness at this time.

The Bank of Issue.

The question of the proposed Rhineland bank of issue provides the third example of British policy towards the French at this time.¹³⁵ Once more the British tried not to become directly involved, but when necessary they did give encouragement to the central German government and opposed French

¹³⁴ Curzon Papers, Mss Eur. F.112/201(b): Crewe to Curzon, 18.1.24.

¹³⁵ See also McDougall, *France’s*, pp. 323-328; Trachtenberg, *Reparation*, pp. 321-2

endeavours to precipitate German disintegration. Although to a great extent the question of a separate Rhineland bank of issue represents another element of French involvement in schemes to separate the Rhineland from Germany, it also involves British policy toward the entire German financial situation and so deserves to be treated separately.

The German government reacted to the hyper-inflation that gripped Germany in October 1923 by introducing, under emergency powers, a new currency (the Rentenmark) on October 21. The British, though cautious, approved this scheme as it was a central government initiative and therefore represented a force against any imminent German break-up.¹³⁶ For these same reasons, the French were not happy with it. Anxious to increase French control over the German economy, and by now hopelessly entangled in separatist activities, it is hardly surprising that the idea of a separate Rhineland bank of issue appeared far more appealing to them than these central government initiatives. They tried to pressure the German government into establishing a Rhenish bank, with the result that on 31 October the German Ambassador informed Britain that the formation of such a bank was indeed imminent.¹³⁷

At this stage the British were not worried. Selby commented: "It is a bad scheme and nothing will come of it."¹³⁸ The Treasury felt that the scheme was unworkable, and emphasised that British money should not be involved. Niemeyer wrote to Lampson: "There is certainly not the remotest chance of any British bank taking any share in such a scheme."¹³⁹ This letter from Niemeyer was also sent on to Kilmarnock, with instructions that should he be approached by the Germans he should say that British banks would almost

¹³⁶ FO 371 8668, C17895/8/18: D'Abernon, tel. 371, 16.10.23.

¹³⁷ FO 371 8686, C18765/129/18: Letter from German Ambassador, 31.10.23.

¹³⁸ Minute by Selby, 1.11.23, on FO 371 8686, C18765/129/18: Letter from German Ambassador, 31.10.23.

¹³⁹ FO 371 8686, C18766/129/18: Niemeyer to Lampson, 29.10.23.

certainly not participate.¹⁴⁰

Even when Kilmarnock on 17 November telegraphed that there was a very strong likelihood that a Rhineland bank would be constituted, and that it would apply to the High Commission for recognition, the Foreign Office was unmoved.¹⁴¹ Sterndale Bennett argued that under the Rhineland Agreement, the Rhineland High Commission could only recognise such a bank if it was instituted by a German government law or decree. Therefore, if the bank itself applied for recognition by the High Commission, Kilmarnock would be justified in abstaining.¹⁴² In the meantime the British tried to delay and disrupt the formation of the bank by indirectly preventing vital British capital from becoming involved.

Throughout November Niemeyer privately made it clear to any independent interests who inquired that the government did not wish the formation of a bank to be encouraged in London, and did not want British capital to participate.¹⁴³ Certainly British capital would have been interested in participating. A minute of 24 November shows that important financial interests in the City (most notably Mr. Richard Guinness) wanted to participate in the scheme.¹⁴⁴ That no British capital was ultimately involved was a direct result of government intervention. As Montagu Norman explained:

“The questions which have been put to me from several quarters are whether it is the wish of the Treasury and of the Foreign Office - (1) That the establishment of such a Bank shall be encouraged in London, and (2) That British capital shall participate.// I have answered both questions in the negative, believing it to be our view that the establishment of such a Bank

¹⁴⁰ FO 371 8686, C18766/129/18: FO tel. 1032, to Kilmarnock, 31.10.23.

¹⁴¹ FO 371 8689, C19954/129/18 Kilmarnock, tel. 480, 17.11.23.

¹⁴² Minute by Sterndale Bennett, 17.11.23 on FO 371 8689, C19954/129/18 Kilmarnock, tel. 480, 17.11.23.

¹⁴³ FO 371 8689, C199979/129/18: Niemeyer to Crowe, 16.11.23.

¹⁴⁴ FO 371 8750, C20513/313/18: FO minute, 24.11.23.

(with capital perhaps subscribed in Germany, France, Great Britain and other countries) would lead to the entanglement of this country in the policy which is now being pursued by France in the Rhineland, and towards the economic separation of the Rhineland.”¹⁴⁵

At the same time as discouraging the Rhineland bank, the Treasury also wanted to encourage the German government’s policy of introducing a uniform currency throughout the whole of Germany. As early as 16 November the German government had submitted to the Rhineland High Commission a law allowing the Rentenmark to be issued in the occupied territories. Predictably, the French and Belgians had wanted to delay this law’s implementation, and so on 19 November the High Commission had decided to defer its consideration. The Treasury now advised that Kilmarnock should be instructed to push for a majority decision allowing the law to be implemented.¹⁴⁶

The result of all this British disruption was that Poincaré had a great deal of trouble finding the necessary capital on which to found the bank. Delays resulted, and only in early December did Poincaré manage to coerce the Belgian government into virtually forcing Belgian banks to become involved.¹⁴⁷ British intransigence had succeeded in postponing the formation of the bank until the critical period had passed and the Committees of Experts had been established. It was not until 10 December that the French Ambassador was able to tell Crowe that the negotiations for the formation of the Rhenish bank were almost complete and that if British banks wanted to participate they should communicate with the Banque de Paris by 13 December. Despite the policy Britain had so actively been pursuing throughout, on 12 December the

¹⁴⁵ Norman to Niemeyer, 14.11.23 [DBFP 1st Series, vol. xxi, note 2, p688. I have been unable to trace the original document in the PRO].

¹⁴⁶ FO 371 8690, C21193/129/18: Niemeyer to Lampson, 5.12.23.

¹⁴⁷ On 5 December Grahame reported that a leading Belgian banker had said that Poincaré was determined that the Rhenish bank should be created and therefore Theunis had assented and Belgian bankers were being told that it was their patriotic duty to assist it. [FO 371 8690, C21107/129/18: Grahame disp. 981, 5.12.23.]

Foreign Office merely replied that:

“...it would be contrary to the settled policy of British Governments to take any active steps to ensure either the participation or non-participation of British banks in an undertaking of this nature. The question is one which must necessarily be settled by the banks themselves..”¹⁴⁸

As Chapter VII shows, the British were to continue the policy of delaying the French schemes in the opening months of 1924, when, aided by the collapse of the franc, by the intervention of the Bank of England, and by the expectation that the Committee of Experts’ reports would inaugurate a new phase in the reconstruction of Germany, the British were able effectively to block the bank of issue.

The British Zone of Occupation.

The fourth issue over which British policy decisions had to be made during the autumn of 1923 concerned the British zone of occupation in the Rhineland. Once passive resistance had ended, the French faced the task of getting the Ruhr and Rhineland back to normal economic conditions of operation in order to extract reparation and so vindicate the whole “productive pledge” policy. As with the implementation of occupation measures in the spring of 1923, so the dismantling of French controls was once again to have implications for Britain’s zone of occupation around Cologne.

Much of the problem stemmed from the extremely ambiguous position which the British had adopted in their zone since January 1923. In particular, Lord Kilmarnock’s abstention from Rhineland Commission ordinances and Britain’s fundamental reliance on both French and German goodwill to prevent its position from being squeezed too much made the British vulnerable. Now that German opposition to the occupation had ended, German officials were willing

¹⁴⁸ FO 371 8691, C21364/129/18: Communication to French Ambassador, London, 12.12.23.

to implement the majority decisions of the Rhineland Commission throughout the occupied territories. Would the French therefore seek to increase their sphere of influence by encouraging the Germans to implement these ordinances in the British zone also? In this event, what would the British attitude be to French efforts and to the whole policy of “exploitation”? Would Britain maintain her distance, and risk being accused of hampering the collection of reparation, or would she risk some kind of limited association with the measures?

As in the Spring, problems with the French again crystallised over the question of operating railways in the British zone. As economic, political and social chaos descended on Germany, so stability in the occupied territories disintegrated. If the British were to restore their zone to anything like normality, cooperation of some form with the French was necessary to provide an operational infra structure.¹⁴⁹ Of particular importance was the establishment of an adequate railway freight service. Now that the French hoped to be able to move more coal and coke from the Ruhr and Rhineland, the existing Godley/Payot agreement, based on a limited number of trains, was no longer applicable. The French were quick to take advantage of the potential this situation afforded them to seek to increase their influence. As early as 1 October they proposed transferring all the railways in the Rhineland - including those in the British zone - to French control. The British were horrified. Once more Poincaré had pushed the British too far.

The situation was difficult. Should Britain refuse to have anything to do with the Régie railway system then they might lose control of the French schemes and find the position in their zone becoming virtually impossible anyway. Cadogan explained:

¹⁴⁹ FO 371 8748, C19520/313/18: D'Abernon dispatch 808, 7.11.23, enclosing dispatch from Thurstan, 6.11.23.

“... we are faced with the alternative of either participating in this “productive pledge” or of continuing our attitude of neutrality. But it must be pointed out that “neutrality” in this instance will be rather a different thing from the neutrality which we have hitherto observed... If it is decided that we cannot participate in “productive pledges” of any kind, we have to choose between allowing the French into our zone to run the railways, or refusing to do so and maintaining our “neutrality”, which in this case will bring us to an issue with the French.”¹⁵⁰

Cadogan’s reservations were over-ruled by the general conviction that it would be disastrous to concede any influence or control in the British zone to the French. The Foreign Office decided to use what power it did have to obstruct French plans. Kilmarnock, Godley and Wigram were all convinced that the British position was greatly strengthened by the fact that Cologne, the nodal point of the entire Rhineland railway system, was located in the British zone.¹⁵¹ The British determined to use Cologne as a tool in their overall policy of delaying French schemes on the spot, and allowing the French to become distracted and confused, while the British concentrated on the wider issues of an overall reparation settlement. Wigram commented: “Cologne is a big pawn and we ought not to throw it away by itself without trying to get in addition to the settlement of the question of the exploitation of the pledges a settlement of the reparation question.”¹⁵² Curzon agreed: “...I think we have the whip hand.”¹⁵³

Accordingly, on 4 October a telegram was sent to Kilmarnock telling him that Britain could not allow French or Belgian interference in the administration of the railways in the British zone.¹⁵⁴ The French, however, refused to let the

¹⁵⁰ Minute by Cadogan, 1.10.23 on FO 371 8743, C16883/313/18: Kilmarnock, disp. 861, 25.9.23.

¹⁵¹ FO 371 8743, C16883/313/18: Kilmarnock, disp. 861, 25.9.23.

¹⁵² Minute by Wigram, 1.10.23, on: FO 371 8743, C16883/313/18: Kilmarnock, disp. 861, 25.9.23.

¹⁵³ Minute by Curzon, 2.10.23 on FO 371 8743, C16883/313/18: Kilmarnock, disp. 861, 25.9.23.

¹⁵⁴ FO 371 8743, C16883/313/18: tel. 199 to Kilmarnock, 4.10.23.

matter rest, and began negotiations between the Régie and the German Ministry of Railways for the taking over by the Régie of railways in the British zone.¹⁵⁵ The British now became alarmed that they might not be able to control the French after all and that the Germans were so weak that they would agree to any French demands.¹⁵⁶ It was decided to hint to the German government that Britain strongly opposed such an arrangement.¹⁵⁷ This had some effect. On 14 October, Kilrnarnock reported that the German government had given instructions to the German railway direction at Cologne that the Régie was to be recognised throughout the occupied territory as a “temporary administration” from October 17 and that all railwaymen were to obey its orders.¹⁵⁸ However, almost certainly as a result of British representations, the British zone was not to be included in these Régie arrangements.¹⁵⁹

By now the French were entirely committed to their schemes on the spot in the Ruhr and Rhineland, regardless of the effects they might have on Anglo-French relations. On 16 October Kilrnarnock reported that the French director of the Régie had told the Germans that he wanted the British zone to be included in the Régie, and that if necessary he would: “adopt certain aggressive tactics, having isolation of our zone as objective...” to achieve this. Kilrnarnock added: “This policy so I am informed has already received a commencement of execution and there has been delay and bad management of our troop trains taking reliefs to and from England.”¹⁶⁰

¹⁵⁵ FO 371 8745, C17608/313/18: Kilrnarnock, tel. 386, 11.10.23.

¹⁵⁶ Minute by Crowe, 12.10.23 on FO 371 8745, C17608/313/18: Kilrnarnock, tel. 386, 11.10.23.

¹⁵⁷ Minute by Curzon, 13.10.23 on FO 371 8745, C17608/313/18: Kilrnarnock, tel. 386, 11.10.23.

¹⁵⁸ FO 371 8745, C17705/313/18: Kilrnarnock, tel. 395, 14.10.23.

¹⁵⁹ FO 371 8745, C17810/313/18: Kilrnarnock, tel. 397, 15.10.23.

¹⁶⁰ FO 371 8745, C17824/313/18: Kilrnarnock, tel.401, 16.10.23.

The situation was clearly coming to a head. Disruption of services in the British zone could easily affect the overall wellbeing of the population. Even so, the British continued to adhere to their established policy. On 20 October Kilmarnock suggested three possible courses of action: (1) that the British should use their position in the British zone to obstruct the French and so force a discussion of the general reparation question; (2) that the British should participate in the policy of “productive pledges”; and (3) that the British should continue for as long as possible with some kind of provisional scheme.¹⁶¹ The Foreign Office discussed these alternatives. Cadogan concluded that the British position in the occupied territories was not strong enough for sustained obstruction, as the French and Belgians would retaliate by blockading the British zone; but that Britain could not participate in the productive pledges as she had already made her opposition to that policy known, and anyway it was pointless to participate in this policy as it would not work. He concluded: “There remains the third alternative, which is certainly not very satisfactory, and amounts to little more than marking time - never a very dignified movement. But if it is practicable, there seems to be something to be said for it.”¹⁶²

On 22 October an inter-departmental meeting was held to consider the entire situation which had been created in the Rhineland by the abandonment of German passive resistance. Many officials returned to London specially to attend. Present were Crowe, Kilmarnock, Bradbury, Niemeyer, Ernest Troughton (Lord Kilmarnock’s economic adviser) and Cadogan.¹⁶³ The first issue on the agenda was the railway question. Crowe began by outlining the course of events to date. After some discussion, Bradbury suggested some kind of local arrangement whereby the Cologne railways were to remain under

¹⁶¹ FO 371 8746, C18170/313/18: Minute by Kilmarnock, 20.10.23.

¹⁶² Minute by Cadogan, 20.10.23 on FO 371 8746, C18170/313/18: Minute by Kilmarnock, 20.10.23.

¹⁶³ FO 371 8746, C18249/313/18: FO minute by Cadogan, 22.10.23.

German management tempered by British control.¹⁶⁴ In other words, as had happened in the spring, a working solution which safeguarded British interests was to be negotiated on the spot. It was agreed that this was the best alternative and instructions were sent to the relevant officials. Negotiations were soon initiated, but it was not until 14 December that an agreement was reached between British officials and the Régie by which the administration of the railways in the British zone would remain independent of the Régie.¹⁶⁵

Meanwhile, complexities continued for the British regarding their zone, as Britain's entire policy towards the French exploitation policy still had to be decided. Decisions were needed regarding the payment of customs duties, payment of coal tax and resumption of reparation coal deliveries in the British zone.¹⁶⁶ On 27 November another inter-departmental meeting was held to discuss the continuing question of the railways, as well as customs and the Franco-German industrial agreements. Once again it was a large gathering.¹⁶⁷ As with the 22 October meeting it was agreed in each case to allow the men on the spot to try to come to some kind of working arrangement. Regarding the railways it was agreed that negotiations on the spot should be allowed to continue to try to find some kind of workable compromise. Regarding the customs, it was agreed that if individual German factories specifically asked for French customs officials to be allowed in, then Kilmarnock would have the

¹⁶⁴ FO 371 8746, C18249/313/18: FO minute by Cadogan, 22.10.23.

¹⁶⁵ FO 371 8752, C21641/313/18: Kilmarnock, tel. 510, 15.12.23. In fact, though the 14 December conditions were retained, negotiations with the French continued throughout December. [See FO 371 8753, C22109/313/18: Kilmarnock, disp. 1269, 22.12.23; & C22110/313/18: Kilmarnock, disp. 1270, 23.12.23]. Indeed, as Chapter VII demonstrates, the railway question remained contentious until the London Conference in July-August 1924.

¹⁶⁶ Minute by Wigram, 6.11.23 on:FO 371 8748, C19028/313/18: Bradbury to Treasury, 3.11.23.

¹⁶⁷ Present were Crowe, Tyrrell, Lampson, Malkin, Selby and Wigram (all from the FO); Niemeyer and Waley (from the Treasury); Chapman and Fountain (from the Board of Trade), Waterlow (Department of Overseas Trade); Bradbury and Leith Ross (Reparation Commission); Kilmarnock, Troughton and Georgi (Rhineland High Commission); Colonel MacLachlan and Lieutenant-Colonel Manton (GHQ Rhine Army) and Kavanagh (Commercial Secretary, Cologne).

ability to grant this. Regarding the Franco-German industrial agreements, it was decided to wait and see what the Reparation Commission did.¹⁶⁸

By thus playing for time and refusing to be drawn too far into local complexities the British were able to avoid both controversy and involvement on the spot. At the same time the local negotiations had the advantage of keeping the French occupied and prevented a complete showdown over the issue of exploitation throughout the critical period from the end of September to the middle of December. This was fortunate for the British, as - whether or not they intended it - the consequence was that Poincaré became increasingly submerged by practical difficulties. With Poincaré distracted, the British were free to concentrate on what really counted - the overall settlement of reparation.

¹⁶⁸ FO 371 8750, C20574/313/18: FO minute, 27.11.23.

Conclusion.

The cessation of passive resistance precipitated total chaos in Germany. The combination of economic dislocation, extremist uprisings, regional discontent and irresponsible parliamentary behaviour threatened to reduce the fledgling Republic to a state of virtual anarchy. Despite the seriousness of the situation the Treasury had no desire to mitigate the effects of this German collapse. It was highly unsympathetic and wanted to abandon Germany so that France would be tried by the test of exploitation. The Foreign Office were not quite so detached. Unlike the Treasury, they were not prepared to run the risk of permitting a German collapse which would result in increased French domination. Furthermore, the actual practicalities of the situation in the Ruhr also made it unfeasible for the Foreign Office to implement the Treasury's philosophy in its purest form. The Foreign Office therefore slightly softened the Treasury's view in the strategy it employed: it would seek to maintain a distance from the situation but would be prepared to react to French activities by disrupting and delaying Poincaré when it was deemed necessary. This strategy was to have huge benefits. With Poincaré increasingly embroiled by the situation on the spot in the Ruhr, his position weakened and he accordingly became more amenable to pressure in other directions. As Chapter VI will demonstrate, the British were therefore able to concentrate on what they saw as the really important area: securing an international settlement of the reparation question involving the United States.

The British evaluation of Poincaré's position at this time is significant. Their policy was premised on the assumption that Poincaré did not have a definite plan and so would gradually get into more difficulties as the complexities of the German situation developed. The British were not even unduly worried about

possible Franco-German industrial cooperation, though they recognised that if ever it materialised it would be damaging for Britain. Their position regarding the MICUM agreements was dictated more by fear of an attempt by France to score a short-term victory over Germany and abort an international conference than by fear of a permanent and workable industrial combine.¹⁶⁹

In view of the ongoing historiographical debate regarding Poincaré's aims and motives during the autumn of 1923, this British conviction that Poincaré had no workable plan and that he was becoming increasingly overwhelmed by practicalities is of particular interest. As Chapter VI will show, this confusion on the part of Poincaré, coupled with a greater consistency and farsightedness by Britain, was also of crucial importance to international diplomatic developments at this time.

¹⁶⁹ This conflicts with Rupieper's interpretation of the British as motivated by fear of such a combine. [Rupieper, *Cuno*, pp. 230].

Chapter VI

The Establishment of the Committees of Experts, September - December 1923.

The British systematically strove to remain aloof from Poincaré's actions in the Ruhr, Rhineland and Berlin once passive resistance had ceased. Partly this was a result of their natural and constant desire on the part of the British not to become involved in the controversy. But it was also because the British did not want the kind of settlement which Poincaré seemed to be lurching towards - a settlement which appeared to be based on ad hoc, disjointed measures and increased French control. On the contrary, the British wanted an international settlement of the entire "German" question, given permanency by the involvement of the United States. As Poincaré lost control of his policy, becoming involved in dangerous and discrediting episodes, so Britain's overall position - so confused and contradictory at the end of September 1923 - had time to recover. Poincaré threw away the advantage he had so painstakingly achieved and gave the British the upper hand. Indeed, as we shall see, the transformation of British policy in this area was by no means either swift or total. Although a vague agenda of aims was soon established (negotiation to end the reparation dispute, involving the United States and probably going through the Reparation Commission), the methods to be used were much more uncertain. British diplomacy remained in many ways confused and did not have the full support of the government. Yet as France became increasingly preoccupied on the spot, so Poincaré's ability to resist the general increase of diplomatic pressure wavered. The result was that his victory in the confrontation stage of the crisis was to become a mere paper success - being countered by his inability to retain control of the negotiation

phase.

The diplomatic process during the autumn of 1923 was extremely complex. When the end of passive resistance was declared, the British reaffirmed their friendship with France, while at the same time calling for a French initiative to end the crisis. Though Poincaré was unwilling to respond, the Americans at last reacted to the European situation. On 9 October President Coolidge declared that the United States still stood by Harding's New Haven declaration of December 1922. The British immediately became more purposeful, and on 19 October appealed to their allies for a joint invitation to the United States. The French reaction was unpromising. Eventually they agreed to invite United States involvement in an inquiry under the Reparation Commission, but they then backtracked by seeking to impose considerable limitations to the enquiry's terms of reference. The British now tried to enlist international support to put pressure on Poincaré. Although they failed to coordinate an official multilateral effort, they did persuade both the Belgians and the United States to apply private, unilateral pressure to France. This had an effect. On 13 November, in a last attempt to retain French control over developments, the French proposed to the Reparation Commission that an enquiry be established to estimate Germany's present capacity. Poincaré however was no longer in the driving seat. Detailed negotiations ensued behind the closed doors of the Reparation Commission, with Bradbury playing a key role. The result was the announcement by the Reparation Commission on 30 November that two committees, with wide terms of reference, would be established.¹

¹ For a chronology of diplomatic events, see Chapter V, Table II, pp. 200-202.

