

Laying the Groundwork for European Integration:
Reordering Franco-German and Franco-British Relations,
1940-1944

by

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ABSTRACT

This thesis challenges the predominant narrative that European integration was predominantly a process that took place after 1945. The effects of the Franco-German Armistice of June 1940 are examined, most importantly the consequent reorientation of French economic and geopolitical strategies. The Armistice caused Great Britain to turn from the European continent towards the United States, while France was forced, by both economic and political considerations, to engage in more intensive cooperation with Germany. This economic cooperation was supported by the institutions of the French state during the war, whose staff and priorities would be predominantly maintained in the postwar period and contribute to the construction of the European Coal and Steel Community, the precursor to the European Union. The decisive orientation of France towards Europe and the Franco-German economic cooperation that would form the basis of the EU can thus be traced beyond 1945 to the summer of 1940.

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TABLE OF CONTENTS

| | |
|--|----|
| INTRODUCTION | 1 |
| Literature Review: The History of European Integration..... | 2 |
| Literature Review: The Second World War in Europe..... | 10 |
| Literature Review: The Vichy Regime..... | 17 |
| The Project at Hand..... | 23 |
| The Purpose of this Project..... | 25 |
| | |
| CHAPTER ONE: | |
| Continental Drift: The June 1940 Armistice and Great Britain's Estrangement from Europe..... | 30 |
| The Declaration of Franco-British Union: Precursor to the European Union?..... | 30 |
| The Interwar Years: Relations between the Victors of the Great War..... | 35 |
| The Armistice of 1940: Its Effects on Cross-Channel Relations..... | 40 |
| The Long Shadow of June 1940: Lasting Consequences on <i>post bellum</i> Franco-British Relations..... | 46 |
| Continental Drift: The Estrangement of Great Britain and France after Liberation..... | 53 |
| The More Things Change: Continuities in British Foreign Policy through the Twentieth Century..... | 58 |
| Great Britain's Victory Syndrome: An Obstacle to European Integration..... | 62 |
| Conclusion for Chapter One..... | 65 |
| | |
| CHAPTER TWO: | |
| The Origins of European Integration: Franco-German Relations, 1940-1944..... | 69 |
| Eye of the Hurricane: The Interwar Period in Germany..... | 69 |
| Relations between the Third Reich and the Third Republic..... | 72 |

| | |
|--|-----|
| The Accords of July 1937: Precursor to the European Coal and Steel Community..... | 78 |
| The End of Appeasement and the Fall of France..... | 82 |
| After the Fall: Exploitation and Collaboration..... | 89 |
| The Fuel of Rapprochement: Coal Industries in France, 1940-1944..... | 91 |
| Establishing Trade Patterns across the Rhine: Economic Rapprochement, 1940-1944..... | 97 |
| Another Peace, Another Occupation: Saarland and the French Occupation Zone Germany after 1945..... | 100 |
| Conclusion for Chapter Two..... | 103 |
| CHAPTER THREE: | |
| From the Compiègne Armistice to the Treaty of Paris: Continuities between Vichy and the European Coal and Steel Community..... | 105 |
| New Economic Priorities: The End of the 1930s Economic Orthodoxy..... | 105 |
| The Development of Dirigisme in France..... | 110 |
| The Persistence of the Civil Servant..... | 114 |
| <i>La chambre d'écho</i> : France and the European Project..... | 119 |
| Conclusion for Chapter Three..... | 127 |
| CONCLUSION | |
| Franco-British Relations Following the Armistice of June 1940..... | 129 |
| Franco-German Cooperation during the Second World War..... | 132 |
| The Continuities between Vichy and the European Coal and Steel Community..... | 134 |
| Conclusion..... | 137 |
| BIBLIOGRAPHY | |
| | 142 |

INTRODUCTION

The European Union is a unique socio-politico-economic entity that has emerged from the continent's modern historical evolution and that is steeped in a set of progressive values shared by millions of Europeans.

The twentieth century began with competing nations and empires, which fought amongst themselves in two bloody conflicts that ultimately marked the end of the "European age".¹ It is commonly held that the European project was a reaction against the thirty years of nationalist tensions and destruction that wracked Europe until 1945. This widespread view may in fact be an oversimplification in that it obscures the important, even crucial continuities that pre-dated and transcended 1945; these would prove to be decisive for European integration. One must go back to earlier years and consider the changes that occurred in 1940, especially in France and in regard to that country's relations with Great Britain and Germany, respectively. From this fresh perspective emerges a more accurate narrative of European construction.

¹ The European Age generally refers to the era in which European affairs determined the course of world history. This begins as early as 1492, but after 1945 the balance of power had shifted away from Europe and towards the superpowers to its East and West.