Britain's Position upon the Cessation of Passive Resistance.

Upon the immediate cessation of passive resistance, the British position was still ambiguous. At one level, the British were anxious to maintain the facade of the Entente, and at least to give the appearance of unity of purpose with the French. However, in reality they at the same time wanted to manipulate the French and obtain the type of settlement that Britain and not necessarily France desired. Hence, while the Foreign Office, encouraged by the Treasury, tried to push matters ahead and adopt a firmer line towards France, the Prime Minister was busy making conciliatory speeches. The result was to confuse the French still more, as they assumed that there was a split between Curzon and Baldwin. This was not the case. British policy at this time was in the process of becoming more unified and consistent than at any point since the crisis began, and the simultaneous use of cajoling and pressure was designed to serve British purposes.

As soon as passive resistance ended, Baldwin publicly reaffirmed Britain's friendship with France. On both 27 September when he spoke at Northampton², and on 1 October which he opened the Imperial Conference in London³, Baldwin emphasised the importance of building on his recently formed friendship with Poincaré to reach a settlement of the reparation question through the Entente. Both these speeches were well received in France.

However, at the same time Baldwin was also busy plotting with Crowe to use the Imperial Conference, which was to sit in London from 1 October to 9 November, to apply pressure to his Entente partner. On 2 October Crowe and

² FO 371 8656, C16964/1/18: The Times, 28.9.23.

³ FO 371 8656, C17096/1/18: Crowe, tel. 920, 2.10.23.

Baldwin met to discuss how they might persuade Poincaré to: “come out into the open and pronounce himself on what were his real plans and intentions.”⁴ Crowe suggested using another public speech to say that now passive resistance had ceased the British government were awaiting an announcement of intent from France. Crowe explained: “Some such public statement, would, I thought, compel M. Poincaré to make a reply, although possibly it would prove an evasive one. But the ball would be set rolling in this way...”⁵ Baldwin strongly favoured this suggestion and asked Crowe to put it to Curzon, urging that a passage could be inserted into Curzon’s speech before the Imperial Conference on 5 October.⁶

Curzon accordingly made this speech calling for French proposals on 5 October, having first warned the French Ambassador of what he was to do.⁷ Predictably, it was badly received in Paris, being interpreted as another attempt by Curzon to bully France. Poincaré was particularly upset. Coming so soon as it did after his friendly meeting with Baldwin on 19 September, he concluded that Curzon’s speech did not represent the policy of the British Prime Minister. Therefore, Poincaré did not take up Curzon’s hint⁸ but rather reaffirmed his demand for actual payments from the Germans to prove that they were genuine in their capitulation.⁹ Poincaré also wrote to Baldwin on 8 October complaining about Curzon’s speech.¹⁰

⁴ FO 371 8659, C18675/1/18: FO minute by Crowe, 2.10.23.

⁵ FO 371 8659, C18675/1/18: FO minute by Crowe, 2.10.23.

⁶ FO 371 8659, C18675/1/18: FO minute by Crowe, 2.10.23.

⁷ FO 371 8743, C17141/313/18: Conversation between Curzon and French Ambassador, 3.10.23.

⁸ Minute by Wigram, 10.10.23 on: FO 371 8744, C17499/313/18: Kilmarnock tel. 379, 9.10.23.

⁹ FO 371 8657, C17328/1/18: Crewe, tel. 927, 7.10.23.

¹⁰ Baldwin Papers, Box 108, Poincaré to Baldwin, letter, 8.10.23.

By now Curzon, too, was upset.¹¹ On 6 October, he wrote to Baldwin that the French press:

“...are taking the line that there is a difference of policy between you and me, and that both the note of August 11 and my speech of Friday represented not your views, but mine alone. // This is a very serious misrepresentation...// My position is inherently weakened if these tactics of assuming a difference between us pass unnoticed and unheeded...”¹²

Baldwin, anxious to avoid any trouble within his government, sent a reply to Poincaré on 17 October, and gave a copy of this to Curzon. Although couched in friendly terms, its content clearly supported his Foreign Secretary and approved the content of Curzon’s speech.¹³

On the surface, then, this first British diplomatic initiative had not achieved anything, but rather had led to further difficulties between Curzon and Poincaré. However, it had two other effects which were probably unintentional at this stage but which were to prove very fortunate for Britain in the future. First, it increased Poincaré’s uncertainty regarding the entire situation and gave him more time in which to lose his grip on policy. Second, the clear and now publicly declared British desire to reopen negotiations and Poincaré’s obvious refusal to do so, despite Germany’s capitulation, may finally have swayed the attitude of the United States government.

¹¹ Curzon actually thought that the French were plotting to undermine his position and secure his dismissal. See Keiger, Poincaré, pp. 300, Wilson, Morning Post, pp. 200-211.

¹² Baldwin Papers, Box, 114: Curzon to Baldwin, letter, 6.10.23.

¹³ Curzon papers, Mss Eur. F. 112/248: Baldwin to Poincaré, 17.10.23.

The Role of the United States.

Traditionally, the Foreign Office was always somewhat in the dark regarding the attitude of the United States. While officials believed that the American government might be sympathetic to their cause, they understood its hands to be tied by a pro-French public opinion. This explained Hughes' rather belated and inadequate New Haven declaration of 29 December 1922¹⁴ and the United States' subsequent silence and distance towards the occupation, tinged with disapproval (signalled by the withdrawal of United States troops from the Rhineland in January 1923). Although the United States continued to maintain friendly contact with Britain¹⁵, the Foreign Office appreciated that the prevalent mood in America was against intervention.¹⁶ This attitude appeared justified when in May and June Hughes kept the pro-German American Ambassador, Houghton, away from Berlin, and urged France and Germany to find a bilateral solution without United States intervention.¹⁷ In early August America was preoccupied with internal affairs when President Harding died and was replaced by Calvin Coolidge.

By October, however, with Coolidge established in the White House, the American attitude finally experienced a change. Public opinion at last swung against France. There are various explanations for this. First, France undoubtedly damaged her image by refusing to negotiate with Germany once passive resistance ceased. This French intransigence was highlighted before the world by British appeals to her from the Imperial Conference. Lloyd George may also have helped matters. On 5 October he began a much publicised tour of the United States during which he constantly emphasised

¹⁴ See above, Chapter I, pp. 56.

¹⁵ For example, see above, Chapter II, pp. 103-4 & pp. 115-6.

¹⁶ See above, Chapter III, pp. 137-8.

¹⁷ Chapter III, pp.137.

the perilous condition of Europe and the urgent need for American intervention.¹⁸ Some American commercial groups also began to push their government towards intervention in European affairs, as the degenerating conditions there taught them to appreciate their long term stake in European prosperity. Finally, Germany's own valiant efforts to stave off collapse won her sympathy from a previously hostile public.¹⁹

The combination of all these factors at last freed the American government from its previous paralysis. On 9 October President Coolidge made a very important speech in which he said that America still stood by the New Haven declaration of December 1922:

“...as the American Government had presented a proposal to the European nations that an international commission should be formed to ascertain Germany's ability to pay reparations, it will rest on that proposition..”²⁰

The British were in fact already considering the possibility of American involvement, but had not yet acted, probably because of uncertainty about how such a move would be received. At the end of September Bradbury had suggested getting France to agree to a joint request for the United States to send a full member to the Reparation Commission, arguing that Poincaré would find it difficult to refuse this as he had publicly expressed regret at the lack of United States involvement.²¹ Curzon actually raised this possibility in Cabinet, but commented that: “In the present state of American politics, however, he was not very hopeful of a favourable reply, and he was even more doubtful as to whether France would agree to approach the American

¹⁸ Chilton reported: “... Mr. Lloyd George's recent advocacy in his speeches ... of the Hughes' scheme for the calling of an international non-political commission of experts to determine Germany's capacity to pay has excited a good deal of attention in official circles here and the views of President Coolidge on this question have been awaited with much interest.” [FO 115/2853: Chilton disp. 1230. 10.10.23].

¹⁹ For a discussion of American motives, see Kent, *Spoils*, pp. 229.

²⁰ FO 371 8657, C17662/1/18: Times Extract, 11.10.23.

²¹ Curzon Papers, Mss Eur. F.112/201 (b): Crewe to Curzon, 27.9.23.

Government on the subject.”²²

There is no reference to any decision having been made on this matter, and the American issue was not mentioned in Cabinet again until 15 October.²³ It seems therefore, that Curzon did not push the American initiative at the end of September, preferring to try to put pressure on France by means of his speech to the Imperial Conference. Yet when the American government themselves, possibly swayed by the recent speeches by Baldwin and Curzon, made the hint of involvement, the ground had already been prepared.

The Foreign Office immediately seized the opportunity and were galvanised into action. First they needed clarification of the United States position. On 12 October Curzon sent a telegram to Henry Chilton, the Chargé d’Affaires in Washington. This emphasised the importance to the European settlement of American co-operation, explained that the British government was already busy formulating an enquiry to the United States government when they read of President Coolidge’s speech, and said that if such an enquiry would meet a favourable reception in the US the British would immediately invite the cooperation of the European allies in an official approach to Washington. The telegram concluded forcefully that it was the British government’s “firm belief that the American government have it in their power to render a great service to the security and peace of the world...”²⁴

On 15 October an encouraging reply was received from Hughes, saying that any unanimous communication from the European nations would receive most careful and sympathetic consideration by the United States government.²⁵

²² CAB 23 46, Cabinet meeting on 26.9.23.

²³ CAB 23 46, Cabinet meeting on 15.10.23

²⁴ FO 371 8657, C17662/1/18: tel. No. 299 to Chilton (Washington), 12.10.23. See also FRUS, 1923, vol. II, p68-70: Chilton to Hughes, 13.10.23.

²⁵ FO 371 8657, C17706/1/18: Chilton, tel. 403, 15.10.23. See also, FRUS, 1923, vol. II, p70-73: Hughes to Chilton, 15.10.23.

The Foreign Office now debated what to do next. Once again it was Crowe's input which was decisive, and once again he wanted to make use of the Imperial Conference to give additional weight to the British position. Crowe suggested making a simultaneous communication from the Imperial Conference to France, Italy and Belgium suggesting either a general economic conference or an advisory body under the Reparation Commission with an American citizen sitting on it. The communication could make it clear that Britain preferred the first alternative.²⁶ This plan was soon put into action and on 19 October a telegram calling for a joint invitation to America was sent to Crewe, Graham and Charles Wingfield (the Chargé d'Affaires in Brussels) for them to communicate to their respective governments.²⁷

²⁶ Minute by Crowe, 17.10.23 on: FO 371 8658, C17930/1/18: Chilton, tel. 407, 16.10.23 (encloses Hughes' Aide Memoire, 15.10.23).

²⁷ FO 371 8658, C17931/1/18: Tel. 356 to Paris; 265 to Rome; 112 to Brussels, 19.10.23.

Domestic-Political Problems.

Yet as had happened on previous occasions (for example, over the 11 August note) this active policy initiative by Curzon received a barrage of criticism from within the government itself. Once more Derby was the rebel leader, with Samuel Hoare, Leo Amery and Lloyd Graeme also involved. After a private meeting between the conspirators over breakfast on 20 October,²⁸ Derby sent a letter to Baldwin complaining that communications had been made to Washington in the name of the Imperial Conference, but with neither the Cabinet's nor the Conference's authorisation:

“...the Cabinet must be consulted before the Foreign Secretary takes action of so important a character instead of being faced with a fait accompli, and I trust you will give the Foreign Secretary to understand that he has no right to speak in the name of the Imperial Conference or the Cabinet unless and until he has received definite authority for so doing.”²⁹

Amery reinforced Derby's criticisms: “I have not written to Curzon myself, though sorely tempted to do so. But I think you ought to let him know something of what his colleagues feel about his performance. All those who I have met are, from their various points of view, equally annoyed.”³⁰

But according to Hankey, Baldwin was as responsible as Curzon for events, and therefore it was scarcely surprising that Derby's criticisms were not acted on. Always critical of the Baldwin government³¹, and highly scathing about Baldwin himself³², Hankey was aghast at the Imperial Conference episode:

²⁸ See WO 137/12: Derby to Samuel Hoare, 19.10.23; Derby to Leo Amery, 19.10.23; and Derby to Lloyd Graeme, 19.10.23.

²⁹ Derby Papers, 920 DER (17), 29/2: Derby to Baldwin, 22.10.23.

³⁰ Baldwin Papers, Box 128, pp. 136-40: Amery to Baldwin, 20.10.23.

³¹ For example on 11 November Hankey wrote: “I have ... a very low opinion of their ability, I regret to say. Curzon is the only first class man, except for Bob Cecil, who is unfortunately a crank...” [Hankey Papers: 1/7 (Diaries): 11.11.23]

³² On 9 December, Hankey wrote: “Baldwin, though a nice fellow, is not of the stuff of which British Prime Ministers are made, and generally speaking his Government was entirely Government by Civil Servants.” [Hankey Papers: 1/7 (Diaries): 9.12.23.]

“Baldwin has nerve but scant capacity, and, I feel, will not last long. He is astonishingly maladroit with his Cabinet... Baldwin and Curzon sent the telegraph responding to President Coolidge’s hint that he would take part in a Reparations Conference without a word to the Dominion’s Prime Ministers.”³³

However, in view of the huge difficulties which consultation within the Cabinet on the Ruhr situation had provoked on previous occasions, Baldwin and Curzon probably acted far more wisely than Hankey accredited them in this time seeking to railroad their government. Indeed, one of the reasons why British policy initiatives were on this occasion to have more success was that they were largely kept away from delay and disagreement in the Cabinet. Certainly Baldwin and Curzon were successful in pushing through their policy. The Imperial Conference was not too much of an obstacle. Although its delegates protested at the lack of consultation they reluctantly went along with the policy, even though it meant in their view yet more involvement in the dangerous field of European politics. The Cabinet was barely consulted. Before 25 October there was some policy discussion³⁴, but even this aroused the indignation of Crowe. On 25 October he wrote to Bradbury:

“I suppose you heard of the deplorable fiasco of the Cabinet discussion on the subject of our recent suggestions regarding the Rhineland? It was quite impossible to obtain any decision or to get the Cabinet to accept any clear line of policy...”³⁵

After 25 October, and once Amery and Derby’s initial anger at the course of events had died down, the Cabinet was merely informed of diplomatic events and kept up to date with the exchange of telegrams. It was given little scope to really influence the course of events.³⁶ This was largely a result of domestic political developments. Baldwin’s speech at Plymouth on 25 October had not only been significant in the warning it contained for French involvement with

³³ Hankey Papers: 1/7 (Diaries): 11.11.23

³⁴ For example, on 23 October the content of those sections of Baldwin’s speech at Plymouth on 25 October which covered Foreign Policy were discussed. [CAB 23 46, Cabinet meeting, 23.10.23.]

³⁵ T194/11, pp. 99: Crowe to Bradbury, 25.10.23.

³⁶ For example, see CAB 23 46: minutes of cabinet meetings on 29.10.23 and 30.10.23.

the separatists. Baldwin also used it to outline his conversion from Free Trade to Protection, a policy change which meant obtaining a new mandate from the British public before the next budget. An election was called for December, and politicians were therefore immediately preoccupied with party and constituency politics.

Britain's Diplomatic Efforts to Secure French Support for United States Involvement, 19 October - 8 November 1923.

Safe from the fundamental disagreements over policy which had divided the Cabinet and so hampered their efforts in August, the Foreign Office were now free to concentrate on their plans with little interference from the politicians. Even Curzon began to take a back seat once electioneering was really under way. However, at least for the time being, he was busily engaged in trying to secure a favourable response to the communication of 19 October.

First he tried to bully the Belgians. On 24 October he warned the Belgian Ambassador of the dangers if they “banged the door in the face of possible American cooperation” and emphasised the need for a “general bona fide conference of representatives of the Great Powers.”³⁷ He concluded with the threat: “...what was there to prevent the British Government from summoning a conference itself...? Would it be possible... for any Power... to refuse?”³⁸

Although this time both Baldwin and Curzon did want to press for a settlement with all the force at their disposal, Curzon's threats were useless. No doubt his allies were immune to them by now, particularly after the fiasco of the 11 August note. On 25 October, the Belgian Ambassador once more saw Curzon and told him that his words on 24 October had been too late. Poincaré had entirely refused to countenance a general conference, and it was only as a result of great Belgian pressure that he was going to agree to an enquiry by experts under the Reparation Commission.³⁹

³⁷ FO 371 8658, C18389/1/18: Conversation between Curzon and Belgian Ambassador, 24.10.23.

³⁸ FO 371 8658, C18389/1/18: Conversation between Curzon and Belgian Ambassador, 24.10.23.

³⁹ Postscript on FO 371 8658, C18389/1/18: Conversation between Curzon and Belgian Ambassador, 24.10.23.

This was confirmed in the French reply, received on 26 October. Poincaré agreed in principle to the setting up of an advisory committee of experts by the Reparation Commission.⁴⁰ Trachtenberg argues that Poincaré's sudden decision to accept an international committee of experts marked "an important break with existing policy".⁴¹ Previously he had resented British efforts to "pose as mediators" and had been increasingly reluctant to accept British intrusion into the Ruhr affair.⁴² That he agreed to the principle of an experts' enquiry at the end of October resulted partly from the overall pressure he was under - particularly from the practicalities of the situation in the Ruhr - and partly because he himself was confused and had no real plan. Certainly this was the conclusion the British drew from the information they received. They found no evidence that Poincaré was, in McDougall's interpretation, awaiting a "sign" from Britain; that "Poincaré was sacrificing an opportunity to crush the concentrations of power represented by the Ruhr and the Reich in favour of an international stabilisation he knew to be in France's, as well as the world's, best interest"; or that "France and Britain now pursued compatible reparations policies."⁴³ Rather, having accepted the principle of an experts' enquiry, Poincaré now backtracked in confusion, and sought to limit the scope of any such enquiry. On 29 October the French Chargé d'Affaires told Cadogan that it must be conducted under the auspices of the Reparation Commission, and without any derogation of that Commission's rights under the Treaty; that the committee of experts should not include a German, though the German case would be heard; that the committee should be of a purely consultative capacity; and that Poincaré was determined to hold to the Schedule of

⁴⁰ FO 371 8658, C18460/1/18: FO minute by Crowe, 26.10.23.

⁴¹ Trachtenberg, Reparation, pp. 331.

⁴² Trachtenberg, Reparation, pp. 330.

⁴³ McDougall, France's, pp. 294-5.

Payments of May 1921.⁴⁴ Crowe was made very angry by these conditions and minuted:

“M. Poincaré has no right to stipulate for the exclusion of a German expert from the Advisory Committee. Nor has he any authority for declaring that the Reparations Commission must not alter the *État de Paiements* of May 1921... M. Poincaré by his claim is interfering with the Reparations Commission and thereby doing the very thing which he falsely accuses HMG of advocating, namely infringing the treaty.”⁴⁵

The Italian reply was still outstanding. Apparently Mussolini intended to withhold it until after the French answer had been received. Graham remarked: “It is evidently Italian idea that if French reply shows wide divergence from British opinion, Italians may be able to frame formula reconciling the two points of view.”⁴⁶

On 27 October the Italian reply arrived. This welcomed the possibility of American participation, and suggested that a common invitation to the United States government should be issued. But it went on to stress the importance of the integrity of the Reparation Commission, and it was clear that the Italians, like the Belgians, had come down on the French side.⁴⁷ Wigram commented that the reply: “seems to be a very successful piece of ‘hedging’.”⁴⁸ Crowe was more annoyed: “I informed Signor Preziosi today that M. Mussolini’s answer came as a decided disappointment.”⁴⁹

Despite all their efforts, the British had not managed to secure the support of

⁴⁴ FO 371 8659, C18704/1/18: Conversation between French Chargé d’Affaires and Cadogan, 29.10.23.

⁴⁵ Minute by Crowe, 29.10.23 on C18704/1/18: Conversation between French Chargé d’Affaires and Cadogan, 29.10.23. [This minute is enclosed in FO 371 8658, C18543/1/18: Graham tel. 266, 27.10.23.]

⁴⁶ FO 371 8658, C18463/1/18: Graham, tel. 265, 26.10.23.

⁴⁷ FO 371 8658, C18543/1/18: Graham, tel. 266, 27.10.23.

⁴⁸ Minute by Wigram, 29.10.23, on: FO 371 8658, C18543/1/18: Graham, tel. 26, 27.10.23.

⁴⁹ Minute by Crowe, 29.10.23, on : FO 371 8658, C18543/1/18: Graham, tel. 26, 27.10.23.

any of the Europeans for their preferred course of an international conference to discuss reparations. But the setback was not as great as it appears at first glance. According to Crowe, the British had never been particularly confident of enlisting support for a conference anyway.⁵⁰ Although the British favoured a conference they were by no means averse to an enquiry under the Reparation Commission as long as it was an enquiry on terms which they approved. By presenting the allies with the two alternatives, they made it virtually impossible for the French to reject both without entirely losing face. Indeed, Britain's continuous diplomatic pressure, coupled with her refusal in any way to mitigate Poincaré's increasing difficulties on the spot, was by now having a direct effect on Poincaré's position. Poincaré was finding himself increasingly squeezed. According to the Belgians, Poincaré had really wanted to reject both the British proposals, but was forced to accept the second against his will:

“M. Jaspar said that M. Poincaré had shown marked ill-humour with the Belgian Government for having ‘forced his hand’ by deciding on a course of action without previously concerting with him. It appeared that M. Poincaré first intended to negative both alternatives put forward by His Majesty's Government...”⁵¹

The British had, by rather clever diplomacy, achieved an important development. They had secured the support - at least in theory - of the French, Italians, Belgians and Americans for some form of enquiry into the situation through the Reparation Commission. Even this somewhat limited development had an effect on the Germans. On 28 October, D'Abernon reported: “The correspondence with Washington and speech of Prime Minister... have made a great impression here.”⁵²

⁵⁰ On 26 October Crowe commented: “I remain convinced however that France would in no case at this stage have agreed to a conference.” [Minute by Crowe, 27.10.23 on: FO 371 8658, C18463/1/18: Graham, tel. 265, 26.10.23.]

⁵¹ FO 371 8659, C18853/1/18: Grahame, tel. 235, 30.10.23.

⁵² FO 371 8658, C18532/1/18: D'Abernon, tel. 392, 28.10.23.

The German government tried to encourage progress by submitting to the Reparation Commission their own request for a moratorium now that passive resistance had ceased.⁵³ This note was on the Reparation Commission's agenda for 30 October. Once more the weakening of Poincaré's position was apparent: under pressure from Léon Delacroix (the Belgian representative on the Reparation Commission) Poincaré and Louis Barthou (the French representative on the Reparation Commission) had agreed to grant the Germans a hearing. Bradbury, however, did not want the Reparation Commission to become distracted from its primary task - the American enquiry - and so opted for delaying tactics over the German initiative.⁵⁴ He intimated to Barthou that: "it seemed to me to be quite impossible to have the Germans before us without getting the question of the interpretation of para. 18 of Annex II brought up,"⁵⁵ and managed to persuade him to adjourn consideration of the German appeal on the grounds that "delicate negotiations between the Allied Governments are still incomplete."⁵⁶

The German initiative was thus conveniently stalled, leaving it necessary for all to concentrate on the British plan of involving the United States in an enquiry of experts under the Reparation Commission.⁵⁷

The Foreign Office now tried to ensure allied support for United States involvement. On 30 October, Crewe, Grahame and Graham were instructed to

⁵³ Minute By Wigram on 29.10.23 on: FO 371 8658, C18443/181/18: Communication from German Ambassador. [This minute is enclosed in C18543/1/18: Graham tel. 266, 27.10.23.]

⁵⁴ FO 371 8659, C18785/1/18: Treasury communication, 29.10.23, enclosing letter from Bradbury to Chamberlain, 29.10.23.

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ Bradbury employed exactly the same delaying tactics when the Belgians also presented their "Études" proposals, based on their previous memo of 11 June, to the Reparation Commission. [FO 371 8657, C17340/1/18: Communication from Belgian ambassador, 6.10.23]. On 17 October it was agreed between the Treasury, FO and Bradbury that if the Belgian proposals were raised in the Reparation Commission they should be sent to the Finance Section for detailed study, and, of course, delay. [FO 371 8658, C18047/1/18: FO minute by Cadogan, 17.10.23.]

submit a draft invitation to the United States to France, Belgium and Italy for approval.⁵⁸ This telegram emphasised the unanimity of the allies in inviting American participation in an enquiry set up by the Reparation Commission both to consider Germany's capacity to pay and to recommend a plan to secure payments.

Poincaré's reply soon arrived. Forced against his will to agree to an enquiry, he was now exercising his legal mind to try to limit its terms and conditions. On 31 October Crewe reported that Poincaré wanted the text of the invitation to invite United States participation in an enquiry *within the scope of the Reparation Commission* to consider Germany's *present* capacity (*capacité actuelle*) to pay.⁵⁹ This went even further than the conditions outlined to Cadogan on 29 October.

The British were disappointed. Bradbury commented: "If the French suggestion is accepted by us and the United States, and the enquiry set up on terms of reference so limited, I personally am convinced that it can lead to no practical result beyond a further waste of time..."⁶⁰

Crewe tried to explain the French position:

"The second of French conditions may perhaps be prompted by a conviction that if the Ruhr occupation came under review result would be to show that German inability to pay is direct result of French policy. // If this view is correct French government must be in a dilemma, either they agree to expert committee and risk enquiry into real effects of occupation or they refuse committee in order to avoid this risk. Latter course would look rather like a confession of failure."⁶¹

⁵⁸ FO 371 8659, C18741/1/18: Tel. 362 to Crewe, tel. 270 to Graham, tel. 115 to Grahame, 30.10.23.

⁵⁹ FO 371 8659, C18778/1/18: Crewe, tel. 967, 31.10.23. [Italics (mine) indicate the passages altered by the French.]

⁶⁰ FO 371 8659, C18978/1/18: Treasury, communication, 1.11.23, enclosing letter from Bradbury to Chamberlain, 1.11.23.

⁶¹ FO 371 8659, C19002/1/18: Crewe, tel. 977, 4.11.23.

Whatever the motivations behind Poincaré's actions, he was clearly determined to obstruct the type of wide-ranging enquiry which the British and Americans thought was essential.

On 1 November the Belgian reply arrived, agreeing to the joint invitation, subject to a very minor alteration in phraseology. On 3 November a positive Italian reply was also received.⁶² Reports from America were also encouraging and it seemed that the Americans were themselves tentatively beginning to apply pressure to France. The American documents show that the United States government was becoming alarmed by the prospect of German disintegration. On 24 October Paul Logan, the American unofficial observer on the Reparation Commission, wrote to Hughes: "... I feel that the whole situation hangs in such a fine balance that some mild expression of opinion from Washington might sway it..."⁶³ Hughes therefore instructed Whitehouse (the American Chargé d'Affaires in Paris) and Logan to object strongly, but informally, to the French government about the present situation and to call for action - perhaps an enquiry under the Reparation Commission.⁶⁴ Hughes also saw the French Chargé in Washington on 22 October⁶⁵ and on 31 October.⁶⁶ On both occasions he emphasised that if Poincaré insisted on placing limits on the scope of a possible enquiry, then it would be abortive.⁶⁷ The American government was also trying to keep the momentum going through press statements. On 31 October Chilton commented:

"Press today states that it was announced yesterday at the White House that the administration is entirely satisfied with the progress which has been made since the reparations tangle

⁶² FO 371 8660, C19007/1/18: Graham, tel. 273, 3.11.23.

⁶³ FRUS, 1923, vol. II, pp. 76-8: Whitehouse (the American Chargé d'Affaires in France) to Hughes, tel. , 24.10.23.

⁶⁴ FRUS, 1923, vol. II, pp. 83-4: Hughes to Whitehouse, 24.10.23. The British heard of this objection. [FO 371 8748, C19315/313/18: Mendl, Paris, to Tyrrell, letter, 6.11.23.]

⁶⁵ FRUS, 1923, vol. II, pp. 79-83: Hughes to Whitehouse, 25.10.23.

⁶⁶ FRUS, 1923, vol. II, pp. 87-9: Memo by Hughes on Conversation with French Chargé, 31.10.23.

⁶⁷ The British knew about this last meeting. [FO 371 8659, C18851/1/18: Chilton, tel. 429, 1.11.23.]

assumed its new phase and it is confident that an investigation by the commission of experts will be attended by real results. It is stated that the President entertains no doubt that the sentiment of the country is in favour of the government doing everything possible to bring about a solution of reparations difficulty.”⁶⁸

In private, however, the Americans were becoming anxious that the European initiative would fail and were pushing Britain for more progress. On 1 November Chilton reported: “Secretary of State told me this morning he was still somewhat in the dark as to what was going on with regard to reparations question and reiterated his anxiety to see text of French reply to His Majesty’s Government.”⁶⁹

The British therefore again contacted the French. At this point their tone was friendly. Crewe was to tell Poincaré that the British, Italians and Belgians had all agreed on the invitation, but that they could not accept Poincaré’s alterations and therefore Britain hoped that Poincaré would accept the Belgian draft.⁷⁰ Poincaré, however, would not be moved. On 3 November he reiterated his conditions to Crewe.⁷¹ The friendly approach having failed, the British attempted more overt pressure. It was decided to try to make a joint communication to Poincaré from the United States, Britain, Italy and Belgium asking him to accept the text of the joint invitation to the United States. On 6 November Chilton, Grahame and Graham were instructed to approach their respective governments with the proposed text of such a communication to Poincaré. This communication was quite strongly worded:

“The governments are convinced that the proposed restrictions would entirely frustrate the very object which such a committee is to serve. To limit the proposed inquiry to Germany’s *present* capacity would be to arrest the committee’s activity on the threshold of their labours. Nor is it understood how such restriction can be reconciled with the power conferred upon the

⁶⁸ FO 371 8659, C18828/1/18: Chilton, tel. 427, 31.10.23. See also, FO 115/2854: tel. 433 from Chilton 3.11.23.

⁶⁹ FO 371 8659, C18851/1/18: Chilton, tel. 429, 1.11.23.

⁷⁰ FO 371 8659, C18778/1/18: tel. 363 to Crewe, 1.11.23.

⁷¹ FO 371 8659, C19000/1/18: Crewe, tel. 973, 3.11.23.

Reparation Commission by the treaty of Versailles itself..."⁷²

It is difficult to imagine that the British really expected the allied governments to agree to this telegram. On 7 November, Chilton reported that Hughes would not associate himself with a joint communication which dealt with the wording of a note to the United States.⁷³ Moreover, when it came to the crunch, the Belgians once more deserted the British. Despite the fact that on 6 November the Belgian Ambassador in Paris, Baron Gaiffier, told Crewe that "such attempts as M. Poincaré was making to limit the scope of the committee's operations would be futile..."⁷⁴ ; the next day Grahame reported that the Belgians would not join in the proposed note to France.⁷⁵

The Foreign Office were not happy. Crowe minuted: "This renewed instance of Belgian collapse is not perhaps a surprise but it is disappointing. I think we must definitely give up all hope of co-operating with Belgium."⁷⁶ Wigram commented: "The Belgians have evidently let us down thoroughly. Mr. Hughes' press statement is now on the ropes... It looks as if the Enquiry were dead."⁷⁷

Not until 10 November, when the views of everyone else were known and it was obvious that no joint communication to Poincaré would be made, was the Italian reply to the British proposed communication to the French received. Graham reported:

"President of the Council entirely shares your view and is prepared to participate in joint representation at Paris... He would be prepared to join in a dual representation if you thought that would be any good. He would also be ready to join in any representation at Washington that you might consider useful."⁷⁸

⁷² FO 371 8660, C19027/1/18: tel. 286 to Graham, tel. 127 to Grahame, tel. 337 to Crewe, 6.11.23.

⁷³ FO 371 8660, C19307/1/18: Chilton, tel. 446, 7.11.23.

⁷⁴ FO 371 8660, C19201/1/18: Crewe, tel. 990, 6.11.23.

⁷⁵ FO 371 8660, C19251/1/18: Grahame, tel. 241, 7.11.23.

⁷⁶ Minute by Crowe, 7.11.23 on FO 371 8660, C19251/1/18: Grahame, tel. 241, 7.11.23.

⁷⁷ Minute by Wigram, 10.11.23, enclosed in FO 371 8818, C19407/16779/18: D'Abernon, tel. 421, 9.11.23.

⁷⁸ FO 371 8661, C19472/1/18: Graham tel. 277, 10.11.23.

Lampson commented on this: "I do not imagine that we are prepared to bank upon the wholehearted support which he professes to offer. I should prefer to see the text of his message to Paris first!"⁷⁹

At first sight it appeared that the British attempt to secure a joint invitation to the Americans had entirely failed. However, as with the choice between the conference and enquiry, the Foreign Office had once again asked for more in the hope that, rather than refusing the British request outright, the allies might concede something. Desperate to avoid a renewed stalemate, the British set about trying to persuade their allies to pressurise the French separately. This approach had more success. On 9 November, Grahame saw Jaspar:

"I reproached Minister for Foreign Affairs this morning with his negative attitude, saying that he was leaving us in the lurch... // After considerable argument Minister for Foreign Affairs said I might add to the information contained in his aide-mémoire, that Belgian government were exerting themselves without intermission in Paris to obtain an agreed and satisfactory form of invitation to Washington."⁸⁰

The American reaction was even more encouraging as Hughes agreed that: "the United States ambassador might make a separate communication to French government..."⁸¹ Reports soon suggested that Hughes was in fact putting strong pressure on the French. On 6 November, Hughes met the French Ambassador in Washington, Jules Jusserand, and strongly urged him to persuade his obstinate premier to relent.⁸² Hughes then told Chilton about the interview, but said that he was not hopeful of the prospects of moving Poincaré.⁸³ The following day, Hughes' pessimism was justified when Jusserand returned to the Secretary and merely reiterated Poincaré's

⁷⁹ Minute by Lampson, 12.11.23 on FO 371 8661, C19472/1/18: Graham tel. 277, 10.11.23.

⁸⁰ FO 371 8660, C19381/1/18: Grahame, tel. 247, 9.11.23.

⁸¹ FO 371 8660, C19307/1/18: Chilton, tel. 446, 7.11.23.

⁸² FRUS 1923, vol. II, pp. 90-1: Hughes to Herrick (ambassador in France), 6.11.23.

⁸³ FO 371 8660, C19345/1/18: Chilton, tel. 448, 8.11.23.

conditions. Hughes and Jusserand then had a quite heated interview, ending with Hughes saying he “thought the restrictions would make the inquiry futile”.⁸⁴

The Foreign Office were also considering trying to sway Poincaré by using stronger unilateral British measures. On 14 November a letter was sent to the Treasury:

“Before contemplating any line of policy which may bring His Majesty’s Government face to face with decided French opposition on an important issue, it behoves His Majesty’s Government to examine the question of the form of pressure which it might be possible to bring to bear upon the French Government to induce them to adopt an attitude more in harmony with the interests of Great Britain.”⁸⁵

In other words, was it possible for Britain to use the “financial lever”?⁸⁶ It was not until 3 December that Niemeyer replied to Crowe concerning this. His report concluded that: “the existence of short term French debts could be made a very potent lever...” and that in the event of this lever being used: “It would be essential that the French government should believe that G.B. really meant business”⁸⁷. This report was deemed important enough to be revised into a full Cabinet Paper, and circulated to all the ministers. Lampson commented:

“The Treasury make out an overwhelming case and I devoutly trust we shall be authorised to take it up. It is abominable that the British tax payer should be called upon to find no less than £30 million a year for the service of these French loans whilst France not only refuses to pay a penny but even goes so far as to advance large sums to her satellites.”⁸⁸

But such unilateral pressure by Britain was to prove unnecessary. It soon transpired that the combined effect of the separate Belgian, British, and

⁸⁴ FRUS 1923, vol. II pp. 91-4: Memo by Hughes on conversation with Jusserand, 7.11.23. For the British version, see, FO 371, C19453/1/18: Chilton, tel. 453, 9.11.23.

⁸⁵ FO 371 8661, C19472/1/18: FO to Treasury, 14.11.23.

⁸⁶ FO 371 8661, C19472/1/18: FO to Treasury, 14.11.23.

⁸⁷ FO 371 8662, C22023/1/18: Niemeyer to Crowe, 3.12.23. For the progress of this memorandum through the Treasury, see T160/185, file F7029.

⁸⁸ Minute by Lampson, 20.12.23 on: FO 371 8662, C22023/1/18: Niemeyer to Crowe, 3.12.23.

particularly American pressure on Poincaré had had some effect. On 8 November, Bradbury reported to Chamberlain that he thought that the French attitude had softened somewhat after the Jusserand-Hughes meeting.⁸⁹

⁸⁹ FO 371 8661, C19742/1/18: Bradbury to Chancellor of the Exchequer, 8.11.23.

**Bradbury's Role and Developments within the Reparation
Commission,
8 November - 26 December 1923.**

On 13 November, Bradbury reported that the Reparation Commission had considered Germany's note to the Commission of 24 October, which had previously been stalled, and that the Commission had unanimously decided to hear the Germans. The date for the hearing had been provisionally set for 23 November.⁹⁰ At the same time Barthou⁹¹ officially proposed that a committee of experts should be set up to estimate Germany's present capacity to pay. Clearly Poincaré was by now desperate. Unable to avoid some kind of expert enquiry, his last chance was to try to force through one on his own terms. In doing this he had taken a huge risk, as he had put the proposal for some kind of enquiry officially before the Reparation Commission. Bradbury reserved his vote on this Barthou proposal until after the hearing of the German delegates which was to take place on Friday November 23.⁹²

Both the Treasury and the Foreign Office were initially extremely dubious about this development. On 16 November, Niemeyer wrote to Bradbury:

"The enquiry - in so far as it may be intended to masquerade as that of "independent and impartial experts" seems to me wholly futile... In view of the line that His Majesty's Government and the United States of America have taken that a limited enquiry is useless I imagine that neither you nor Logan will assent to this enquiry or take any part in any such proceedings. I suppose the Italians might take the same line."⁹³

⁹⁰ FO 371 8661, C20098/1/18: Bradbury to Treasury, 13.11.23.

⁹¹ For more information on Barthou, see R.J. Young, Power and Pleasure: Louis Barthou and the Third French Republic, (Montreal, 1991), particularly pp. 175-6.

⁹² Minute by Sterndale Bennett, 21.11.23 on FO 371 8661, C20094/1/18: Treasury Communication, 16.11.23. [This minute is filed at FO 371 8661, C20098/1/18: Bradbury to Treasury, 13.11.23.]

⁹³ FO 371 8661, C20094/1/18: Niemeyer to Bradbury, letter, 16.11.23.

Discussing the Barthou proposal with the Italian Chargé d’Affaires on 26 November, Lampson said:

“I personally was very doubtful whether we should find it possible to agree to the setting up of such a committee. After all, the much bigger suggestion of a formal commission of enquiry had quite recently miscarried owing to the limitations which the French had sought to impose upon the scope of its activities; I could not see that this much smaller body of which he now spoke would be of much use to any one.”⁹⁴

However, while the original Barthou proposal was unacceptable, Bradbury - in collusion with Crowe - was busy with delicate negotiations to try to get a compromise which would render a solution possible. It is significant that ultimately it was when the officials were left to themselves, in the closed forum of the Reparation Commission, and without the distraction of the politicians (who were in any case preoccupied at this time with the general election) that a working solution was finally found. It is also significant that Bradbury finally managed to get Barthou to agree to a compromise of two committees and that Barthou forced this agreement on Poincaré. Clearly Poincaré was by this stage no longer in control of the situation.

As soon as it had become clear that the battle was to be fought in the Reparation Commission, Bradbury had been trying to ensure a British victory. At the end of October he wrote to Crowe: “I believe that if you leave me to my own resources I shall be able either to get an enquiry which will result in real progress or to kill the project altogether very quickly...”⁹⁵ Once Barthou proposed an enquiry into Germany’s present capacity, Bradbury increased his efforts and began working to try to amend it. He was aided by his belief that Poincaré’s own position was degenerating:

“Six weeks ago, nine Frenchmen out of ten had for Poincaré the enthusiasm which a soldier has for a general whom he believes to be leading him to victory; now they have merely the devotion which a soldier has to a general whom he believes to be the only

⁹⁴ FO 371 8662, C20560/1/18: Minute by Lampson, 26.11.23.

⁹⁵ T194/11, pp. 105: Bradbury to Crowe, 26.10.23.

man who can get him out of a tight place. Things have only to look a little blacker to shake his confidence and provide a discussion of the desirability of a change in the command.”⁹⁶

By the end of November Bradbury had at last made some progress with Barthou. He explained to Crowe that he had for some time been engaged in confidential negotiations with all the other representatives on the Reparation Commission - including the American unofficial representative, to try to get a viable committee established. In the course of these discussions, Bradbury:

“... hit upon the plan of suggesting the appointment of two committees, one of which would be charged with the investigation of German balances abroad, whilst the other would attack the main questions at issue. This suggestion has met with a favourable reception, and, although as yet not definitely approved, has apparently every chance of being accepted by the members of the Reparation Commission...”⁹⁷

The plan was that the second committee, dealing with the German balances abroad, would soon discover that it could not arrive at any satisfactory conclusions, and so would not in fact do anything. However, its existence would save the face of the French and make it possible for them to accept the first committee, which would have very wide terms of reference and so would be compelled to go into the whole question of German reparation, capacity to pay, moratorium, administration of the Ruhr, and so on. In return for these huge concessions from the French, Bradbury consented to drop the proposal for a German being a member of the committee.⁹⁸ Even before Crowe informed Curzon of this development, Bradbury had submitted the entire scheme to Baldwin. Baldwin entirely approved, and said that the Foreign Secretary should be consulted, “in the hope that it will win his assent also.”⁹⁹

Thus the crucial developments in the whole negotiation stage had happened

⁹⁶ T160/175/F46858: Bradbury to Niemeyer, 17.11.23.

⁹⁷ FO 371 8662, C20619/1/18: Memo by Crowe, 27.11.23.

⁹⁸ FO 371 8662, C20619/1/18: Memo by Crowe, 27.11.23.

⁹⁹ FO 371 8662, C20619/1/18: Memo by Crowe, 27.11.23.

with very little input from the politicians. In all cases they were presented with a virtual fait accompli by their officials. Crowe told Curzon: "I think we may unhesitatingly express approval and authorise Sir John Bradbury to proceed on the lines he has indicated"¹⁰⁰ ; while Bradbury explained of the Belgians that he: "thought it was unnecessary for us to speak to the Belgians, as M. Delacroix was apparently prepared to take on himself the responsibility of agreeing rather than bringing in his Government."¹⁰¹ Bradbury did think that diplomatic channels should be used to enlist the Italians, and so, obediently, Crowe saw Signor Preziosi to solicit support.¹⁰²

On 30 November the decisive meeting in the Reparation Commission was held.¹⁰³ Bradbury's efforts paid off. The resolution to set up two committees was accepted unanimously.¹⁰⁴ The first committee would enquire into how to balance the German budget and to restore the currency; and the second would consider what measures could be adopted to ascertain the amount and secure the repatriation of exported German capital.

Attention now focussed on getting rapid and decisive American support and influence. Bradbury sent a telegram to Crowe on 30 November advising the government to approach Washington confidentially,¹⁰⁵ and accordingly, on 1 December Curzon sent a telegram to Chilton for him to communicate to Hughes. The telegram explained the continuation of negotiations within the Reparation Commission; outlined the proposal to establish two committees of enquiry instead of the previous suggestion of one; and asked whether American

¹⁰⁰ FO 371 8662, C20619/1/18: Memo by Crowe, 27.11.23.

¹⁰¹ FO 371 8662, C20619/1/18: Memo by Crowe, 27.11.23.

¹⁰² Minute by Crowe, 28.11.23 on: FO 371 8662, C20560/1/18: Minute by Lampson, 26.11.23.

¹⁰³ FO 801/10: Minutes of the Reparation Commission, Meeting 407, Decisions 2719a and 2720, 30.11.23.

¹⁰⁴ FO 371 8662, C20802/1/18: Bradbury to Treasury, 30.11.23.