Literature Review: The History of European Integration

Until the 1970s, the dominant interpretation of European integration was the federalist narrative. This portrays European integration as an inevitable process, culminating in a federal structure, namely the United States of Europe. This version of events traces the origins of European integration back to the Enlightenment, if not further, championing thinkers such as Voltaire, Rousseau and Kant, along with the “European” heritage of Western Christendom. This teleological conception of Europe was most notably promoted by German historian Walter Lipgens,² especially in his *Der Anfänge der europäischen Einigungspolitik, 1945-1950*.

In response to the federalist version of events, an important body of work emerged beginning in the 1960s that can be called neo-functionalism. Led by Ernst B. Haas, an American political scientist, this stream of thought presented economic cooperation as the initial stage of integration. Subsequent forms of political cooperation followed as a kind of “spill-over” effect from the economic collaboration upon which the European project was founded. Haas’ classic *The Uniting of Europe*, published in 1968, is the best example of this school.³

Perhaps the single most important contributor to the historiography of European integration thus far has been Alan Milward. His interpretation was profoundly state-centric: European integration was the result of countries acting in their own interests.

² Walter Lipgens, *Der Anfänge der europäischen Einigungspolitik, 1945-1950* (Stuttgart: Klett, 1977).

³ Ernst B. Haas, *The Uniting of Europe* (Stanford, Stanford UP, 1968).

Writing in the 1970s, Milward had access to hitherto sealed national archives, which may explain his nation-oriented conclusions.⁴

In the 1990's, the most important contribution was likely Andrew Moravcsik's theory of liberal intergovernmentalism. Another political scientist, Moravcsik offered an historical overview of European integration in *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht*.⁵ Building from Milward's state-centred approach, Moravcsik argues that each step of integration was the result of the concerned states' cost-benefit analyses, which supported further steps towards integration. Subsequent integration was either to reinforce or to legitimate earlier advances.

The standard text on the history of integration in English was, for the decade following the Maastricht Treaty, Derek Urwin's *The Community of Europe: A History of European Integration Since 1945*, first published in 1995. As with most such texts, the author offers a superficial prologue to the European project that is said to begin only in 1945. For the origins of integration, Urwin reaches back into the mediaeval period, tracing the notion of Europe back to Philippe Dubois' 1306 proposal [for a united Europe], through the Enlightenment and into the interwar period. He devotes more pages than most to the Second World War: barely five pages. Urwin argues that the Second World War was important for European integration because it initiated what he dubs the "philosophy of the Resistance". This constitutes overcoming partisan

⁴ See Alan Milward, *The Reconstruction of Western Europe, 1945-1951* (London: Methuen, 1984).

⁵ See Andrew Moravcsik, *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht* (Ithaca: Cornell UP, 1998).

differences to unite against a common enemy, namely the Nazis. He readily admits, however, the transience of this phenomenon. No sooner had the Nazis been defeated did the pre-war political parties re-establish themselves, effectively negating the resisters' philosophy. The Resistance, then, had no enduring legacy in the form of European integration, since this project was soon taken out of the hands of resisters by the pre-war politicians. This seems to suggest a *status quo ante bellum* at the national level, which would later enable the construction of the European Community. In short, Urwin argues that the interwar Franco-German rapprochement had already perished even before Hitler's rise to power, and would only be revived in the closing days of the war. The European project would be carried out by the re-established politicians from the pre-war period. The era of the Third Reich, 1933-1945, was thus, according to Urwin, a mere period of stagnation for European construction, during which time no advances in European integration were achieved.⁶

The early history of European integration is also explored in the opening chapter of Desmond Dinan's *Europe Recast: A History of the European Union*.⁷ Unlike most scholars on the subject, he admits that the Third Reich had some sense of the desirability of the economic integration of Europe. This is mentioned only in passing, however, and Dinan himself only references a secondary source in which an Albert Speer interview

⁶ Derek Urwin, *The Community of Europe: A History of European Integration Since 1945* (New York: Longman, 1995).

⁷ Desmond Dinan, *Europe Recast: A History of the European Union* (London: Lynne Rienner, 2004).

from the 1960s is cited. For the most part, however, Dinan is in line with the standard narrative. He presents 1945 as the ultimate turning point:

For France, in particular, accepting the EC meant abandoning decades of protectionism, overcoming deep mistrust of Germany, and embracing economic modernisation – a drastic revision of the country’s long-standing self-image as a great power. For Germany, utterly destroyed at the end of the war, European integration offered salvation and international rehabilitation. (Dinan 6)

Franco-German collaboration, he posits, was an unprecedented event. The remainder of Dinan’s publication is dedicated to the institutional evolution of and policy development in the European Community and, ultimately, the European Union.