¹⁰⁵ FO 371 8662, C20912/1/18: Crowe tel. unnumbered, 30.11.23, enclosing message for Crowe, from Bradbury.

experts would in these circumstances be encouraged to participate.¹⁰⁶

Understandably the Americans were rather wary of believing that Poincaré had suddenly agreed to accept the enquiry.¹⁰⁷ Complicated negotiations within the Reparation Commission ensued, with Logan trying to get a letter from Barthou which would satisfy Hughes that the French had genuinely backed down.¹⁰⁸ Barthou was clearly desperately trying to ensure American participation. Bradbury commented:

“As regards Barthou’s own attitude, I remain convinced that he is anxious to go as far as he dare in the direction of agreement with ourselves and America. He will do his best to take Poincaré along with him, and will even be prepared to fight Poincaré when, but not until, he thinks it politically safe to do so.”¹⁰⁹

Barthou was apparently successful. On 5 December Bradbury reported that Logan, Barthou and Delacroix had concocted a letter to Logan, from Barthou, which Logan could show to Hughes. While Bradbury expressed concern that this letter’s: “whole tone is far more appropriate to a French newspaper article designed to cover M. Poincaré’s retreat than to a demonstration for the satisfaction of the United States Government that he has, in fact, retreated”¹¹⁰ - he was hopeful that the United States government would appreciate this and would agree to participate.¹¹¹

On 11 December the Americans announced that they felt the proposed committees would be useful, and as the proposal had been made by the French delegate and president of the Reparation Commission, and had been supported

¹⁰⁶ FO 371 8662, C20912/1/18: Chilton, tel. 370, 1.12.23. This official telegram was needed from HMG to the US government as, until this point, Logan had been acting in a strictly unofficial capacity in his negotiations within the Reparation Commission.

¹⁰⁷ FRUS 1923, vol. II, pp. 101-2: Phillips (Acting Secretary of State) to Herrick, 30.11.23.

¹⁰⁸ FO 371 8662, C21068/1/18: Bradbury to Crowe, 3.12.23.

¹⁰⁹ FO 371 8662, C21156/1/18: Bradbury to Tyrrell, 5.12.23.

¹¹⁰ Ibid.

¹¹¹ For Logan’s communication to the US government enclosing this letter, see FRUS, 1923, vol. II, pp. 102-4, Herrick to Hughes, 6.12.23.

by all the other nations' members, they would agree to the participation of American experts.¹¹²

Now all that remained was for the actual committees to be set up. The experts were to be appointed by the Reparation Commission, but to be nominated by the various governments concerned.¹¹³ This procedure could have provided Poincaré with yet more opportunity for delay and difficulty, but the French were suddenly perturbed by the British election results and by fears that a change in government might bring with it a completely new and unknown foreign policy. On 14 December Crewe reported:

“...since the results of the General Elections in the United Kingdom have been known public and official opinion in this country has been distinctly perturbed with regard to the effect on Anglo-French relations. A feeling prevails that the French government has allowed to slip an opportunity which may never recur of improving the chances of co-operation between the two countries. A natural result of this state of affairs has been a desire to avoid taking any step here which would be likely to complicate a delicate and somewhat uncertain situation. This may be said to some extent to have brought about an atmosphere of accommodation due to the realisation by the French government of the danger of doing anything at present directly contrary to the views of His Majesty's Government.”¹¹⁴

On 13 December Bradbury reported that the French were surprised at the election results as they had expected Baldwin to get a majority: “I think, therefore, that between now and the 8th January, the French Government will be at some pains to avoid any acute collision...”¹¹⁵

With the French anxious to avoid any further controversies, and the British politicians entirely preoccupied with the fluid political situation, the nominations, invitations and appointments of the committees of experts

¹¹²FO 371 8662, C21403/1/18: Chilton, tel. 499, 11.12.23.

¹¹³ Minute by Lampson, 13.12.23 on: FO 371 8662, C21507/1/18: Treasury communication, 12.12.23.

¹¹⁴ FO 371 8752, C21607/313/18: Crewe, disp. 2835, 14.12.23.

¹¹⁵ FO 371 8662, C21553/1/18: Bradbury to Tyrrell, 13.12.23. Also see FO 371 8662, C21156/1/18: Bradbury to Tyrrell, 5.12.23.

passed off remarkably smoothly. Only Curzon was unhappy with events. In an undated minute enclosed in a dispatch from Graham of 20 December he commented:

“...Sir J. Bradbury claiming the power of a dictator goes against my will, in spite of my earnestly expressed wish to him, consults the head of *other* parties, as though he were Prime Minister, and openly appoints a politician in the person of Mr. McKenna. And all this seems to be thought right. I regard it as indefensible...”¹¹⁶

Curzon's uncharitable outburst probably owed more to his resentment at having been sidelined in the ultimate settlement, and to his anger that Bradbury's successes had enabled him to assume such an important role in the whole affair. Certainly it seemed that a solution had at last been found. On 26 December the Reparation Commission transmitted a communiqué giving the names of the representatives on the two committees. The First Committee was to meet on 14 January, and the Second on 21 January 1924. The committees were established as follows:

First Committee:¹¹⁷

- US:** *General Charles G. Dawes*, Chairman of the Board of the Central Trust Co., Director of the Bureau of the Budget.
Mr. Owen D. Young, Chairman of the Board of the General Electric Co.
- Britain:** *Sir Robert Molesworth Kindersley*, G.B.E., Chairman of Lazard Brothers, Ltd., Director of the Bank of England; Governor of the Hudson Bay Company; Chairman of the National Savings Committee.
Sir Josiah Charles Stamp, K.B.E., D.S.O., F.C.I.S., Secretary to the Nobel Industries, Ltd., and formerly Assistant Secretary to the Board of Inland Revenue.
- France:** *M. Parmentier*, formerly Director of the Mouvement Général des fonds in the Finance Ministry; Administrator of the Crédit foncier de France.
M. Alix, Professor in the Faculty of Law of Paris.

¹¹⁶ Minute by Curzon, undated, on: FO 371 8662, C22017/1/18: Graham tel. 301, 20.12.23.

¹¹⁷ FO 371 8663, C22416/1/18: Communication from Reparation Commission, 26.12.23.

- Italy:** *Dr. Alberto Pirelli*, Industrialist.
Professor Federico Flora, Professor of the Science of Finance at the University of Bologna.
- Belgium:** *Baron Maurice Houtart*, Member of the Chambre des Représentants.
M. Emile Francqui, Ministre d'État; Vice-Governor of the Société générale de Belgique.

Second Committee:¹¹⁸

- US:** *Mr. Henry M. Robinson*, Chairman of the First National Bank of Los Angeles.
- Britain:** *The Rt. Hon. Reginald McKenna*, P.C., Chairman of the Midland Bank, formerly Chancellor of the Exchequer.
- France:** *M. Laurent Atthalin*, Director of the Banque de Paris et des Pays-Bas.
- Italy:** *Dr. Mario Alberti*, Vice-General Director of the Credito Italiano.
- Belgium:** *M. Albert Edouard Janssen*, Director of the Banque nationale de Belgique.

¹¹⁸ FO 371 8663, C22416/1/18: Communication from Reparation Commission, 26.12.23.

Conclusion

Recent historians tend to agree that at the end of September Poincaré failed to capitalise on the opportunity he had secured.¹¹⁹ It does seem likely that Poincaré could have avoided involvement with the separatists and MICUM agreements and could have secured a bilateral agreement with Germany once passive resistance ceased. Although the terms of such an agreement might not have been entirely to his liking, Poincaré would have been able to maintain the initiative and retain a dominant position for France at the negotiating table. He could have presented the agreement to the Allies as a virtual *fait accompli*. As my research has shown, it would have been very difficult for Britain and the United States entirely to block such a course of events, especially if in pursuing it Poincaré had avoided the separatists charade and the loss of face he in fact suffered by refusing to negotiate with a prostrate and apparently supplicant Germany. The chaotic and confused state of British policy by the end of the summer 1923 must also not be underestimated.

The question remains: why did Poincaré act as he did? While the purpose of this thesis is not to become embroiled in the complex and much debated field of French foreign policy, an intensive examination of Britain's position has provided some insights. Both McDougall and Keiger suggest that Poincaré procrastinated because he wanted support from Britain. Yet if this was the case, why were the British so entirely unaware of it? Similarly, if "Poincaré never deinternationalised reparations"¹²⁰, then why did the British identify such reluctance and inconsistency in his behaviour regarding an expert enquiry: refusing to negotiate, then agreeing to an enquiry, then backtracking

¹¹⁹ Trachtenberg, *Reparation*, pp. 311; Rupieper, *Cuno*, pp. 234; McDougall, *France's*, pp. 293; Keiger, *Poincaré*, pp. 305.

¹²⁰ McDougall, *France's*, pp. 298.

and imposing conditions so harsh as to make it futile, then allowing Barthou to table a separate motion for a limited enquiry, and so on? Rather, as Trachtenberg argues, the conclusion seems to be that Poincaré himself was confused, and having secured a victory over Germany in the Ruhr, was unsure what to do with it. Partly this confusion may have resulted from the increasingly overwhelming nature of the situation on the spot in the Ruhr.¹²¹ It may also have owed something to domestic-political considerations. Keiger emphasises Poincaré's desire to maintain the moderate middle-ground in the French Chamber. Anxious that he was relying too much on the Right, Poincaré sought to use foreign policy moderation and cooperation with the United States and Britain to reoccupy the centreground by appeasing the Radicals.¹²² Whatever the reasons, the results were the conflicting and confused signals and general policy degeneration in France that the British identified.

This degeneration in the consistency and forcefulness of French policy, coupled with the fact that the United States was at last more responsive to the idea of intervention - however informal - in European affairs, was certainly fortunate for the British. Aided by these factors, the British were at last able to recover from their foreign policy low of the summer of 1923. Moreover, once passive resistance ended the European situation was at last more fluid. France and Germany were no longer so polarised, and compromise seemed a possibility, however remote. At last the British had a viable role. An agenda of aims was established and the British gradually tried to push the French and United States towards them.

The British policy-making process also recovered from its previous fragmentation. At the highest level a clearer direction was given to policy than

¹²¹ See above, Chapter V, pp. 219-247.

¹²² Keiger, *Poincaré*, pp. 305.

during the summer. Baldwin played a crucial role. For example, Crowe liaised directly with him over the Imperial Conference speech on 5 October; while Bradbury submitted the final Reparation Commission solution to Baldwin before Curzon had seen it. Moreover, Baldwin also no longer allowed Cabinet differences to compromise policy. Unlike in August, in October Derby's criticisms had little impact. However, while Baldwin played a leading role, it would be wrong to dismiss Curzon at this stage as being on the sidelines. On the contrary, the Prime Minister and Foreign Secretary worked together. For example, Baldwin supported Curzon and shielded him from Poincaré's October complaints, while Curzon always tried to cooperate with Baldwin's wishes and so, for instance, made the 5 October speech. Furthermore, Curzon worked hard to obtain success for the policy of involving the United States, supporting it and pushing it ahead whenever possible by diplomatic means.

Certainly as important as the relationship at the top was the smooth-running teamwork of the administration when compared to previous months. This was particularly the case once the election campaign got underway and politicians were preoccupied with constituency and party politics. Lines of communication between the three key figures - Crowe, Niemeyer and Bradbury - were excellent regarding international reparation developments. All three were in complete accord over the course of action to be taken and gradually pushed matters forward from behind the scenes. It is certainly significant that it was Bradbury who, with Niemeyer and Crowe's support, was ultimately so influential in finding an acceptable compromise.

Thus the British position at the end of December was entirely different from the middle of September. The shift had been gradual. For example, problems and differences within the Cabinet had continued, at least during October; the Treasury had wanted a more forceful policy towards France than did the

Foreign Office; and on several occasions the attempt to involve the United States had almost foundered. But at last the British had been able to play a more positive and consistent part. Partly the responsibility for this lies with circumstances - the more fluid nature of the Ruhr Crisis, the change of attitude in Washington and the degeneration of French policy. Yet British policy itself had also recovered. Throughout the autumn it developed a clarity of overall purpose and a depth and consistency in coordination and implementation which had been lacking during the summer. On 26 December - exactly one year to the day after the initial declaration of voluntary German default had been made - the Reparation Commission officially announced the composition of the committees of experts. It remained to be seen how their investigations would conclude, and whether the conclusions would be acted upon.

Chapter VII.

Resolution at Last, January - August, 1924.

At the turn of the New Year the British political scene was thrown into confusion. In November 1923 Baldwin dropped his protectionist bombshell and scheduled an election for 6 December. The results of the poll left the Conservatives without an overall majority; while the Labour Party gained the second largest number of seats (Conservatives 259; Labour 191; Liberals 159). The situation was extremely volatile, and much depended on the attitude of the Liberal Party. On 18 December Asquith declared that his party would not keep the Conservatives in power and would not combine against a Labour government. It seems that Asquith hoped to discredit the Labour Party by allowing it to assume office in circumstances where it had little real power or room for manoeuvre. At the same time, the Liberal ploy provided Labour with a golden opportunity, and the party's leader seized it.

On 22 January Baldwin left office and MacDonald was sworn in. He soon appointed his Cabinet, keeping the key position of Foreign Secretary for himself. This preoccupation of the Prime Minister with foreign policy was crucial. Partly it stemmed simply from his own interest in it and from his belief that if normal international conditions were resumed, domestic problems (such as unemployment) would automatically diminish. But, crucially, it was also because of MacDonald's own party-political objectives. MacDonald's primary objective was to prove that Labour was fit to govern. This would establish the Labour Party as the main left-wing force, irrevocably marginalise the Liberals and secure the reestablishment of a two-party system. To do this the Labour ministers had to appear totally respectable and responsible in the eyes of both

the British public and the world.¹ What better area to achieve this than in the field of foreign affairs, especially as the Parliamentary party balance meant that it would be extremely difficult to do anything significant on domestic issues anyway?

Anxious to achieve this respectability, MacDonald decided to follow the path laid out by his predecessors: he would wait for the experts reports and then push for their adoption. Crewe summed up MacDonald's strategy: "Speaking generally, the programme is to do nothing marked or conspicuous at any rate until the expert committees have issued their reports, and possibly not then."²

MacDonald himself noted in his diary on 3 February:

"Have made up my mind as to policy. France must have another chance. I offer co-operation but she must be reasonable and cease her policy of selfish security. That is my first job. Armaments and such problems that are really consequences must wait. The "weather" must be improved. Seriously, I see it is to take years of steady consistent work, and my official life may only be one of months."³

In opting for this course MacDonald was, like his predecessors, guided by the fundamental principle of avoiding potentially dangerous commitments. Rather, MacDonald hoped to take a small step towards a peaceful world order and genuine community of nations - based on the League - by first solving the

¹ David Marquand explains MacDonald's predicament clearly, saying that MacDonald's number one objective was to destroy the Liberals and establish Labour as the main opposition: "To do this, they had to trump the Liberals' cards. They had to show that the jibes of the Liberal press were without foundation, that working men could hold the highest offices of state with dignity and authority, that although they might lack experience they were neither wild nor incompetent..." [D. Marquand, Ramsay MacDonald, (London, 1977), pp. 312. Marquand's biography provides much interesting detail and analysis of MacDonald's foreign policy. See especially pp. 333-351.

² Phipps Papers, Box 2/2, pp. 6: Crewe to Phipps, 5.2.24.

³ McDonald Papers, PRO/30/69/1753, part 1: Diaries, pp. 181, 3.2.24. [My underlining]

damaging and divisive reparation issue.⁴ In practice, this meant, as Hankey summarised, that MacDonald “dislikes all schemes for a British guarantee to France”⁵ and that British policy was effectively “one of helping Europe as much as we can without undertaking commitments.”⁶

In adopting this course, MacDonald may also have been influenced by the inability of his administration to offer him any practical alternatives. Interestingly, both the Foreign Office and the War Office - for entirely different reasons- impressed on MacDonald the need for Britain somehow to solve France’s security dilemma. But at the same time, both departments also recognised Britain’s inability to assume additional military commitments, and so had no practical solutions to offer.

The Foreign Office was fundamentally Francophobic:

“...a glance at the map will show that by possessing the Rhineland the French would almost encircle Belgium, and would be in a position to drive a wedge through the centre of Holland. French military possession of the Rhineland would seem, therefore, to be... an indirect menace to this country. In fact, the question of the Rhineland is not merely a question of French security; it involves British security also...// The crux of the matter then is the problem of security. The present French domination in the Rhineland arises immediately out of the lapse of the guarantee treaty with Great Britain and America. Some arrangement must, therefore be sought which will be a substitute for these treaties and in return for which France must undertake to renounce her control over the Rhineland. At the same time that arrangement must be one which does not compromise essential British military and economic interests.”⁷

⁴ These plans of MacDonald’s are clear from the letter he wrote to Poincaré on 21 February (see FO 371 9812, C2942/1288/18: MacDonald to Poincaré, letter, 21.2.24), in which MacDonald said: “To my mind the problem of security is not merely a French problem; it is a European problem... Our task... must be to establish confidence... It is a matter, I believe, in which the League of Nations, both by discussion and eventual action, might play an important part. It is a policy in support of which the assent and goodwill of every European country would have to be enlisted...”.

⁵ Hankey papers, 4/16: Hankey to Smuts, 1.4.24.

⁶ Hankey papers, 4/16: Hankey to Smuts, 22.5.24.

⁷ MacDonald Papers, PRO 30/69/115: C2028/1346/18: Memo by Sterndale Bennett on British policy in the Rhineland, 5.2.24.

On the other hand, the War Office saw Germany, not France as the problem:

“The French possession of the Rhineland does not affect the security of England at the hands of France in any degree whatever. Germany is bound to require room for expansion at a later date and France will not be able to resist that need when it comes.”⁸

The War Office emphasised that Germany had a much higher manpower potential than France, and therefore France:

“...must be always on the look out for her own preservation. She knows where a war with us would lead her; she knows the advantages that Germany would take out of it; and, even if she wished to fight us, she would not dare do it. Great Britain can therefore rest assured that France, whatever her actual territorial position on the continent is no danger to England. On the contrary, it is clear from these same figures [ie manpower] that in course of time Germany will again clash with Great Britain. This clash is inevitable, and, fundamentally, it will be simply a repetition of the conditions which brought us into the late war...// The conclusion, therefore is that not only is France, however extravagant a search for security she may indulge, no danger to us, but that her security is ours. France is a nation bent only on self-preservation. France and Great Britain are military necessities to each other - France to us as a buffer between ourselves and Germany, and we to France as covering her on all fronts except the German one.”⁹

The War Office, therefore, like the Foreign Office agreed that the fundamental necessity was to ensure French security. How this could be done, however, was not satisfactorily decided. Like the Foreign Office, the War Office was adamant that the solution should “entail no military commitments for us on the Continent!!!”¹⁰ and that Britain could not accept “what would amount to an obligation to maintain our military strength at a standard dictated either by growing French weakness or growing German strength.”¹¹ In fact all the War Office could in practice suggest was the vague hope that the development of ‘world opinion’ would help:

“The only effective expression of world opinion is an actual and

⁸ MacDonald Papers, PRO 30/69/115: C5185/1346/18: WO to FO, 28.3.24.

⁹ MacDonald Papers, PRO 30/69/115: C5185/1346/18: WO to FO, 28.3.24.

¹⁰ WO 190/23: Memo (unsigned), 29.2.24.

¹¹ WO 190/23: Memo (unsigned), 29.2.24.

active combination of influential supporters of world opinion against any nation that shows signs of ignoring it. That is an alliance and the value of the League will be in the opportunities it affords of creating alliances ad hoc in such situations as the one we visualise of Germany running amok. // It is to such a development, in my opinion that France must look for her ultimate victory.”¹²

This essentially was the approach MacDonald adopted - hoping that by removing points of issue the “weather” could be improved and then, eventually, the League strengthened.

Before examining MacDonald’s attempts to achieve these aims, some background is needed: first, contextually by a brief examination of the French and German situations; and second, by sketching in developments on the ground in the Ruhr and Rhineland.

¹² WO 190/23: Memo (unsigned), 29.2.24.

The European Context

The first months of 1924 were a time of crisis for France. The cost of the Ruhr occupation, coupled with France's inadequate taxation system, finally took their toll and in January the franc collapsed. Believing the only way to restore confidence and stability to be by reforming taxation, Poincaré tried to introduce fiscal reform. He met huge domestic opposition. Not until 22-3 February was the fiscal package finally passed by the French Chamber, and it still had to be cleared by the Senate. Poincaré was exhausted, and the situation remained chaotic. At the end of February speculation again hit the franc.¹³ France now lacked sufficient financial reserves to save the currency, and so Poincaré had to look further afield for help. He turned to JP Morgan. The American banker offered to lend France \$100 million on condition that the fiscal package was passed by the French Senate. After yet more political turmoil within France, Morgan's terms were accepted. On 12 March the rout of the speculators began, and by 24 March the battle for the franc had been won.¹⁴

Although the immediate crisis was over, the ramifications remained great. The fact that France was now dependent on international financial aid entailed diplomatic constraints, making it virtually impossible for Poincaré seriously to object to any of the provisions of the experts' reports. As Bradbury explained to Snowden on 12 March: "They have... to swallow anything on which the

¹³ The French government, perhaps understandably, suspected international involvement to try to decrease French strength. After all, a weaker France would be much easier to deal with over the Ruhr than a strong one. Stephen Schuker's research shows that these suspicions were unfounded. The run on the franc was precipitated by unease and speculation within France, and even when foreign holders began to sell it was for legitimate reasons, such as the French government's inability to pass the financial reforms. Indeed, Schuker finds that even though the British did consider using the financial weapon, they decided against it. [S. Schuker, The End of French Predominance in Europe: the Financial Crisis of 1924 and the Adoption of the Dawes Plan, (Chapel Hill, 1976), pp. 98-104].

¹⁴ For more on the French financial situation see P. Bernard and H. Dubief, The Decline of the Third Republic, 1914-1938 (Cambridge, 1985); Keiger, Poincaré, and especially Schuker, End, Chapters 2, 3 and 4.

Americans choose to insist..."¹⁵ This argument is emphasised by Stephen Schuker in his authoritative work on The end of French Predominance in Europe¹⁶. However, while the financial collapse might have affected France's diplomatic independence, it was not necessarily decisive. Even had France been economically secure it would have been exceptionally difficult to have objected substantially to a report produced by an international body of highly respected experts - a report which Poincaré had himself agreed to sanction in December 1923, before the collapse of the franc had taken place, and at a time when he should have been operating from a position of strength. Rather, the more tangible impact of the currency collapse and its attendant political chaos was on the French domestic-political scene. They were major factors in Poincaré's defeat in the general elections of May 1924. His replacement by the more Leftwing and pro-Anglo-American Edouard Herriot was a significant gain for the British position, and cooperation between MacDonald and Herriot was vital for the success of the London Conference in the summer of 1924.

At the very time when the financial situation in France reached crisis proportions, the position in Germany strengthened. The critical period immediately subsequent to the cessation of passive resistance had passed. The establishment of the committees of experts and gradual dismantling of the more extreme aspects of Franco-Belgian control, coupled with the financial and currency measures taken by the Stresemann and Marx Cabinets, were at last paying dividends. Germany's budget deficit for January 1924 was only 2 million German Marks, as compared with 33 million in December 1923,¹⁷ and by March the Reich finances revealed a modest surplus.¹⁸ The British were aware of the implications of German recovery. D'Abernon commented on 17

¹⁵ FO 371 9739, C4525/70/18: Bradbury to Snowden, 12.3.24.