In 2003, another historical overview of the European integration appeared: John Gillingham’s *European Integration, 1950-2003*.⁸ As the title makes clear, Gillingham begins the European narrative only significantly after the end of the war. In his work, Gillingham presents the process of integration as an ongoing struggle between the market and the state. His interpretation is especially problematic, however, offering the history of integration as a triumphalist narrative of economic liberalism à la Hayek (a category into which, by sleight of hand, even Keynesianism is subsumed in Gillingham’s work). He argues that “the most formidable of the many great challenges facing statesmen of the West after V-E Day was to tie Germany into Europe and Europe into Germany, both economically and politically”.⁹ This statement reveals two presumptions on Gillingham’s part. First, the European project is presented as a system imposed on

⁸ See John Gillingham, *European Integration, 1950-2003: Superstate or New Market Economy?* (New York: Cambridge UP, 2003).

⁹ *Ibid.*, 3.

Europe from the outside, namely the victorious Anglo-American powers. Second, it clearly presumes that Germany and Europe were not already “tied in” together, either politically or economically. The history of the New Order of Europe is not once mentioned, let alone seriously considered in the context of European integration.

Despite the title, Philip Thody only dedicates the opening 23 pages of his *Historical Introduction to the European Union* to the subject of the history of the EU. He presents the intertwining of the French and German economies as a conscious choice made by Schuman and Adenauer in 1950. The economic cooperation between the two countries is presented as *a posteriori* to political decisions taken after the war, misleadingly so. In brief, he argues that this was done to avoid any further political and military conflicts between the two countries. This, however, disregards the extent to which the Franco-German industries of steel and coal became intertwined over the course of the war. He, too, commits the common mistake of presenting 1945 as a *tabula rasa*, paying no attention to the huge strides made between 1940 and 1945.¹⁰

The standard narrative is by no means propagated by Anglophone scholars only. The French scholar Jean-Pierre Maury, for example, explores the history of the idea of Europe, beginning with Greek and Roman conceptions of (proto-) Europe. He halts his narrative at the beginning of the 1930s, however, before resuming it in 1945 with a detailed examination of the evolution of post-war cooperation, leaving a conspicuous silence.¹¹ Similarly, France’s Pierre Gerbet traces the history of the construction of

¹⁰ Philip Thody, *Historical Introduction to the European Union* (New York: Routledge, 1997), 1.

¹¹ Jean-Pierre Maury, *La construction européenne, la sécurité et la détente* (Paris: Presses Universitaires de France, 1996).

Europe, from the Middle Ages to the Treaty of Amsterdam in 1997. Of his 600-page book, only one page is devoted to Hitler's Europe, which is dismissed as the domination of the continent rather than having any idea of European unity, and hence not given any further attention. He prefers to focus on the proposed Franco-British union of June 1940 as a decisive step towards European integration. In reality, however, this was a desperate and unsuccessful attempt to save Western Europe from the Nazis; the long-term effects of this aborted plan are, at best, questionable. He also examines the pan-Europe movement of the 1920s and devotes hundreds of pages to the post-war integration process, without seriously considering the years in between.¹²

Gerhard Brunn, of Germany, has argued that Nazism represented a “perversion of the European ideal”, since it was based on German hegemony in Europe and rejected the values of human rights, democracy and rule of law that have remained central to the postwar European project.¹³

Mario Teló, an Italian scholar currently based at the Université libre de Bruxelles, provides another example of the standard narrative, as he also recounts the history of the idea of an integrated Europe, drawing on Enlightenment philosophers like Voltaire and Kant to explain the interwar pan-Europe movement. He also gives the Nazis' takeover of Europe short shrift, although he does identify one lasting consequence of Hitler's continental empire: the need for pan-Europeanists to respond to the Führer's threat by

¹² Pierre Gerbet, *La construction de l'Europe* (Paris : Imprimerie nationale, 1999).

¹³ Gerhard Brunn, *Die Europäische Einigung von 1945 bis heute* (Bonn : Reclam, 2004), 29.

permanently linking their agenda to the ideas of democracy and human rights. Despite their respective contributions to the advancement of scholarship on the European Union, these authors fail to probe the enduring political, economic, and social consequences of the absorption of France into Hitler's Europe.¹⁴

After entertaining several narratives, or rather, different portraits of the same subject, the standard narrative of European integration should be quite clear: From 1925 until 1929, several advances were made in Franco-German rapprochement, the highlights of which include the Treaty of Locarno in 1925, Germany's accession to the League of Nations in 1926, and finally the Briand-Kellogg Pact of 1928. These positive strides, however, were tripped up by a series of disasters: the premature death of German Foreign Minister Gustav Stresemann in 1929, the stock market crash later that same year which would trigger the Great Depression, the death of French Foreign Minister Aristide Briand in 1932, and, the *coup de grace*, Hitler's rise to power in January 1933. With the establishment of the Third Reich, all plans for Franco-German rapprochement were surrendered and the situation would only deteriorate. The two countries would, according to this narrative, be at war with one another from 1939 until 1945.¹⁵ Only after the *Deutsches Reich* was quartered into occupation zones (not to mention the confiscation of the *ehemalige deutsche Ostgebiete*) and a Western, liberal, democratic

¹⁴ Mario Telo, *L'Etat et l'Europe: Histoire des idées politiques et des institutions européennes* (Brussels : Editions Labor, 2005).

¹⁵ When explaining I was studying Franco-German relations during the Second World War to a professor of mine, a Jean Monnet Scholar, he was astounded: "Relations? They were butchering each other!" was his reaction.

government established in West Germany could the process of European integration begin in earnest. The narrative of integration resumes only with the Resistance, which is presented as a transnational phenomenon uniting Europe against Nazism.

The historiography of European integration is thus marked by two characteristics. First, the historical approaches are seemingly unavoidably associated with theories from political science: federalism, neofunctionalism, and liberal intergovernmentalism are theories of integration which are employed by historians of the European project. Second, the narrative begins in earnest only in 1945 and in many cases considerably later. Gillingham begins his narrative in 1950; Moravcsik picks up the narrative only with the Messina conference in 1955. The result is a historiography that is informed by political scientific theories and that refuses to even entertain the notion that the integration process could have started before the prescribed birth date of 1945. Despite the divergent theories of integration employed in the historiography, they share this fundamental shortcoming, namely the designation of the period between 1933 and 1945 as a time of Eurostasis during which no advances in integration occurred. This is exacerbated by the fastening of the idea of Europe to the values on which the EU is based: democracy, human rights, rule of law. As a consequence of this limiting mindset, the notion that advances in European integration could be made while decoupled from those ideals is simply unacceptable. This confusion of terms obscures some of the most

significant advances that facilitated the sprouting and the thriving of the European project.¹⁶

Literature Review: The Second World War in Europe

It is only by venturing beyond the scholarship on the history of European integration that we find any significant deviation from the aforementioned mononarrative. Some recent works that have looked at the Second World from a transnational, European perspective have made promising advances. In his recent synthesis, *Hitler's Empire: How the Nazis Ruled Europe*, Mark Mazower provides several useful insights. His overview of pan-Germanism includes Gustav Stresemann, who was indeed an adherent of this ideology (as disconcerting as this might sound to the average partisan of the cult of Briand-Stresemann). His in-depth exposition of the New Order established by the Nazis across Europe includes several suggestions of how this might have affected post-war integration; unfortunately, these are not developed at length.¹⁷ In *Dark Continent*,

¹⁶ An exception to this statement is John Laughland's *Tainted Source: The Undemocratic Origins of the European Idea* (London: Warner Books, 1998). His explicitly Eurosceptic study fails to consider the heterogeneity of Nazi attitudes towards Europe, however, emphasising instead the more Europeanist faction of Nazi ideologues. For a more balanced collection of primary documents from the Nazi regime regarding Europe, see Walter Lippens, *Documents on the History of European Integration* (New York: Walter de Gruyter, 1985).

¹⁷ Mark Mazower, *Hitler's Empire: How the Nazis Ruled Europe* (New York: Penguin, 2008). For Stresemann's support of pan-Germanism, see page 38.

Mazower also emphasises that “Europe” was not always equated with democratic ideals by exploring Nazi and Soviet conceptions of Europe.¹⁸

David Reynolds’ article, “1940: Fulcrum of the Twentieth Century”, is one of the few works that argues for the long-term importance to international affairs of the French capitulation. He traces the emergence of the bipolar world order, which would endure until the end of the dissolution of the USSR, to June 1940, when the French agreed to an armistice with Nazi Germany.¹⁹ While his arguments concerning the Cold War are both original and well-supported, he makes no mention of European integration. Nonetheless, many of his observations concerning the long-term effects of the armistice in the context of the history of international relations are valid for my present study.