¹⁶ Schuker, End. This is an excellent work, meticulously researched and making extensive use of British as well as French, German and American archival material.

¹⁷ FO 371 9792, C2108/371/18: D'Abernon, tel. 51, 6.2.24.

¹⁸ FO 371 9793, C5854/371/18: D'Abernon, tel. 132, 7.4.24.

January:

“France had a great opportunity to negotiate some arrangement with Germany during the first months of the Stresemann Government... Now it is thought that negotiations will be more difficult: The Germans have become stiffer - partly on account of the stabilisation of their own currency, but still more on account of the instability of the French franc...”¹⁹

Politically the German situation remained problematic. Reichstag elections in May resulted in gains by extremes on both Right and Left at the expense of the middle parties. With the German nationals holding around 100 seats and the communists over 60, it was extremely difficult to form a government. In June the Marx-Stresemann Coalition at last returned, comprising the Democrats, Centre and Volkspartei. The Nationalists refused to join and remained hostile to any attempt to compromise with France by forming an agreement over reparation. This was particularly worrying for the Allies, as in order for Germany to implement the experts' report a two-thirds majority in the Reichstag was necessary to modify the constitution.²⁰

¹⁹ T160/185/F7027, C1201/51/18: D'Abernon, tel. 46, 17.1.24.

²⁰ FO 371 9803, C11432/737/18: FO memo on general situation in Germany, 5.7.24. For more detail on the German political scene and the divisions within the nationalist vote, see Kent, Spoils, pp. 253-256.

The Situation on the Spot.

Just as throughout 1923 events on the spot in the Rhineland and Ruhr provided a continuous backdrop to high political developments, so too did they in 1924. Several topics need to be mentioned: the separatists, the MICUM agreements, the bank of issue and the railways. In all these cases the weakening of France's position and general stabilisation of the Ruhr crisis rendered MacDonald's task easier than Curzon's had been.

The Disintegration of the Separatist Movement.

It will be recalled from Chapter V that the British had been incensed when at the end of December the French recognised a de facto separatist government in the Palatinate.²¹ Curzon had immediately launched a strong protest to the French²² and, despite French objections, had sent Consul-General Clive to the Palatinate to investigate.²³ On 19 January Clive reported that the overwhelming mass of the Palatinate population opposed the separatists,²⁴ and it was soon clear that the movement was weakening. On 25 January Lampson remarked:

“Quite apart from our firm action, Mr. Clive's visit to the Palatinate has had an instantaneous effect. I think we may take it that the 'autonomous' movement is now definitely on the wane. If this prophecy should prove correct, it will be entirely due to the consistent attitude which Great Britain has maintained.”²⁵

By the time MacDonald was established in office the French were in retreat.

²¹ See Chapter V, pp. 235-237.

²² FO 371 9770, C91/91/18: Tel. 4 to Crewe, 4.1.24.

²³ FO 371 9771, C410/91/18: Tel. 20 to Phipps, 9.1.24.

Crewe was instructed to warn the French ambassador concerning any attempt to impede Clive.[FO 371 9771, C496/91/18: tel. 28 to Crewe, 12.1.24.]

²⁴ FO 371 9772, C988/91/18: Kilmarnock, tel. 40, 19.1.24.

²⁵ Minute by Lampson, 25.1.24 on FO 371 9771, C1286/91/18: Kilmarnock, tel. 54, 23.1.24.

On 30 January Poincaré denied that he supported the movement²⁶, and on 4 February he suggested that normal conditions in the Palatinate could be restored by the Palatinate Kreistag (provisional assembly). The British agreed and the High Commission therefore appointed an Interallied Delegation of three members which went to Speyer. On 15 February the delegation met the Kreistag committee, which agreed to collaborate.²⁷ By this time the separatist attempt, like that staged in the Rhineland and Ruhr only two months before, was spontaneously collapsing. Disturbances at Pirmasens resulted in the death of a number of separatists and on 18 February Kilmarnock reported that most of the Palatinate had been evacuated.²⁸

Thus only weeks after MacDonald assumed office the separatist movement unequivocally failed. The brunt of the crisis had been borne by Curzon, while the benefits were now reaped by the new Labour government. Whether or not Poincaré had intended to become embroiled in the issue is unclear. Yet whatever his intentions the whole episode undoubtedly discredited France in the eyes of international opinion. The French climb-down and the collapse of the movement also provided further evidence of the general weakening of France's position.

The MICUM Agreements.

As was discussed in Chapter V²⁹, the British had from the outset disapproved of the MICUM agreements, tolerating them only in the belief that they were short term expedients. The majority of the agreements were due to expire on 15 April. Naturally the French - anxious to maintain their leverage over the Germans and to extract what payment they could - wanted them to be

²⁶ FO 371 9773, C1701/91/18: Crewe, tel. 64, 30.1.24.

²⁷ MacDonald Papers, PRO/30/69/114: FO memo on position in the Palatinate, 18.2.24.

²⁸ FO 371 9775, C2798/91/18: Kilmarnock, tel. 93, 18.2.24.

²⁹ See Chapter V, pp. 219-225.

renewed.³⁰ The German government, however, was now in a stronger position, and so was less amenable. Whereas the original agreements were made on the basis that the German government would reimburse the industrialists at a future date, the Germans now said that nothing could be decided until after the experts' reports.³¹ The British were in a difficult position. They were suspicious of both the French and the Germans, and convinced that the MICUM agreements were financially unworkable.³² However, in view of the impending experts' reports, they decided to adopt a pragmatic approach. Lampson, Crowe and MacDonald all agreed that Britain should take no immediate action, secretly hoping that the German government would at the last minute give way and prolong the agreements until the experts' reports had been received and could be acted upon.³³ The Germans obliged. On 15 April the MICUM agreements were renewed for a further two months.³⁴

The problem, however, had not been solved but merely shelved, and as 15 June drew near it arose again when the Germans once more claimed they were unable to renew the agreements.³⁵ Once more the Foreign Office hoped that the Germans would at the last minute fall in line. As Lampson commented:

"I have a strong... impression that there is a large element of bluff in all this... It would be crass folly for the German government to jeopardise the success of the whole scheme by making an undue cry over the extension for a few weeks of these MICUM agreements - perilous though they are to our way of thinking."³⁶

This approach was formalised on 6 June at an interdepartmental meeting between the Treasury and the Foreign Office, when "it was agreed that there

³⁰ FO 371 9764, C5510/79/18: D'Abernon, tel. 119, 2.4.24.

³¹ FO 371 9764, C5851/79/18: Minute by Sterndale Bennett, 8.4.24.

³² T160/185/F7027, C1201/51/18: D'Abernon, tel. 46, 17.1.24.

³³ Minutes by Lampson, 8.4.24, Crowe, 8.4.24 and MacDonald, 9.4.24 on FO 371 9764, C5851/79/18: Minute by Sterndale Bennett, 8.4.24. Also see FO 115 294, C5935/79/18: MacDonald to D'Abernon, disp. 691, 8.4.24.

³⁴ FO 371 9765, C6455/79/18: Kilmarnock, tel. 160, 17.4.24.

³⁵ FO 371 9765, C8292/79/18: FO minute, 22.5.24.

³⁶ Minute by Lampson, 25.5.24, on FO 371 9765, C8292/79/18: FO minute, 22.5.24.

was no alternative to the temporary prolongation of the MICUM agreements on their present basis... Any advice given to the Germans will accordingly be not to stop deliveries...”³⁷

This pragmatic British policy of clandestine support for MICUM was not without its difficulties. Lampson suspected both the Treasury and the Governor of the Bank of England of secretly opposing the agreements and of encouraging German resistance: “...I feel it is pity that he [Norman] should egg the Germans on as he certainly is doing not to continue these MICUM agreements. ... I should like to say something to the Treasury - who are not altogether innocent themselves as to the line taken by Germany.”³⁸

It is unclear to what extent Lampson’s fears were justified, as whatever his private feelings, the Bank of England archives show Norman to have taken the official line with the Germans. On 11 June Norman wrote to the President of the Reichsbank: “...I only hope it may be possible for your Industrialists by one means or another, if required, to carry on the agreements for one or two weeks in order to give time for conversations between Paris and London.”³⁹ This may have been decisive. On 15 June the MICUM agreements were again renewed.⁴⁰ This scenario of renewal of the agreements for a limited period only was repeated until the Dawes plan was implemented,⁴¹ and it was not until 1 January 1925 that all trace of the MICUM finally left the occupied territories.⁴²

³⁷ Minute by Sterndale Bennett, 6.6.24 on FO 371 9747, C9012/70/18: D’Abernon disp. 416, 31.5.24.

³⁸ Minute by Lampson, 15.5.24 on FO 371 9765, C7788/79/18: Geoffrey Knox (First Secretary at the Berlin Embassy), disp. 365, 13.5.24.

³⁹ Bank of England archives, OV34/72: Norman to Dr. H.Schacht, 11.6.24.

⁴⁰ T160/47/F1437/03/7: Kilmarnock, tel. 194, 16.6.24.

⁴¹ See T160/47/F1437/03/9: Ryan (Coblenz) tel. 212, 3.7.24; and Ryan, tel. 232, 31.7.24.

⁴² T160/47/F1437/03/10, C1130/628/18: Kilmarnock, disp. 27, 22.1.25.

The Bank of Issue

Britain's initial efforts to impede the establishment by France and Belgium of a separate bank of issue in the Rhineland were discussed in Chapter V.⁴³ The British had been successful in delaying matters until the appointment of the committees of experts, but the matter was by no means settled. In early 1924 the French continued to object, via the Rhineland High Commission, to the central German government scheme of introducing the Rentenmark throughout the occupied territories, preferring instead to support a separate bank of issue.⁴⁴

By mid-February the British were losing patience. Lampson commented:

“The French and Belgians are behaving very badly over this. They are (quite without legal power) holding up the application of a perfectly legitimate German financial law within the occupied territories with a view to exercising pressure on the German government in the matter of the proposed Rhineland Bank of Issue. It is in short a policy of the purest blackmail.”⁴⁵

To counter French efforts the Treasury and the Governor of the Bank of England stepped up their support for the Berlin initiative. On 5 January Norman suggested to Bradbury that “foreign support” should be given to the central German scheme of a uniform Gold Bank, adding: “I know... from conversation that the Chancellor is favourable to the idea.”⁴⁶ Bradbury agreed,⁴⁷ and so Norman contacted other national banks, including South Africa, Norway, Ireland, Switzerland, Austria, Sweden and Japan.⁴⁸

The responses were generally favourable, especially once the Bank of England itself took the initiative and loaned the Reichsbank £5 million at 1% interest

⁴³ See Chapter V, pp. 237-241.

⁴⁴ FO 371 9811, C1125/1125/18: Kilmarnock disp. 85, 17.1.24.

⁴⁵ Minute by Lampson, 19.2.24 on FO 371 9811, C2671/1125/18: Kilmarnock disp. 269, 14.2.24.

⁴⁶ Bank of England archives, OV 34/117: Norman to Bradbury, 5.1.24.

⁴⁷ Bank of England archives, OV 34/117: Bradbury to Norman, 8.1.24.

⁴⁸ See Bank of England archives, OV 34/117 and OV 34/118.

On 19 March the Reichstag passed the necessary legislation for the establishment of the German Gold Discount Bank.⁵⁰ This initiative effectively trumped the separate Rhineland bank of issue. The British continued to object to the French regarding this (for example protesting on both 31 March and 16 April),⁵¹ but once a central gold bank had been established, and especially after the Dawes report was published, the issue of the separate bank faded. Attention instead focussed on achieving a general settlement of all issues.⁵²

The Railways

The one outstanding issue remained the question of the railways. It will be recalled from Chapter V that on 14 December a working arrangement had been agreed between British officials and the Régie by which the administration of the Railways in the British zone would function independently of Régie control.⁵³ In practice, however, the agreement did not function satisfactorily, as the Régie refused to ratify it. By April little progress had been made towards ordinary working. The British were concerned.⁵⁴ The Franco-Belgian Régie was viewed as a means by which the French could maintain a sinister influence over Germany. On 30 April, Crowe commented: "As regards the railways, we should not, I think, agree to any prolongation, revival or concealed continuance of the Franco-Belgian régie in any form."⁵⁵ Differences with the French over the railways were to cause considerable problems at the London Conference.

⁴⁹ Bank of England archives, OV 34/117: Norman to Schacht, 23.2.24.

⁵⁰ Bank of England archives, OV 34/117: Memorandum, 19.3.24.

⁵¹ FO 371 9811, C7337/1125/18: FO Minute, n.d. (received 6.5.24) on Introduction of Rentenbank into Occupied Territory.

⁵² On the question of a bank of issue see also Feldman, *Disorder*, pp. 831-2.

⁵³ See above, Chapter V, pp. 246.

⁵⁴ BT 196/24: Department of Overseas Trade Report for week ending 30.4.24.

⁵⁵ Minute by Crowe, 30.4.24 on FO 371 9730, C6960/32/18: Crewe, tel. 282, 28.4.24.

High Policy

At a level of high policy, there was something of a lull in activity at the beginning of 1924. Essentially playing a waiting game until the experts' reports were published, MacDonald meanwhile concentrated on laying foundations of goodwill, both within his administration and with his allies.

On 3 February he noted in his diary: "I think I have good men. Curzon apparently treated them badly and the FO was on the edge of broken health and revolution. Gentlemanly treatment will do much."⁵⁶ His efforts were to pay off and he was quickly successful in securing the friendship and respect of his staff. At the beginning of April Hankey wrote: "Everyone... likes him personally, and for my part I have not had a better chief to work under."⁵⁷ Even by August Hankey was still impressed: "Whether Ramsay MacDonald remains in office or not I shall always look back with pleasure on my association with him..."⁵⁸ It was not only the Prime Minister who was well liked. The Labour government as a whole quickly earned the recognition of respectability which MacDonald so anxiously craved. Hankey commented:

"So far as the remainder are concerned, there are no very outstanding figures, but they are quite a competent lot of men and their teamwork is excellent... They are a very businesslike government. Even where I disagree with their policies I have no criticism of their methods."⁵⁹

MacDonald also sought to improve relations with France. Only days after assuming office, he wrote a friendly letter to Poincaré. Poincaré promptly replied in an equally friendly tone.⁶⁰ MacDonald was encouraged and on 21

⁵⁶ MacDonald Papers, PRO/30/69/1573, part 1, diaries, pp. 180-181, 3.2.24.

⁵⁷ Hankey Papers, 4/6, Correspondence file: Hankey to Smuts, 1.4.24.

⁵⁸ Hankey Papers, 3/32: Hankey to Adeline, 11.8.24.

⁵⁹ Hankey Papers, 4/6, Correspondence file: Hankey to Smuts, 1.4.24.

⁶⁰ For MacDonald's letter of 26 January and Poincaré's letter of 28 January see FO 800/218.

February addressed a more detailed letter to the French premier: "I desire in my present letter to prepare the way for a more complete mutual understanding..." He then went on to outline in general terms his view of the problems between the two countries, giving much weight to the damaging role of public opinion. He concluded by asking Poincaré to keep his sights on the major issues, rather than becoming:

"... entangled in the mass of detail which has arisen around such situations and problems as the Ruhr, the Rhineland and the Palatinate... I repeat, my dear Premier, the condition of Europe can only, I feel convinced, be remedied by joint action between France and England undertaken with the full sympathy for their respective requirements and with wise regard for the interests of the world at large."⁶¹

Poincaré again replied promptly. His letter of 25 February reciprocated MacDonald's desire to find solutions, and gave a brief survey of French policy and interests.⁶²

However, despite these superficial shows of goodwill the situation was not miraculously transformed. The Foreign Office were openly skeptical of Poincaré's advances. As Sterndale Bennett commented:

"The reality of M. Poincaré's change of attitude is open to doubt. He has pushed the same aims consistently for six years and has really gone a long way towards their attainment. He is also a master of the art of finding another road to the same destination if he finds the direct road blocked."⁶³

Indeed, MacDonald's vague communications may to some extent have been designed as a smokescreen. Crowe in particular was anxious to do nothing to improve Poincaré's domestic-political position:

"M. Poincaré finds himself in an exceedingly difficult position before his parliament and public opinion at this moment, and I think it is clear that his position would be immensely strengthened if he could announce that he had either settled, or was on the point of settling, the whole question of reparations by

⁶¹FO 371 9812, C2942/1288/18: MacDonald to Poincaré, letter, 21.2.24.

⁶²FO 371 9812, C3437/1288/18: Poincaré to MacDonald, letter, 25.2.24.

⁶³Minute by Sterndale Bennett 3.2.24, on FO 371 9730, C1852/32/18: Phipps, tel. 69, 3.2.24.

an amicable understanding with Great Britain. If he were in a position to do this, he might well count on securing a certain victory in the forthcoming general elections. It is for His Majesty's Government to consider, among other things, how far it is to Britain's interests to contribute to maintaining M. Poincaré in power. It is obvious that a good deal might be said in favour of waiting a little longer, before we committed ourselves to the proposed negotiations.”⁶⁴

On 13 March Poincaré further fuelled Foreign Office suspicions when he told the French Parliament that it was his firm determination not to leave the Ruhr until Germany had paid reparation in full.⁶⁵ Sterndale Bennett remarked: “M. Poincaré is a perfect leopard when it is a question of changing spots.”⁶⁶ Crowe too was angry: “M. Poincaré is again revealing the slippery character which infects all his proceedings and professions.”⁶⁷

Continued suspicion of France thus provided the backdrop to the publication of the experts' reports. This occurred on the 9 April, when the committees of experts at last presented their reports to the Reparation Commission. Attention immediately focussed on the Dawes report. This provided for the reconstruction of the German monetary system and provided a new scheme for reparation. It did not fix Germany's total liability but instead proposed a schedule of essentially moderate annual payments - starting with 1 billion G.M. in 1925 and increasing to 2.5 billion by 1929. Moreover the entire scheme was premised on two fundamental principles. The first was that it assumed that economic and fiscal unity would be restored to Germany. This had obvious implications for the occupation of the Ruhr, though officially the military

⁶⁴ FO 371 9825, C2900/2900/18: Minute by Crowe, 19.2.24. (My underlining). The 'proposed negotiations' refer to a secret suggestion - allegedly from Poincaré - communicated to the British via Señor de La Barra (the president of the Combined Arbitration Associations, based in Paris).

⁶⁵ FO 371 9813, C4545/1288/18: Phipps, tel. 173, 17.3.24.

⁶⁶ Minute by Sterndale Bennett 14.3.24 on FO 371 9730, C4266/32/18: Phipps, tel. 167, 13.3.24.

⁶⁷ Minute by Crowe, 19.3.24 on FO 371 9825, C4760/2900/18: Crowe to Phipps, letter, 20.3.24.

question was outside the report's domain.⁶⁸ The second was that an international loan of 8000 billion G.M. was to be given to Germany to support her reconstructed economy and decrease the immediate burden of reparation.⁶⁹

The plan was, on balance, favourable to the British point of view,⁷⁰ and as the experts made it clear that the report must be accepted in its entirety, the Treasury quickly pointed out that Britain had no alternative but to adopt this course. On 14 April, Niemeyer wrote:

"In the view of the Treasury, the Experts' Report would have had to be accepted even if it had been much less sound than it is. The British Government were foremost in pressing for an Expert Committee. The report is unanimous and carries with it the implication of American assistance in solving European financial problems. Moreover, the Report is the only constructive suggestion for escape from the present position which, if left, must inevitably lead to war, open or concealed, between France and Germany. There can be no question that the Report must be accepted. // As a matter of fact, the Report, though not always what a purely British Committee would have produced, establishes especially on the more vital points, a great many of the principles which British opinion has been maintaining. As an acute critic has said, "Though the language seems at times the language of a sane man who finds himself in a Madhouse and must accommodate himself to the inmates, it never loses its sanity.""⁷¹

MacDonald and the Foreign Office agreed.⁷² As soon as the report was received the Prime Minister called an emergency Cabinet meeting. There it was agreed that Britain should take the lead and push for the adoption of the

⁶⁸ Paragraph 3 of Dawes report, quoted in Memo, 9 July, in CAB 24 167, CP 396 (24), stated: "It is, however our duty to point out that our forecasts are based on the assumption that economic activity will be unhampered and unaffected by any foreign organisation other than the controls herein provided. Consequently, our plan is based upon the assumption that existing measures, in so far as they hamper that activity, will be withdrawn or sufficiently modified as soon as Germany has put into execution the plan recommended, and that they will not be reimposed except in the case of flagrant failure to fulfil the conditions accepted by common agreement."

⁶⁹ See Schuker, *End*, pp. 180-6 and Kent, *Spoils*, pp. 252-3.

⁷⁰ For a Treasury summary of the Dawes report, see CAB 24 166, CP 257, 15.4.24.

⁷¹ MacDonald Papers, PRO 30/69/120: Note by Niemeyer, 14.4.24.

⁷² MacDonald Papers, PRO 30/69/96: C6073/70/18: Lampson to Treasury, 16.4.24.

Dawes Plan in its entirety:

“His Majesty’s Government feel that a report supported by such authority must command general assent... His Majesty’s Government attach so much importance to agreed recommendations which can be brought into immediate operation that they for their part will be prepared to support the scheme in its entirety, provided that all the other parties concerned are willing to take the same course...”⁷³

Privately, however, the Foreign Office was concerned about the procedure to be adopted regarding the report. Officials were adamant that in order for the plan to be a success, Germany would have to accept it voluntarily. As Crowe remarked on 9 April: “We do not want to continue the policy of forcing Germany’s acceptance by an ultimatum...”⁷⁴ The British were immediately worried lest France push them down this road. In particular, the fear was that, should the adoption and implementation of the report remain in the domain of the Reparation Commission, France would once more be able to exploit her advantage on that body to disastrous effect.⁷⁵ These suspicions were confirmed when on 11 April Poincaré informed the Foreign Office that it should be left to the Reparation Commission to decide whether or not the Dawes report was satisfactory.⁷⁶

Great was the relief when the Reparation Commission itself announced that, subject to an assurance from Germany that she would collaborate, it approved the reports and would take steps to implement those sections which fell within its competence. The Allied governments should make proposals concerning the remaining areas.⁷⁷ Lampson was delighted: “This is excellent news, and Sir J.

⁷³ CAB 23 45, Cabinet meeting, 10.4.24, 9pm. Draft telegram to the British ambassadors in Rome, Brussels, Paris, Berlin, Washington and Tokyo.

⁷⁴ Minute by Crowe, 9.4.24 on FO 371 9739, C5918/70/18: Minute by Mendl, 9.4.24.

⁷⁵ Minute by Lampson, 8.4.24 on FO 371 9739, C5870/70/18: Paris Embassy Communication, 8.4.24.

⁷⁶ FO 371 9740, C6160/70/18: Memo by Lampson on Conversation with French Counsellor, 11.4.24.

⁷⁷ MacDonald Papers, PRO 30/69/117: Text of Reparation Commission decision on experts’ reports, 11.4.24.

Bradbury deserves all praise for his success.”⁷⁸

Attention immediately focussed on securing unequivocal German cooperation.

As Crowe commented:

“My fear is that, by some precipitate and ill-considered move, the Germans may jeopardise our chances of getting the reparation experts’ report accepted as it stands by all concerned. If the French can goad the German government into some premature declaration of policy, such for example as a declaration that the report is unacceptable, it would clearly make it easier for Poincaré to have the report turned down, or at least so tied up in mass of tangled discussion on matters of detail that the whole plan would be ruined.”⁷⁹

To prevent such an eventuality urgent communications were sent to D’Abernon that he work on the German government.⁸⁰ D’Abernon accordingly saw Stresemann⁸¹ and by 15 April was able to report that “after long and bitter struggle” the German Cabinet had agreed to accept the report.⁸²

Eager to capitalise on these initial successes and to push momentum forward, MacDonald now made a public declaration of the British position before Parliament. The British government, he stated, “will support the experts’ scheme in its entirety provided that all the other parties concerned are willing to take the same course.”⁸³ Reactions from the other powers followed. By 25 April the Italians and - perhaps more significantly - the Belgians had written to the Reparation Commission supporting the scheme.⁸⁴ The American response was also encouraging. On 22 April President Coolidge declared that the report

⁷⁸ Minute by Lampson, 11.4.24 on FO 371 9740, C6081/70/18: Treasury Communication, 11.4.24.

⁷⁹ FO 371 9740, C6104/70/18: Minute by Crowe, 11.4.24.

⁸⁰ FO 371 9740, C6104/70/18: Unnumbered tel. to D’Abernon, 11.4.24; C6062/70/18: tel. 110 to D’Abernon, 14.4.24.

⁸¹ FO 371 9740, C6159/70/18: D’Abernon, tel. 147, 13.4.24.

⁸² FO 371 9740, C6313/70/18: D’Abernon, tel. 152, 15.4.24.

⁸³ FO 371 9741, C6676/70/18: FO Memo, 23.4.24.

⁸⁴ MacDonald Papers, PRO 30/69/118: C6887/70/18: Mussolini to Reparation Commission, 24.4.24; & MacDonald Papers, PRO 30/69/101: C6808/70/18: Crewe to MacDonald, disp. 938, 25.4.24.

offered the basis of a practical solution of the reparation problem and that he hoped private American capital would participate in providing the German loan which was a prerequisite for the operation for the plan.⁸⁵

By now MacDonald and the Foreign Office had decided precisely what he wanted to achieve. Britain's aims were neatly tabled in a Foreign Office memorandum of 23 April, and were:

- “1. To keep the initiative.// The French evidently want to work as much as possible through the Reparation Commission. We have been at some pains to get this matter away from the Reparation Commission, and we must continue to keep it as far away as possible.
2. To bring in Germany as a voluntary contracting party. // The French evidently want to avoid a new agreement between Germany and the Allies.
3. To secure the maximum of cooperation from America and from other States whose money is required for the experts' scheme.
4. To introduce the League of Nations or the Permanent Court of International Justice as interpreter of any fresh agreement which may come up.”⁸⁶

The main obstacle envisaged to the attainment of these aims was France. Poincaré continued to be difficult. On 15 April he told Crewe that the Reparation Commission could act by majority to make modifications in the experts' scheme without the unanimity of the allied governments.⁸⁷ He also made a speech claiming that the experts' reports proved that Germany had fictitiously impoverished herself, and declaring that France would remain in the Ruhr until payment had been made.⁸⁸ He reinforced this view in a letter to the Reparation Commission on 25 April.⁸⁹

⁸⁵ FO 371 9741, C6649/70/18: Sir E. Howard (British ambassador in Washington from 2.2.24), tel. 133, 22.4.24. Hughes wrote to Howard to this effect. [FO 115 2940, Hughes to Howard, letter, 1.5.24.]

⁸⁶ FO 371 9741, C6671/70/18: unsigned FO memo, 23.4.24 on “The Objects of His Majesty's Government”

⁸⁷ FO 371 9740, C6316/70/18: Crewe, tel. 263, 15.4.24.

⁸⁸ FO 371 9740, C6406/70/18: Crewe, tel. 264, 16.4.24.

⁸⁹ MacDonald Papers, PRO 30/69/101: C6809/70/18: Crewe to MacDonald, disp 939, 25.4.24, enclosing letter from Poincaré to Reparation Commission, 25.5.24.

Anxious to make progress despite the diplomatic difficulties he was experiencing with France, MacDonald now decided to try using personal contact and informal talks to speed up agreement. He first approached the Belgians. Invitations were issued and George Theunis (Prime Minister) and Paul Hymans (who had replaced Jaspar as Foreign Minister) came to Chequers for informal talks with MacDonald and Crowe on 2 and 3 May.

These talks are of great interest. While demonstrating MacDonald's success at using his friendly personality to open lines of communication and to establish trust between statesmen, they at the same time emphasise the fundamental points of difference remaining between the Allies. Theunis and Hymans had met Poincaré only days before.⁹⁰ Poincaré, they reported, did not want to effect an entire military evacuation of the Ruhr, was opposed to any kind of negotiations with the Germans and wanted the British to agree to substantial sanctions (including a naval blockade) in the event of Germany not fulfilling the experts' scheme. All of these issues conflicted with principles embodied in the fundamental "Objects of His Majesty's Government" which the Foreign Office had so recently prepared. MacDonald was determined not to give away any ground and was forceful in making his case.

The exchange was frank, informal and honest. While MacDonald refused to commit Britain to any concrete sanctions, especially if the Reparation Commission was to be left with the power to decide by majority vote if Germany was in default, he did agree to draft some kind of declaration that Britain would immediately concert with her allies in the event of a German default. Similarly, it was agreed that a general conference was necessary to coordinate the implementation of the Dawes report and that before this met MacDonald should meet Poincaré and discuss further the draft declaration on

⁹⁰ FO 371 9742, C7016/70/18: Crewe, tel. 285, 29.4.24.

sanctions and a skeleton programme or protocol of the agenda and aims of the conference.⁹¹ Thus the talks, while in some ways emphasising remaining difficulties, were on balance a step forward.

The Foreign Office now concentrated on preparing the draft protocol and declaration over sanctions for the comparable meeting with Poincaré. Adopting a realistic approach, the Foreign Office recognised the validity of France's fears. On 29 April Lampson commented:

“As to sanctions I do not believe we shall really get France into line until some form of assurance is given her... [W]e must bear constantly in mind that it is only too probable that Germany will default, and that coercion may eventually prove necessary. Neither France nor Germany are to be trusted over Reparations.”⁹²

The original 23 April statement of aims had also included some reference to the need for the provision of some sanctions. These, however, were to be “strictly defined and limited” and “should be such that the German Government can freely accept them without fear of serious German internal political complications”⁹³

In contrast the Treasury saw France, not Germany, as the main danger. Treasury comments regarding the draft protocol concentrated not on sanctions but on the immediate dismantling of all aspects of French control in the Ruhr and the restoration of the economic and fiscal unity of Germany.⁹⁴ The Foreign Office was horrified. Sterndale Bennett remarked: “This document...would be admirable if we were in a position of a victorious power imposing terms on a beaten France.”⁹⁵ Lampson was yet more disgusted:

“I feel impelled to call attention to the psychological effect which I

⁹¹ FO 371 9743, C7427/70/18: Minute by MacDonald, 3.5.24.

⁹² Minute by Lampson, 29.4.24 on FO 37109742, C6851/70/18: Crewe, tel. 281, 26.4.24.

⁹³ FO 371 9741, C6671/70/18: FO minute, 23.4.24.

⁹⁴ FO 371 9743, C7168/70/18: Minute by Bradbury, 1.5.24.

⁹⁵ Minute by Sterndale Bennett, 1.5.24 on FO 371 9743, C7168/70/18: Minute by Bradbury, 1.5.24.

am personally convinced that the presentation of such a document would produce upon the minds of the French... It practically amounts to a pistol presented at the head of France... I can hardly conceive of anything more likely to prejudice the prospects of getting what we want.”⁹⁶

Discussions within the administration continued and it was not until 20 May that the British draft was agreed on. This embodied a general acceptance of the Dawes plan and an undertaking by all signatories to its implementation.

As to sanctions, it stated:

“Sanctions affecting the fiscal or economic activity of the Reich shall not in future be imposed except in the circumstances contemplated in the Report and by a unanimous decision of the Signatory Powers entitled to reparation. They shall be notified in advance to the Council of the League of Nations. // Any disputes arising between the parties to this agreement as to its interpretation or application shall be referred to the Permanent Court of Justice.”⁹⁷

A further, separate statement regarding sanctions was also prepared, with the intention of being read in Parliament:

“...His Majesty’s Government are prepared to make a public declaration that if Germany, after voluntarily coming into the new arrangement, were found to be wilfully failing to carry out her obligations under it, this would immediately and automatically bring together the Allies to take effective common action in the defence of the arrangement and of the Treaty of Peace, and that in such circumstances the British Government would at once consult with their Allies as to the measures called for.”⁹⁸

These clauses were unlikely to satisfy Poincaré. But, fortunately for MacDonald Poincaré was no longer a consideration. On 11 May the French general elections took place. Poincaré lost his majority. This was certainly fortuitous for the British. It gave them breathing space in order to draft the protocol - so much so, indeed, that MacDonald became impatient: “The French

⁹⁶ Minute by Lampson, 2.5.24 on FO 371 9743, C7168/70/18: Minute by Bradbury, 1.5.24.

⁹⁷ FO 371 9745, C8133/70/18: Draft Protocol, 20.5.24.

⁹⁸ FO 371 9749, C10826/70/18: Draft declaration regarding sanctions, 5.7.24. In the event this declaration was not made as events were overtaken by developments in Paris and the joint Anglo-French memorandum of 9 July (see below, pp. 314-5).

elections give us more time to work on this... So soon as we are able to move, move at once.”⁹⁹ Moreover, when it became clear that Poincaré was to be replaced by Herriot, the implications for the British position were manifold. Herriot quickly announced his support for the Dawes plan and said he was willing to end the military occupation of the Ruhr as soon as new controls were in effective operation. Even Bradbury was encouraged: “If he can stick to this policy, most of the difficulties in the way of Franco-British cooperation ought to disappear.”¹⁰⁰

Indeed, the British actually began to worry that Herriot might be too easy to deal with. Wickham Steed commented on 10 June: “Herriot is full of good will and is running over with the best intentions. But he is not a strong or a stable character.”¹⁰¹ Sir E. Drummond agreed, saying that he had been informed that: “...Herriot is irresponsible and much inclined to agree to any proposal which may be made to him without thinking of the consequences.”¹⁰² Hankey too was cautious, writing on 22 May that a Herriot ministry: “... does not look to me a very bright prospect. Poincaré had many faults, but one knew that when he signed he signed for France as a whole. I feel some doubt as to whether the same is true of Herriot, though he will probably prove more reasonable than Poincaré.”¹⁰³ Even MacDonald echoed these doubts: “Herriot’s weakness combined with his good heart may give me more trouble than Poincaré’s stiffness.”¹⁰⁴

MacDonald’s fears were borne out when, adhering to arrangements he had previously made with Poincaré, he met Herriot at Chequers for informal talks

⁹⁹ Minute by MacDonald, 18.5.24 on FO 371 9744, C7573/70/18: Central Department minute, 9.5.24.

¹⁰⁰ T160/47/F1437/03/7: Bradbury to Chancellor, 3.6.24.

¹⁰¹ MacDonald Papers, PRO 30/69 file 16: Wickham Steed to Waterhouse 10.6.24.

¹⁰² MacDonald Papers, PRO 30/69 file 16, Sir E. Drummond to Waterhouse, 9.6.24.

¹⁰³ Hankey papers, 4/16: Hankey to Smuts, 22.5.24.

¹⁰⁴ MacDonald Papers, PRO/30/69/1753, Part 1, diaries, pp. 183, 5.5.24.

on 21 and 22 June.¹⁰⁵ The transcript of the conversations reveals a startling transformation in the atmosphere between Britain and France. The conversations were friendly and polite. Emphasis was on common ground - on implementing the Dawes plan and on establishing a peaceful order. Differences were glossed over by either agreeing to enlist experts or simply by shelving them for the greater good.

At Chequers MacDonald and Herriot were unanimous in their desire to act quickly and in such a way as to facilitate the task facing the German government, which was bound to have difficulties passing legislation related to the Dawes plan. They agreed that a conference should be held at London as soon as possible, and even approved the subdivision of this conference into various working committees. Even more significant, Herriot accepted MacDonald's draft declaration regarding sanctions, said that he was prepared to set a date for the economic evacuation of the Ruhr and that he was prepared to evacuate militarily in proportion as Germany's debts were commercialised under the Dawes provisions. Herriot even proved quite amenable to MacDonald's suggestion that at the conference the Allies should agree among themselves first and should then negotiate with, rather than dictate to, Germany.

There were few points of real disagreement, and these were glossed over. First was the railways. Herriot wanted to retain a number of the Régie personnel in the Ruhr. MacDonald strongly objected, claiming that both the railways and the Ruhr questions would have to be settled before private individuals would subscribe to the Dawes loan. It was agreed to submit the railway question to consideration by experts. The second point of controversy was over the body to be empowered to declare a future German default. MacDonald wanted this

¹⁰⁵ For more detail on Chequers, see Marquand, MacDonald, pp. 339-342.

to be the Finance Committee of the League of Nations; Herriot the Reparation Commission. Although no agreement was reached, the issue was dropped when the compromise suggestion of referring future differences to the International Court and the Hague was made. Towards the end of the meetings Herriot raised the more fundamental issue of basic French security and the question of a pact of guarantee. MacDonald's answer is interesting in the light of the initial foreign policy aims he had adopted when assuming office. Though sympathetic to France, he refused to be drawn, saying that neither the public, Parliament nor the Dominions could countenance such a commitment. Instead, MacDonald wanted to concentrate on the question at hand in the belief that wider issues would follow: "Let us therefore settle first the question of the Dawes Report; then we will go on to that of Inter-Allied debts, then to the problem of security, and we will try to remove from Europe the risks of war which threaten it."¹⁰⁶

Thus, at the Chequers meetings Herriot had, on several key issues, shown himself prepared to move towards Britain. On the last day of the meetings, MacDonald was actually afraid that Herriot, inexperienced and new to office, might have gone too far: "...I tremble to have to deal with such an excellent but such a weak man. He seems unable to face opposition and apparently fights his opponent by giving him all he wants... But such a likable man. I must not press him too far, but shall draw the line at absolute fairness."¹⁰⁷ In a few days time, the reaction from Paris was to justify MacDonald's fears. But in the meantime, flushed with success, MacDonald pushed ahead with arrangements for the conference which was to be held in London from 16 July. Invitations were promptly sent and by 2 July all had been accepted.¹⁰⁸

¹⁰⁶ FO 371 9749, C10810/70/18: Minutes of meetings at Chequers on 21-22 June, dated 7.7.24.

¹⁰⁷ MacDonald Papers, PRO/30/69/1753, Part 1, diaries, pp. 185, 22.6.24.

¹⁰⁸ CAB 23 48, Cabinet meeting, 2.7.24,

MacDonald also sought to involve the United States. MacDonald had always been anxious to improve relations with America. On 10 April he noted: "Nothing gives me greater pleasure than the relations I am establishing with America. It is wise to keep out of our troubles, but we must create a co-operating friendship."¹⁰⁹ Preliminary signals had been encouraging. For example, on 5 May Frank Kellogg (the United States Ambassador in London) told MacDonald that Hughes had warned Belgium that "...if France and Belgium did not accept the Experts' Report now, it was the last chance they would get of any assistance from the United States..."¹¹⁰ On 16 June MacDonald asked for some kind of American representation at the forthcoming conference¹¹¹ and immediately after Chequers this request was reiterated in a communication from Crowe. In reply, Coolidge quickly issued a press communiqué stating that the United States would be represented in an unofficial capacity by Kellogg.¹¹² Hughes also told Sir Esme Howard (who had replaced Geddes as Ambassador in Washington on 2 February) that while the United States viewed the conference with "sincere sympathy" and "earnestly wished to see the Dawes Reports put into execution with the least possible delay", Kellogg would not be in a position to sign a protocol or convention. Similarly, though the United States government supported the Dawes loan, this would "have naturally to be negotiated with private American Banks and not with the government itself."¹¹³

Meanwhile MacDonald's preparations for the conference were disrupted by events in Paris. The British were always aware of the vulnerability of Herriot's position: "We must always remember that a determined effort is being made in

¹⁰⁹ Mac Donald Papers, PRO/30/69/1753, part 1, diaries, pp. 182, 10.4.24.

¹¹⁰ FO 371 9743, C7389/70/18: tel. 749 to Howard, 5.5.24.

¹¹¹ MacDonald Papers, PRO 30/69/94: A3688/1082/26: MacDonald to Sir E. Howard (Washington) disp. 969, 16.6.24.

¹¹² FO 115 2941, Howard, tel. 222, 26.6.24.

¹¹³ FO 115 2941, Howard, disp. 1089, 27.6.24.

Paris to unseat M. Herriot...”¹¹⁴ The French press seized on the wording of the invitations to the London Conference which the Foreign Office had issued, and used it to claim that Herriot had entirely capitulated to the British at Chequers.¹¹⁵

In desperation the French premier turned to MacDonald for help. On 7 July Crewe telegraphed urgently that Herriot “begs most earnestly that you will come to Paris if only for a few hours, believing that there is serious risk of defeat and consequent failure of conference plan unless French public opinion can be calmed.”¹¹⁶ MacDonald rushed to the aid of his fellow statesman. Discussions took place at the Quai d’Orsay on 8 and 9 July¹¹⁷ resulting in the publication of a joint memorandum on the application of the Dawes scheme. The note emphasised that both governments accepted, “so far as they are concerned”, the conclusions of the Dawes report, and stated that the proposed conference was intended only to “settle the method of putting into execution the experts’ scheme so far as concerns the questions the solution of which devolves upon the interested Governments...” It laid great stress on the fact that the proposed conference in no way jeopardised the Treaty of Versailles, emphasised the continued importance of the Reparation Commission, and stated that in the case of a wilful default by Germany being declared by the Reparation Commission, “the Governments concerned will undertake to confer at once on how to put into operation such measures as they shall agree to take in order to protect themselves and the investors.” The note concluded on an optimistic, if generally vague, note:

“The two Governments have likewise proceeded to a preliminary exchange of views on the question of security. They are aware

¹¹⁴ Minute by Lampson, 4.7.24 on FO 371 9749, C10650/70/18: D’Abernon, tel. 292, 2.7.24.

¹¹⁵ MacDonald Papers, PRO/30/69/1753, Part I: Diaries, pp. 186.

¹¹⁶ FO 371 9849, C10794/10794/18: Crewe, tel. 439. 7.7.24.

¹¹⁷ For the text of these discussions, see FO 371 9849, C12031/10794/18, C11468/10794/18 & C11469/10794/18: Conversations at the Quai d’Orsay, 8.7.24 & 9.7.24.

that public opinion requires pacification; they agree to co-operate in devising, through the League of Nations or otherwise, as opportunity presents itself, means of securing this, and to continue the consideration of the question until the problem of general security can be finally solved.”¹¹⁸

This joint memorandum was, for the British, a tangible step back from the gains achieved at Chequers - particularly regarding the Reparation Commission. MacDonald’s apparent concession regarding this crucial issue meant that the question remained unsettled. As Lampson commented:

“There is a tendency to contend in France that the Reparation Commission is competent to administer the Dawes scheme, to pronounce on questions of default under that scheme, and in short that our proposed protocol is an attack upon the prerogatives of that Commission.”¹¹⁹

Crowe agreed: “We shall have to make a determined stand on this.”¹²⁰ The British were also alarmed by reports that Herriot wanted any conference results to be approved by the Chamber before he approached the Germans:

“If the protocol is to be satisfied by the French Chamber before it is submitted to the Germans, it will of course be quite impossible to represent it to the latter as something to be taken or left... In fact this appears to me a point on which we cannot give way both for practical and for moral reasons.”¹²¹

Thus, despite the great efforts at friendship and cooperation, as well as the concessions, made by Herriot at Chequers and MacDonald at Paris, crucial differences between Britain and France remained unsolved. In particular, the Reparation Commission, the mechanism for declaring future German default, the continuation of the Régie and the principle of French the presence in the Ruhr were all left to the conference proper.

¹¹⁸ Parliamentary Papers, 1924, XXVII, Cmd. 2191: Franco-British Memorandum of July 9, 1924, concerning the application of the Dawes scheme. This memorandum was used as a starting point for discussions at the London Conference instead of the protocol the FO had prepared. The comments about action in the case of German default eliminated the need for the British to make the declaration on sanctions which they had prepared.

¹¹⁹ Minute by Lampson, 7.7.24 on FO 371 9749, C10911/70/18: Fisher Williams to Crowe, 4.7.24.

¹²⁰ Minute by Crowe, 7.7.24 on FO 371 9749, C10911/70/18: Fisher Williams to Crowe, 4.7.24.

¹²¹ Minute by Crowe, 7.7.24 on FO 371 9749, C10638/70/18: D’Abernon disp. 509, 1.7.24.

Moreover, these continuing problems with the French in turn raised problems with the Germans, particularly given the composition of the Reichstag after the May elections. On 14 July, D'Abernon reported that:

“On basis of English proposals at Chequers... German Government would at once accept and could put through necessary legislation so that whole scheme could be in working order by August 15th...On basis of joint Paris communiqué attitude of German government is doubtful..”¹²²

The difficulties of MacDonald's own domestic-political position must also be remembered. Without an overall Parliamentary majority he was unable to satisfy his own party on domestic issues, and therefore a foreign policy success was becoming more and more necessary. As Hankey commented on 22 May:

“Of course there is always a risk that the present Government here may slip up. They are walking a tightrope daily. In their domestic policy they have failed to satisfy their extremists, as well, probably as the bulk of the rank and file. For Unemployment they have produced nothing new. Their Housing scheme is not yet ready and is very difficult to work out. They are consequently offering an ever broadening target for attack. Their Imperial policy only extends the size of the target. Their best chance lies in a big success in Foreign Policy.”¹²³

Even in foreign policy MacDonald faced some problems. His policy of “respectability” may have met with strong Parliamentary support from the majority of his own party as well as both Conservatives and Liberals on the eve of the London Conference¹²⁴, but it did not satisfy the extreme Left Labour fringe. For example, in July both the Preston and Patrick (Glasgow) branches of the Independent Labour Party passed resolutions protesting against the adoption of the Dawes plan on the grounds that any form of reparation was unjustifiable.¹²⁵ There is, however, no evidence that

¹²² FO 371 9751, C11340/70/18: D'Abernon, tel. 318, 14.7.24.

¹²³ Hankey Papers, 4/16: Hankey to Smuts, 22.5.24.

¹²⁴ The Times, 15.7.24, pp. 15.

¹²⁵ FO 371 9751, C11474/70/18: Patrick branch of ILP to FO, 11.7.24 & FO 371 9751, C11622/70/18: Preston ILP to FO, 17.7.24. See also The Times, 15.7.24, pp.15.

MacDonald was influenced by such a minority view. He had essentially staked the future of the Labour Party as a party of government on solving the reparation dilemma.¹²⁶ He now faced the difficult task of finding a balance between a France and Germany each of whose governments were themselves insecure. Failure at the London Conference remained a real possibility. As Hankey wrote on 17 July:

“At the moment it is too early to say whether we shall succeed, but I am not very optimistic. If Poincaré can allege that Herriot has given anything away the latter (who seems a rather poor creature) will (*illeg.*) down and all our work will be undone. If Herriot does not concede something agreement will be impossible. So the problem on which we are all at work is to get a real concession but to save Herriot's face. We shall do well if we avoid a break.”¹²⁷

But while the difficulties MacDonald still faced must not be underestimated, nor must his achievements at this stage be ignored. It is true that, since coming to power, MacDonald had not embarked on a new course but had followed the path laid down by the preceding ministry. He was also helped by external factors, such as the collapse of the franc, the easing of tensions on the spot and the change of government in France. But at the same time MacDonald had done much. He had successfully courted the Belgians and ensured the moral support and help of the Americans. Moreover, he had arranged with the French for a broadbased conference to be held to discuss the implementation of the experts' reports and so, by default, the entire questions of the Ruhr and reparations, with their implied ramifications for security. These achievements were certainly impressive for the prime minister of a party which had never before held office. The next weeks would determine whether or not MacDonald could capitalise on them.

¹²⁶ For more on MacDonald's foreign policy motives, see Marquand, MacDonald, pp. 330-3.

¹²⁷ Hankey papers, 4/16: Hankey to Smuts, 17.7.24.

The London Conference.¹²⁸

The London Conference began on 16 July. Delegates arrived from France, Belgium, Italy, Japan, Portugal, Greece, Rumania, 'the Serb-Croat-Slovene Kingdom', and, in an unofficial capacity, the United States¹²⁹. MacDonald occupied the Chair. He began his first international conference in high spirits: "One thing gives me confidence. Everyone assumes that an agreement must be reached. We are all most friendly and I got business through in an hour which would have taken a day in previous conferences.¹³⁰ He quickly organised the delegates into three committees, each with the task of agreeing on an aspect of an overall protocol which would then be negotiated with the Germans. This in itself was a significant step forward for MacDonald, and is indicative of the general desire to progress which characterised the delegates.

Throughout the conference, MacDonald's role was crucial. While the Foreign Office had been active in preparations and in establishing precisely what it was Britain needed to achieve, the organisation of the Conference into three experts' committees left the traditional diplomatic activity of the Office to some extent sidelined, especially as it was Sir Maurice Hankey who was Conference Secretary.¹³¹ MacDonald faced a daunting task: how could an arrangement be found which would satisfy both France and Germany, and

¹²⁸ For more on the London Conference, see Schuker, *End*, Chapter 8; Kent, *Spoils*, pp. 257-261; and for Britain's role, see Marquand, *MacDonald*, pp. 342-351.

¹²⁹ For full minutes of the London Conference, see Parliamentary Papers, 1924, vol. XXVII, Cmd. 2270.

¹³⁰ MacDonald Papers, PRO/30/69/1753, Diaries, Part 1, pp. 187-8, 17.7.24.

¹³¹ The Foreign Office was quite happy with this arrangement and congratulated Hankey on his contribution: "...I think we should note the loyalty with which Sir M. Hankey invariably passes on to this office... anything which he hears and which he thinks concerns us. He is most careful not to do anything which he might think was impinging upon our preserves.// Perhaps I might say to him how much we appreciate his attitude: and that he need never fear that we shall take umbrage at anything he may do or say. We are only most grateful for all that he has done and is doing to get the work of the Conference successfully through. His appointment as Secretary-General has meant success to the Conference." [Minute by Lampson, 18.8.24, on FO 371 9857, C13130/11495/18: Hankey to FO, 13.8.24.]

would prove a sound foundation for the necessary international loan?

Even at the committee stage problems quickly crystallised. Only the Third Committee, chaired by Sir Robert Kindersley, proceeded relatively free of controversy. This body dealt with the highly technical question of the arrangements to be made for deliveries of reparation in kind. In contrast, the First Committee, chaired by Philip Snowden, soon ran into difficulties. This committee was to deal with the procedures to be followed by the Reparation Commission in the event of a German default. In effect this meant producing a set of guarantees which would secure subscriptions to the international loan that was to underpin the Dawes scheme. Deadlock seemed inevitable when Montagu Norman privately informed McDonald that the Bank of England and J. P. Morgan could not begin negotiations for the loan until decisions were made regarding the withdrawal of France from the railways, the military evacuation of the Ruhr, the future means of interpreting the treaty and the rights of one or more allies separately to impose sanctions.¹³² To make matters worse, Snowden agreed with Norman¹³³, and undoubtedly influenced by his department, was also pushing for a reinterpretation of Part VIII of the Treaty of Versailles to prevent a rerun of the Ruhr:

“What we ought to get, and I believe it to be of great importance both for the loan and for the future, is a provision for arbitration by the Hague Court or some similar body not only on the interpretation of the Dawes Report but also of the interpretation of the Reparation part of the Treaty, if the Reparation Commission are unable to arrive at a unanimous decision.// The first step to securing this is a direction to the Jurists from the conference, or possibly from the Premiers, to consider this in connection with Paragraph 8.”¹³⁴

¹³² Bank of England archives, OV 34/104: Memo by Norman, 5.8.24. On 26 July, Crewe wrote: “So far as I can judge, the financial people have taken a too rigid position, for which Norman is generally held responsible. It is said that other opinion in the City is disposed to be more appreciative of the French position...” [Phipps Papers, Box 2/2, pp. 14: Crewe to Phipps (letter), 26.7.24.]

¹³³ Bank of England archives, OV 34/104: Memo by Norman, 5.8.24.

¹³⁴ Bank of England archives, OV 9/373: Snowden to MacDonald 31.7.24. [Snowden's underlining]

The deadlock remained until 2 August when - much to MacDonald's relief - it was broken by a French suggestion that an American citizen should sit on the Reparation Commission when issues concerning the Dawes scheme were discussed, and that a default could only be declared unanimously. If the Commission could not make a unanimous decision on default or sanctions, then, as Snowden wanted, the Permanent Court of Justice should arbitrate.¹³⁵ Effectively Herriot was agreeing to the Chequers arrangement as opposed to the Paris one - retaining the Reparation Commission, but neutralising its dangers by introducing arbitration. MacDonald and the Foreign Office¹³⁶ were satisfied with the compromise. It remained to be seen if the bankers would be.

While the First Committee had found a compromise over the issues of default, arbitration and sanctions, the key issues of military evacuation and the Régie remained. Officially the military evacuation of the Ruhr was not on the agenda, as the Conference's terms of reference related specifically to the application of the Dawes Plan. In practice an agreement on this had to be achieved before the Germans would accept the Dawes plan, and in any case it was raised by default through the question of the Régie. The railway question came under the aegis of the Second Committee - chaired by the Colonial Secretary J. H. Thomas - which was to consider arrangements for the economic evacuation of the Ruhr and the restoration of German fiscal unity. Problems quickly arose when the French claimed they needed to retain 4000 - 5000 railwaymen in the Ruhr even after the Dawes Report came into operation.¹³⁷ In an attempt to break the stalemate a subcommittee of experts was appointed (along the lines of the Chequers agreements) to examine the question. On 30 July this committee reported that, aside from military and political considerations, the employment of a certain number of foreign

¹³⁵ *The Times*, 2.8.24, pp. 11.

¹³⁶ FO 371 9751, C11924/70/18: Minute by Lampson 24.7.24, and minute on this by Crowe, 24.7.24.

¹³⁷ CAB 23 48, Cabinet meeting, 22.7.24.

personnel would not necessarily affect the operations of the railways.¹³⁸

The Foreign Office were incensed. As a British Representative (Sir W. Acworth) had sat on the subcommittee and had signed the report, they recognised the ammunition it gave to the French. At the same time - and especially in view of the 'bankers' conditions' - they were alarmed at the implications of these findings for the wider question of restoring the economic unity of Germany.¹³⁹ Irritation was aimed both at the French for making such an issue of the railways, and at Acworth for agreeing to the Report. Lampson wrote: "We all realise, I think, that the Franco-Belgian claims on the Railways in the Rhineland is a pure try-on of the worst kind."¹⁴⁰ Crowe wrote to MacDonald:

"I regret the unsatisfactory nature of the report which is entirely due to the curious mental attitude of Sir W. Acworth. // The position really is that the French and Belgian experts are the wholehearted exponents of the wishes of their governments, whilst ours refuses to acknowledge any authority..."¹⁴¹

Although the question of the railways was not settled, the overwhelming desire for progress allowed it to be temporarily glossed over. On 2 August, the Allied heads of delegates agreed that they accepted the three committees' reports.¹⁴² MacDonald noted in this diary: "We have agreed and great is the relief."¹⁴³ On 5 August the German delegation arrived at the conference. For the Germans to meet the Allies on such an equal footing was a historic moment. MacDonald commented: "Moment of strain when I was introducing them to the other

¹³⁸ FO 371 9852, C12204/11495/18: Second Joint Report on Retention of French and Belgian personnel on the Rhineland Railways.

¹³⁹ Minute by Sterndale Bennett on FO 371 9852, C12204/11495/18: Second Joint Report on Retention of French and Belgian personnel on the Rhineland Railways.

¹⁴⁰ Minute by Lampson, 31.7.24 on FO 371 9752, C12331/70/18: Minute by Troughton, 31.7.24.

¹⁴¹ Crowe to MacDonald, 30.7.24 enclosed in FO 371 9852, C12204/11495/18: Second Joint Report on Retention of French and Belgian personnel on the Rhineland Railways.

¹⁴² Parliamentary Papers, 1924, vol. XXVII, Cmd. 2270, pp. 69: Meeting of Heads of Delegates, 2.8.24.

¹⁴³ MacDonald Papers, PRO/30/69/1753, Diaries, Part 1, pp. 189, 2.8.24.

Premiers and delegates. Herriot looked as though he were having a tooth drawn.”¹⁴⁴ MacDonald kept the meeting short and to the point. Marx was presented with the official documents so far agreed by the Allies and asked to inform Hankey of any points he wished to raise.

The Germans replied promptly on 6 August, saying that definite dates must be fixed for the evacuation of the Ruhr and that - unsurprisingly - the French intention of retaining 5000 Régie personnel in the Ruhr and Rhineland was not “compatible with the experts’ plan.”¹⁴⁵ The British sympathised with the Germans on this. As Hankey wrote on 7 August: “The trouble now is with the French. If they will agree to evacuate the Ruhr within a reasonable time we shall get agreement . If they wont the Germans can’t agree to sign and the Conference breaks down...”¹⁴⁶

The French were particularly difficult to deal with as they were divided amongst themselves. While Herriot was willing to compromise, Nollet, the Minister for War, was not.¹⁴⁷ Herriot was unable to keep control of the different elements in his delegation, and declared that he had to return to Paris to consult with the Cabinet proper. In these circumstances, MacDonald decided to play “one of my big cards”.¹⁴⁸ On 9 August he handed Herriot and Theunis an identical note on the railwaymen and Ruhr, saying that it was his opinion and that of his government that the continued presence of the French and Belgian railwaymen in the occupied territories would: “...destroy harmonious and unified working of the railways; and that with regard to the Occupation of the Ruhr, that now there was no longer an economic reason for

¹⁴⁴ MacDonald Papers, PRO/30/69/1753, Diaries, Part 1, pp. 190, 5.8.24.

¹⁴⁵ Parliamentary Papers, 1924, vol. XXVII, Cmd. 2270, pp. 198: Marx to MacDonald, 6.8.34.

¹⁴⁶ Hankey Papers, 3/32: Hankey to Adeline, letter, 7.8.24.

¹⁴⁷ MacDonald Papers, PRO/30/69/1753, Diaries, Part 1, pp. 191, 7.8.24.

¹⁴⁸ MacDonald Papers, PRO/30/69/1753, Diaries, Part 1, pp. 193, 8.8.24.

staying, the occupation must end.”¹⁴⁹ MacDonald’s strategy was clear. The note: “...ought to help H. in Paris if he is firm; it will break him if he is weak.”¹⁵⁰

MacDonald’s ploy was successful. On 11 August Herriot met MacDonald and reported that he had persuaded his Cabinet to be reasonable regarding the railwaymen and to limit the occupation of the Ruhr to one year from the signing of the agreement.¹⁵¹ MacDonald had in fact always been willing to negotiate over the exact dates of a withdrawal from the Ruhr. As early as 9 May Phipps had reported:

“To my intense relief, and contrary to what the Department thought likely, I found the Prime Minister would not insist, in the last resort, though this he wishes kept secret, on the total military evacuation of the Ruhr. I urged strongly that any such insistence would wreck all hope of a settlement.”¹⁵²

MacDonald now told Herriot that the one year compromise he suggested was acceptable and said that he was willing to allow Treasury experts to begin to exchange ideas about inter-allied debts.¹⁵³

But just as a solution seemed within grasp problems again arose. Despite the first committee’s compromise over the Reparation Commission, Montagu Norman remained convinced that the Report of the First Committee was insufficient to satisfy loan subscribers. On 8 and 9 August Norman, Morgan, and T. W. Lamont (of the London branch of J. P. Morgan) informed the French and Belgians of the views of the banking world.¹⁵⁴ They probably hoped that if they told the French and Belgians of the dangers those countries would make a greater effort at concession. Snowden himself approved of Norman’s

¹⁴⁹ MacDonald Papers, PRO 30/69/101: C12732/903/18: MacDonald to Herriot and Theunis, 9.8.24.

¹⁵⁰ MacDonald Papers, PRO/30/69/1753, Diaries, Part 1, pp. 193, 8.8.24.

¹⁵¹ MacDonald Papers, PRO/30/69/1753, Diaries, Part 1, pp. 193-4, 11.8.24.

¹⁵² Phipps Papers, Box 2/2, pp. 8: Phipps to Crewe, letter, 9.5.24.

¹⁵³ MacDonald Papers, PRO/30/69/1753, Diaries, Part 1, pp. 193-4, 11.8.24.

¹⁵⁴ Bank of England archives, OV 34/104: Note by Norman, 13.8.24.

actions¹⁵⁵ and on 13 August he too voiced his fears to the French delegation. Herriot - who had in all honesty been trying as hard as possible to compromise - immediately became suspicious that an anti-French plot was afoot and - to use MacDonald's words - "close[d] up like an oyster."¹⁵⁶ The Germans then heard of the French reaction and they too panicked. The agreements which were so near completion were now in danger of failing.

MacDonald was incensed. He believed that the only possible way forward was by forming a political agreement and that once this was achieved the loan would follow. At 2am on 14 August he wrote angrily to Snowden:

"Your remarks yesterday have played havoc... and... 'the atmosphere' of the Conference has been destroyed... I fear the Conference may fail. It is a mistake for us to urge the bankers now. Nothing is more easily misunderstood. My view is that a political agreement will create conditions which will make a loan possible..."¹⁵⁷

Throughout that night MacDonald tried desperately to calm the situation and salvage an agreement between France and Germany. It is a tribute to his diplomatic skill that he was successful. He managed to mediate an agreement, formalised in an exchange of notes between Stresemann and Herriot, that the Ruhr should be progressively evacuated over a period of one year, with France accelerating her withdrawal if Germany fulfilled her obligations punctually.¹⁵⁸ MacDonald hoped that the additional concession by France would pacify banking opinion. This bilateral agreement between France and Germany on the crucial outstanding issue of the Ruhr provided the necessary backdrop for the successful conclusion of the Conference.

¹⁵⁵ Bank of England archives, OV 34/104: Note by Norman, 13.8.24.

¹⁵⁶ MacDonald Papers, PRO 30/69/1753/4: MacDonald To Snowden, 14.8.24, 2am.

¹⁵⁷ MacDonald Papers, PRO 30/69/1753/4: MacDonald To Snowden, 14.8.24, 2am.

¹⁵⁸ See MacDonald Papers, PRO 30/69/1753/4: MacDonald To Snowden, 14.8.24, 2am; and MacDonald Papers, PRO/30/69/1753, Diaries, Part 1, 15.8.24.

On 16 August the Allies and Germany met for the final session of the Conference. A protocol and four annexes were all initialled by the Allies and the Germans. They would be signed officially on 30 August, once Germany had passed the necessary legislation. The protocol was based on the Anglo-French memorandum of 9 July and registered the agreement of all parties present to the implementation of the Dawes plan. The first annex was an agreement between the Reparation Commission and Germany, whereby the Germans agreed to take the steps necessary to enact the scheme. The second annex was an agreement between the Allies and Germany defining the rights and obligations of the Transfer Committee with regard to reparation in kind, and laying down the forms of arbitration to be used in various cases. Annex 3 was another agreement between the Allies and Germany laying down a detailed programme of what must be done and when both by the allies and by Germany under the plan. Finally, Annex 4 was an agreement between the Allies modifying Annex II to Part VII of the Treaty of Versailles to provide for the case of a default by Germany. An American citizen was to sit on the Reparation Commission whenever matters related to the Dawes plan were considered. Sanctions could only be applied in the case of flagrant default, and if sanctions were imposed the Allies would safeguard the loan securities. Moreover, any dispute regarding sanctions could be submitted to the International Court.¹⁵⁹

Hidden within these bland clauses were compromises and agreements on all the areas of difficulty. The Dawes plan had been implemented in its entirety. The Ruhr was to be evacuated militarily and economically. The issues of the Reparation Commission, sanctions and the Régie were all settled. The British had secured their 23 April aims of keeping the initiative, bringing in Germany as a “voluntary contracting party”, securing the “maximum of cooperation

¹⁵⁹ For the text of all these agreements, see Parliamentary Papers, 1924, vol. XXVII, Cmd. 2270.

from America” and introducing the Permanent Court of International Justice as “interpreter of any fresh agreement which may come up.”

Further, MacDonald had also achieved his most fundamental aim of improving the atmosphere in Europe as the first step towards more tangible future cooperation. Summing up at the Conference, MacDonald said:

“Again and again we met with difficulties and with differences, that seemed to be insoluble, but from the moment we came together, each one of us was inspired not only by a determination that the Conference should not fail, but by a resolve to be guided in our deliberations by goodwill.”¹⁶⁰

Privately, MacDonald wrote:

“...the great success of the Conference has been that whereas... when the Germans arrived the atmosphere... was like a freezing Chamber..., our meetings now are of the most cordial nature, and it is difficult to see the last trace of the old spirit amongst us. That is greater than everything else because it means that if the Dawes Report were to break down in its working, we have created a spirit which will enable the parties interested to come together and make reasonable amendments. Thus far have we justified ourselves and can say we have succeeded.”¹⁶¹

MacDonald’s optimism was to be borne out. Snowden and Norman’s continued fears that the Dawes loan would not be forthcoming and that the German Reichstag would not pass the necessary legislation were ill-founded.¹⁶² The London Conference was followed by the Locarno Agreements and the entry of Germany to the League of Nations and so did indeed inaugurate a new era of cooperation and stability which lasted until the end of the decade.

¹⁶⁰ Parliamentary Papers, 1924, vol. XXVII, Cmd. 2270, p95: Meeting of Conference, 16.8.24.

¹⁶¹ MacDonald Papers, PRO 30/69/2: MacDonald to Massingham, 12.8.24.

¹⁶² Bank of England Archives, Norman to Lamont, 16.8.24. The German Reichstag passed the legislation on 29 August by the necessary 2/3 majority. The nationalist vote divided.

Conclusion

The agreements formed at the London Conference were undoubtedly a triumph for the British position. MacDonald's own contribution to this success was significant. As his biographer says: "It was the high point of his Government - perhaps of his career."¹⁶³ As the Prime Minister of a young party, anxiously craving respectability, MacDonald chose the very area where many of his predecessors had foundered - European policy - to try to achieve credibility. He met with considerable success. In particular his efforts to transform the "weather" and provide a forum of international cooperation using personal diplomacy (epitomised by the Chequers meetings) was a breakthrough. He was able to court the Belgians and French and encourage American involvement, whilst at the same time earning the respect and affection of his own staff. The success of the London Conference owed much to MacDonald's diplomatic skill and to the careful preparations made by the administration over the previous six months.

However, while MacDonald's contribution to the London agreements was great, it must not be forgotten that the foundations on which he built had been laid during Baldwin and Curzon's ministry. The enquiries by the committees of experts had been established, and, crucially, American participation had already been secured. MacDonald, in seeking to implement the experts' reports was, in essence, simply following the path already laid down. Similarly, the British position in 1924 was also aided by events in France as well as by the relative easing of tensions on the spot. France had already agreed to the experts' enquiries. In the opening months of 1924 the collapse of the franc distracted her government and weakened her independent bargaining position.

¹⁶³ Marquand, MacDonald, pp. 351.

The replacement of Poincaré by Herriot ensured that France would be easier to deal with than on previous occasions.

Yet even with Herriot in office, and despite MacDonald's efforts at Chequers, the Foreign Office and the Treasury remained acutely aware that differences with the French remained on crucial issues such as the Reparation Commission and Régie. That these differences were ultimately overcome at the London Conference owed more to Herriot's desire to compromise and his determination to force his country to accept concessions than to actions by the British. It is at least open to debate whether, had Poincaré still been at the helm, the London agreements would have been so entirely favourable to British wishes. In conclusion, the success at London cannot be explained purely as a triumph for the Labour government. Though MacDonald's contribution was considerable, the triumph was in essence one for a longer term British strategy, beginning with the preceding Conservative ministry and aided by events in France.

Conclusion

On the eve of the Ruhr crisis British policy lacked purpose and direction, but rather vacillated between procrastination (regarding the proposed interallied conference at Brussels), and misjudgment (epitomised by the provocative Paris plan). The reactive nature of British policy reflected the constraints and influences upon it. Domestic-political fluidity following the collapse of the Lloyd George coalition was partly to blame. The successor government was weak and opposed by many political heavyweights. Curzon's absence at the Lausanne Conference left the elderly and diplomatically inexperienced Bonar Law to cope as best he could with the worsening European situation. He was not helped by an indecisive and sometimes divided bureaucracy or by divisions in public opinion over reparation and Europe. Even without these internal constraints it is arguable whether Britain could by this stage have done anything to avert the impending crisis. Reparation in both France and Germany was linked to fundamental domestic-political and economic considerations. As the two countries became polarised, compromise was no longer possible. Perhaps British support for the French position might have alleviated French security fears and forced Germany to make reparation payments, thus making the Ruhr occupation unnecessary. But there was no guarantee of such an outcome. If Britain had acted thus, she might well have found herself dragged by France into an unwelcome confrontation with Germany which London was convinced could bring only chaos and destruction to Europe.

Britain was unable to choose between the two antagonists and therefore drifted prior to the occupation, tabling the plan at Paris more to vindicate

herself in the eyes of domestic and world opinion than out of any genuine belief that it would provide a solution. After the final schism at Paris, Britain was left trying to define a viable role for herself. The course adopted - 'benevolent neutrality' - was always an ambiguous and unsatisfactory compromise, and soon became virtually untenable in practice. In particular it entailed immense difficulties on the spot, where the zone of occupation held by Britain in the Rhineland provided the French and Germans with ample opportunity to discredit and embarrass her. Indeed, regarding for example the customs sanction and the use of railways in the British zone, the British were soon left dependent on French and German goodwill to prevent their position from becoming intolerable. At the same time they faced increased international diplomatic pressure to do something to end the deadlock, as well as mounting domestic-political dissatisfaction with the government's impotence. These factors, coupled with the fact that by February Curzon was home from the Lausanne Conference and so able to concentrate on European affairs, precipitated a cautious policy reappraisal.

The result was the evolution of benevolent neutrality into tentative intervention, inaugurated by Curzon's speech to the House of Lords on 20 April. The strategy was to encourage the Germans to make an offer and then to act as mediator to nudge negotiations forward. The intention was to utilise neutrality, making it both viable and positive. It was a forlorn hope. For both France and Germany the Ruhr occupation had snowballed into a life and death struggle. For Britain to expect to persuade the two to compromise was unrealistic. Tentative intervention marked only a superficial change, with all the pressures and ambiguities of benevolent neutrality remaining under the surface. The Germans did produce two notes, on 2 May and 7 June, but on neither occasion did the British have any success in prompting meaningful negotiation. Largely this was because of the attitude of France. By June

Germany was facing mounting internal chaos, and so the second note did represent a decided advance. But rather than encouraging the French to compromise, the prospect of a wavering Germany tempted Poincaré to strive for absolute victory.

Meanwhile the apparent impotence of Britain in Europe was having repercussions at home. In the country at large, press criticism indicated a general dissatisfaction with the inadequacy of the government's position. More significantly, divisions in the Cabinet opened up. Here a powerful Francophile lobby emerged, led by Lord Derby. At the same time, however, Whitehall was moving against France. The Treasury, convinced that impossible reparation demands would damage European recovery and the British economy, and suspicious of Paris's ability to pour millions into the Ruhr occupation while at the same time failing to repay debts to Britain, had always been hostile to France. Now this view gained a temporary ascendancy in the Foreign Office. Despite the official "benevolence" of Britain's position towards France, key officials - most notable Crowe and Lampson - lost patience with French intransigence and were alarmed by reports of the situation on the spot in the Ruhr and in Germany at large.

All these forces broke forth in the summer of 1923. The result was the 11 August note, which seemed to mark the end of benevolent neutrality by criticising France, controversially declaring the occupation to be illegal and vaguely threatening unilateral British action. This note was a mistake. Curzon, himself impatient with France and angry with Poincaré, may have been swayed by the advice he received into taking a tougher line with his ally. But backing the threats up with action was never on the agenda. The note was a bluff, designed to salvage Britain's middle-ground position by intimidating Poincaré into negotiation. The plan backfired. Poincaré refused to be

intimidated, but stood firm and dispatched a strong reply. The Foreign Office now wavered. Always uncertain of the legal arguments, Crowe and Lampson admitted the force of Poincaré's case. Moreover, the Cabinet Francophiles rebelled, and Derby actually threatened resignation. This must have influenced Baldwin, one of whose top political priorities was to restore unity and cohesion to the Conservative Party after its fragmentation when it broke with the Coalition in the previous autumn. Baldwin tried to restore relations with France by means of a personal meeting with Poincaré on 19 September. British policy, oscillating between threats and friendship with France, was revealed as not just empty but also contradictory and inconsistent.

At the end of September the situation was transformed. The collapse of German passive resistance restored a degree of fluidity to the European situation. The acute pressure on Britain eased and her policy-makers at last recovered some room for manoeuvre. Even so, much of the recovery of the British position stemmed from mistakes made by Poincaré. Poincaré did not have a proper plan or strategy to secure a formal settlement with Germany once passive resistance was over. He refused to negotiate or to modify the occupation until the German government resumed reparation payments. The problem was that once passive resistance had ended the practical difficulties facing the French in the Ruhr intensified. Poincaré had on his hands an area in economic collapse and social and political chaos. He soon began to lose control of his policy and officials and became involved in dangerous and discrediting episodes, such as separatist insurrections. The British correctly concluded that Poincaré had no consistent strategy at this point, and predicted the problems awaiting him. The Treasury was forceful in its opinion that Britain should stand aside and allow Germany to collapse onto French shoulders, allowing France to be tried by the test of exploitation. Foreign Office officials were more pragmatic. They carefully followed events, maintaining their

distance whenever possible, but intervening on occasions when France was in danger of doing too much damage to the very unity of Germany.

With Poincaré distracted by developments in the Ruhr and Rhineland, the British gradually managed to formulate their own approach. Although the transformation was gradual and Cabinet differences remained, a clear agenda was established at the very time when confusion in French policy and a shift in the position of the United States made its achievement more likely. At the same time the internal policymaking process recovered its effectiveness. Baldwin and Curzon gave more positive leadership, significantly keeping policy insulated from Cabinet disagreements. The Whitehall bureaucracy functioned like a well-oiled machine, particularly important when the politicians were preoccupied with electioneering. The Treasury and Foreign Office were united in their purpose, and the key officials, Crowe, Niemeyer and Bradbury, cooperated efficiently. The result was that the British nudged and prodded Poincaré until, at the end of November, he agreed to the establishment of two international committees of experts to examine the reparation question.

The new Labour government built on these achievements. MacDonald was determined to achieve respectability and a reputation for competence and chose foreign policy as the forum in which to do so. He continued the Conservatives' approach, striving consistently for the adoption of the Dawes Plan. His friendly style, hard work and personal input were all very important. He was also aided by other factors - informal American involvement had been secured, the experts' committees had already been appointed, and so the ministry had a clear direction and aim. At the same time the collapse of the franc and Poincaré's replacement by Herriot made France more amenable to compromise. All these factors aided the success of the London Conference, which effectively ended the Ruhr and reparation imbroglio.

As well as evaluating the content and shape of Britain's foreign policy during the Ruhr crisis, this study has analysed the process of policy-making. The importance of internal considerations on the overall policy pursued has been demonstrated. For example, the fact that the Bonar Law Cabinet was new and inexperienced compounded Britain's problems at the onset of the crisis, while mounting criticism from public and parliamentary opinion helped to push Curzon towards tentative intervention in April 1923. Perhaps the most obvious example of domestic-political factors influencing foreign policy was the impact of Cabinet divisions on policy in the summer of 1923.

Relationships between different administrative departments also affected foreign policy. Fundamental differences existed regarding their perceptions of Europe with, for example, the War Office seeing Germany as the main threat. Crucial to the Ruhr and reparation questions was the Foreign Office/Treasury axis. The Treasury adopted a consistently hard-line attitude to France throughout the crisis - epitomised by the Paris plan, its support for the 11 August note, and its indifference to the collapse of both France and Germany in the autumn of 1923. The Foreign Office was more flexible. For example, it was hesitant about opposing France by raising the issue of legality in the spring of 1923, but it advocated doing this in June and July. After the 11 August note it again backtracked. At times therefore the relationship between the two departments was antagonistic - for example the Foreign Office blamed the Treasury for the Paris plan. But when the two departments did unite in their efforts the results - as the autumn of 1923 demonstrates - were far-reaching.

One cannot discuss the role of departments without commenting briefly on the officials within them. The driving force behind the Treasury stance was Sir John Bradbury. Though based at Paris and strictly speaking no longer a

Treasury official, his advice was always sought on key questions. Sir Otto Niemeyer relied on him heavily and almost always agreed with his recommendations. On the other hand, Foreign Office officials did not have such firm views. Sir Eyre Crowe and Miles Lampson were more pragmatic and realistic in their evaluation of the difficulties of the situation and so did not adopt a consistent view throughout (as is demonstrated by their attitudes towards the legal question). When they did have a clear agenda of aims they worked with purpose. Crowe, in particular, played a key role in the autumn of 1923.

Politicians had at least as much influence on events as did officials. Bonar Law, Curzon, Baldwin and MacDonald all stand out. Bonar Law's age, ill-health and lack of diplomatic experience help explain Britain's initial policy of drift. On the other hand, MacDonald's enthusiasm and commitment and his conviction that improving the "weather" of relations between countries and statesmen could help progress, must be taken into account when dealing with 1924. More difficult to evaluate is the impact of Curzon's and Baldwin's personalities and of the relationship between them on policy. Certainly Curzon's prickly and often unpleasant temperament upset Poincaré. On the other hand, Baldwin must bear responsibility for letting Cabinet differences get out of control in the summer of 1923. Historians have suggested that a rift existed between Curzon and Baldwin and that this affected foreign policy, particularly in the summer of 1923. Such interpretations are exaggerated. Baldwin and Curzon worked together - both agreed to the 11 August note and the Baldwin/Poincaré meeting. Although Curzon criticised Baldwin after the event for this the two continued to cooperate, for example regarding the Imperial Conference in October. Admittedly Baldwin did not reappoint Curzon as Foreign Secretary when he returned to office at the end of 1924, but there is no evidence of a Baldwin/Curzon rift adversely affecting policy in 1923. The

vacillations in Britain's policy were due to other factors.

Internal factors are thus vital to a true understanding of the dimensions of Britain's foreign policy regarding the Ruhr crisis. However, policy decisions were not governed purely by high political, "Cowlingite" considerations. For example, despite major domestic-political uncertainty and some Cabinet divisions in the autumn of 1923, foreign policy was in the process of becoming its most consistent and purposeful. Also, it is interesting that the inauguration of new ministries - Baldwin's in May 1923 and, more significantly, MacDonald's in January 1924 - did not herald new departures in European policy. Therefore, while internal considerations are important, they do not provide a complete explanation of Britain's policy. Even more important were external factors. Internal and external factors interacted, combining to influence policy, but it was external factors which were the more significant. When the external situation was at its most intractable (for example, in the summer of 1923) this exacerbated dissensions over Britain's policy at home. Similarly, when external pressures lessened, in October, so the disruptive impact of Cabinet and administrative disagreements diminished.

So what were these external factors which dictated Britain's Ruhr policy? Crucial were the positions and actions of the other powers involved, and British perceptions of them. Both Belgium and Italy were viewed as unreliable. Therefore, while the British tried to enlist Italian and Belgian support when convenient, they - perhaps with justification - never relied on it or overemphasised its importance. On the other hand, the United States had to be treated with great deference. British leaders were aware of how powerful the United States was. They appreciated the importance of good Anglo-American relations and the need for United States cooperation and involvement in Europe. The United States' detached and unhelpful attitude

throughout much of the crisis compounded Britain's difficulties when dealing with Europe. Russia was another problem. She had the potential to subvert already unstable democracies from within by exporting revolution. Though on balance the British do not appear to have been particularly afraid of Germany falling to communism in 1922-3 (at the most critical phase of the crisis in September and October 1923, the British saw Germany as moving to the Right in order to combat Left-wing threats), they were afraid of the disruption and anarchy which Left-wing uprisings could produce in the fragile Weimar republic.

Belgium and Italy were unreliable, Russia was menacingly bolshevik, and the United States isolationist. Relations with France and Germany were yet more problematic. As the reparation dispute worsened and Franco-German relations became more confrontational, Britain found herself caught between the two powers. Britain did not want to become involved in continental commitments by choosing between the two. There were many reasons for this. The legacy of the First World War must be remembered and the general suspicion of the alliance diplomacy that had preceded it. Even more important were the constraints placed on Britain by her global position in the postwar world - by the attitude of the Dominions and by fears of military over-commitment. One must also remember Britain's inability to decide where the external threat lay. Whitehall, the Cabinet, public opinion and the press were all divided in their perceptions of France and Germany.

The reality of Britain's position regarding the Ruhr crisis as one of weakness and lack of room for manoeuvre, rather than one of strength, has significance for the historiographical debate outlined in the introduction. The revisionist school has been challenged here on two fronts. In the first place criticisms of Britain for avoiding her responsibilities and failing to prevent the occupation

have been revealed as unjustified. During the first part of the crisis the French held the initiative and there was little Britain could have done to prevent a confrontation. This is not to say that British policy at the onset of the crisis deserves no criticism. Chapter I revealed severe deficiencies in British policymaking and showed the Paris plan to be misjudged. However, while the British may have made things worse, they did not have the power in 1922-3 to resolve the Franco-German conflict, especially given the attitude of the United States.

The same was true once the crisis was underway. Benevolent neutrality was not a position of uncomplicated aloofness signifying strength for Britain. Nor was it a premeditated and consistent strategy designed to wear out France and Germany and ensure an Anglo-Saxon settlement of Europe. On the contrary, benevolent neutrality was an ambiguous compromise, hastily concocted in the absence of any alternatives. It raised immense difficulties and caused considerable embarrassment for the British. Despite her desires to avoid commitment, it was impossible for Britain to avoid any kind of involvement on the continent. She found herself drawn in because of her Rhineland presence - for example regarding the vexatious questions of railways and customs. Moreover, benevolent neutrality was benevolent towards France. It represented a desperate bid by Britain to minimise the breach with her wayward ally. As events during the summer of 1923 show, despite Britain's strong disapproval of French Ruhr policy, she was never prepared to break entirely with France. It was Poincaré who was in the driving seat.

This raises another set of questions regarding the revisionist literature. At the end of September 1923, with British policy in disarray and Germany supplicant, Poincaré had a golden opportunity. He failed to capitalise on it. This, rather than 1924, marks the turning point in the post-war era. Surely if

Poincaré had had a farsighted strategy to integrate Germany into the European community on French terms or to enlist the help of his allies to internationalise European stabilisation and solve the reparation and security problems, then he would have seized this opportunity? This dissertation casts doubt on whether Poincaré did have such a strategy. The British, despite close monitoring of Poincaré's conduct, identified no such strategy on the part of France, nor did they suspect French policy to be driven by a desire to enlist British support. Rather, British politicians and officials all concluded that the only convincing explanation for Poincaré's erratic and contradictory actions was that, having secured German surrender, he had absolutely no idea what to do with it and that he was increasingly losing his grip on the threads of power within France. Thus, the conclusions reached here are more in tune with those of Trachtenberg than with those of McDougall, Schuker or Keiger.

In contrast to French wavering, in the autumn of 1923, the British at last formulated a project for the future. Indeed, the principles behind this 'project' had always been implicitly present in British thinking, but were most explicitly stated by MacDonald. They were that the issue of reparation had to be resolved first, and that only then could progress be made towards achieving French security, European stability and reconstruction. Reparation thus had far-reaching implications for British policy as well as for those of France and Germany. The British were convinced that reparation was a dangerous and divisive issue with the potential to wreak havoc in Europe. Neither France nor Germany could be trusted regarding it, and therefore while reparation remained unresolved Britain could not risk greater commitment. Once it was out of the way, Britain could become involved, working with both France and Germany for reconstruction. This, of course, is what happened in the later 1920s. The Dawes plan was quickly followed by the Locarno Agreements in 1925 and by Germany's entry into the League of Nations in 1926.

But was this the right policy? Its ascendancy marked the triumph of the Foreign Office's more pragmatic approach, and carried the Treasury with it. It rejected the Germanophobe views of the War Office. With the benefit of hindsight, it might seem that the War Office appraisal was the more accurate one. Would it not therefore have been better had Britain followed the War Office reasoning and supported France more fully and forcefully? Aside from the reasons already given why alignment with France was not a realistic policy option, such an interpretation would underestimate the potential which the 1924 settlement did have to bring lasting stability to Europe.

Historians disagree over the viability of the stability of the later 1920s. For example, Maier regards this period as the fulcrum of the twentieth century - paralleling the fundamentals on which post-World War II stability was achieved and marking a complete break with the pre-World War I system. On the other hand, for historians such as Marks, the Dawes interlude represents merely an era of illusion - a false respite based on insecure American financial foundations.¹

It is not the purpose of this thesis to enter this debate on the later 1920s. However, given the significance of the viability of the Dawes plan for judgments on British policy preceding it, a word is necessary. German recovery (and so European stability) in the later 1920s proved to be illusory because it was based on insecure American credit. However, it could be argued that it was not the actual Dawes plan which caused such problems, but the massive private investment in Germany from America subsequently - investment far exceeding the initial recommendations made in 1924. It was this development that resulted in the German economy becoming so heavily

¹ See J. Jacobson, 'Is there a New International History of the 1920s?' American Historical Review, vol. 88, no. 3 (1983), pp. 617-645.

dependent on American credit and which had such disastrous effects when the American stock exchange collapsed in 1929. The Dawes system was not doomed to failure from the start. Had American investment in Germany not been so unlimited, or had Wall Street not crashed, then Weimar democracy might have established firmer foundations and the Dawes / Locarno system proved more durable.

Tragically, however, Wall Street did crash and Germany's prosperity was destroyed - with catastrophic consequences. With the benefit of hindsight some elements of Britain's Ruhr policy appear more sinister. In particular, the tendency of British officials and politicians privately to lose patience with France and sympathise with Germany takes on ominous overtones in the light of the 1930s. Take, for example, the Foreign Office's refusal to worry about reported increases in German nationalism in both 1923 and 1924, and its tendency to write them off by blaming the French. Thus Lampson commented: "The inevitable result of the Ruhr adventure was to intensify nationalism in Germany. The French have only themselves to thank for that."² MacDonald too sympathised with the Germans: "But what can we expect? Would we not do the same thing here if we had been defeated and been met with the same treatment? Nationalism is inflamed not suppressed by suppression."³ Similarly, Britain's capacity to stand aside in the autumn of 1923 when the European crisis reached boiling point perhaps set a precedent for avoiding involvement in the 1930s. Events in 1923 also influenced France. Memories of the Ruhr trauma and subsequent collapse of the franc swayed her policy-makers away from further unilateral action in 1936 - this time in the Rhineland and against Hitler.⁴

² Minute by Lampson, 14.5.24, on FO 371 9825, C7742/2977/18: Kilmarnock disp. 829, 9.5.24.

³ Minute by MacDonald, 18.4.24, on FO 371 9825, C6157/2977/18: Kilmarnock, disp. 646, 11.4.24.

⁴ See S.A. Schuker, 'France and the Remilitarisation of the Rhineland, 1936', French Historical Studies, vol. 14, no. 3 (1986), pp. 299-338.

In recent years many historians of Britain have concentrated on the issue of British decline. Historians such as Bernard Porter⁵ and Paul Kennedy⁶ interpret Britain's history since the end of the nineteenth century as dominated by an unremitting process of decline stemming from intrinsic structural and economic weakness. David Reynolds questions the simplicity of such economic determinism, pointing out the difficulties involved when assessing British "power" and emphasising the impact on it of external factors such as the rise of other powers.⁷ In this debate the interwar period has great importance. Both Ferris and McKercher attack the determinist approach to British history by emphasising the strength of Britain's position in the 1920s and 1930s. Ferris claims that both the strength of Britain in the nineteenth century and the degree of her decline to 1940 have been exaggerated. Rather, Britain was strong in the 1920s and was perceived as such by other powers.⁸ McKercher continues this approach into the 1930s, claiming that even the United States was not in reality a threat to British preeminence in this decade. The United States had wealth, but had not at this stage converted this wealth into tangible expressions of national strength to threaten those of Britain.⁹

On the whole, the conclusions of this thesis tend to support more pessimistic accounts of Britain's position after the First World War. Emphasis has been given to Britain's lack of freedom of manoeuvre, to the weakness of her position regarding both Europe and the United States, and to the fact that foreign policy broadly speaking transcended changes of government. However, this

⁵ B. Porter, Britain, Europe and the World 1850-1986: Delusions of Grandeur, (London, 1987)

⁶ P.M. Kennedy, The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000, (London, 1989)

⁷ D.J. Reynolds, Britannia Overruled: British Policy and World Power in the Twentieth Century, (London, 1991)

⁸ J.R. Ferris, 'The Greatest Power on Earth: Great Britain in the 1920s', International History Review, vol. 13, no. 4 (1991), pp. 726-750.

⁹ B.J.C. McKercher, "Our Most Dangerous Enemy": Great Britain Pre-eminent in the 1930s', International History Review, vol. 13, no. 4, (1991), pp. 751-783.

thesis does not embrace the economic determinism of the Porter/Kennedy school. The reality of Britain's position towards the Ruhr crisis as one of weakness rather than strength has been a major theme throughout, but the reasons for this weakness do not stem purely from inherent, structural faults. Many of the overriding considerations affecting Ruhr policy were entirely external ones - in particular relating to France, Germany and the United States.

It is often said of scholarly research that the closing of one door opens another. Historians of France and Germany have pointed to parallels between the two post-war eras. For Britain, many fundamentals changed in the decade after the Second World War. Even so, this detailed examination of the post-World War I era suggests that a comparative approach could yield important insights. While concentrating on a short time frame, this study addresses major questions regarding Britain's world role and particularly relating to her relationship with Europe. In doing so it sheds light on British history throughout the twentieth century.

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¹ This list provides a complete record of all the series consulted. On occasion the class lists only were used, as they revealed that the files contained no material of relevance. Such classes are also listed.

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