Despite the contributions made by these authors, however, to my knowledge no scholarly work has examined the continuity between the fundamental reorientation of the French economy, of France’s place in international relations, and of the continuities between the institutions of the Vichy regime and the European Coal and Steel Community. The work that comes closest to this undertaking is likely Paul Kluge’s 1955 article, “Nationalsozialistische Europaideologie”. Kluge considers several Nazi ideas for the creation of a European economic bloc, but concludes that they had no significant consequences and that they were motivated purely by Germany’s desire for

¹⁸ Mazower, *Dark Continent: Europe’s Twentieth Century* (New York: Penguin, 1998).

¹⁹ David Reynolds, “1940: Fulcrum of the Twentieth Century”, *International Affairs (Royal Institute of International Affairs 1944-)*, Vol. 66, No. 2 (Apr. 1990): 325-350.

continental hegemony.²⁰ These conclusions must be qualified, however, by the fact that Kluge does not consider the changing trends in Franco-German economic relations after 1940, the reorientation of French and British foreign policies, or the composition of the French government from 1940 onwards.

Walter Lipgens' collection of wartime documents, *Documents on the History of European Integration*, includes many speeches and documents issued by the Nazis on the subject of European unification; indeed, several of the texts included by Lipgens are considered by Kluge in his article. Lipgens draws conclusions that are similar to Kluge's, but they are subject to the same limitations: the economic, international, and governmental dimensions noted above are not considered.²¹

Alan Milward's *The Reconstruction of Western Europe, 1945-1951* is an exhaustive account of the origins of the ECSC and the European Common Market. Drawing on an impressive number of archival sources, Milward attempts to answer why European reconstruction was so much more successful after the Second World War than after the First. Although his depiction of the post-1918 period is at times oversimplified, his account of the years following the defeat of Nazism is impressive. His account casts each country as an autonomous, self-interested actor vying to secure the most beneficial arrangement for itself. He downplays American influence, arguing that U.S. plans for a

²⁰ Paul Kluge, "Nationalsozialistische Europaideologie", *Vierteljahrshefte für Zeitgeschichte* 3:3, 1955: 240-275.

²¹ Walter Lipgens, ed. *Documents on the History of European Integration* (Berlin: Walter de Gruyter & Co, 1984).

large, free-trading Europe were passed over in favour of the “Little Europe” that would emerge in the early 1950s. For Milward, Europe thus created its own post-war economic order, based on national interests and the preservation of nation-states along with limited integration.

A second important publication by Milward is *War, Economy and Society, 1939-1945*, in which he treats the Second World War as primarily an economic event.²² He compares the wartime economies of several countries across Europe in various different fields, from production and finance to economic warfare. Until the end of 1941, Germany’s primary objective was sustained expansion, yielding material gains. After the defeat of the German Blitzkrieg on the Eastern front and the entry of the United States into the conflict, however, the character of the war fundamentally changed. From early 1942 onwards, all countries essentially waged a war of production: whoever could produce the most would emerge victorious. It is from this economic lens that Milward views the Second World War and explains the final victory of the Allies, led by top producers the United States and the Soviet Union. Furthermore, he maintains that war is not an economic abnormality, but rather a potential investment that could yield tremendous economic benefits. The United States, for example, was undeniably much stronger economically in 1945 than in 1941.

²² Alan Milward, *War, Economy and Society, 1939-1945*. (London: A. Lane, 1977).

In keeping with his country-based perspective, Milward studies the French wartime economy in *The French Economy and the New Order*, first published in 1970.²³ Interestingly, he intended his publication to contribute to the historiography on fascism, arguing that its economic and political aspects could not be cleanly separated, and that his approach was consequently necessary to gain a fuller understanding of fascism. He identifies the New Order as the political and economic system established by the Nazis for a brief time of relative peace in Europe before Hitler's invasion of the Soviet Union. The material strains of this campaign distorted the New Order into a system of pure exploitation, the "European war economy". Furthermore, with the failure of the Blitzkrieg at Stalingrad, the very foundations of the New Order were called into question.

Alfred Sauvy undertook an exhaustive account of the French economy during the Second World War, with his *La vie économique des Français de 1939 à 1945*, first published in 1978.²⁴ Building on his landmark, four-volume *Histoire économique de la France entre les deux guerres*, Sauvy examines the French wartime economy thematically. Many of his works focus on demographics and population, and these themes are certainly the dominant leitmotifs of his study. The economic blunders committed by the French government, such as the refusal to wage war for the eight months following their declaration against Germany, are placed in the context of social

²³ Alan Milward, *The French Economy and the New Order* (Oxford: Oxford UP, 1970).

²⁴ Alfred Sauvy, *La vie économique des Français de 1939 à 1945* (Paris : Flammarion, 1978).

and demographic issues. He attributes the French defeat to a century-long decline in France, exacerbated by the demographic toll of the Great War.

Another important French contribution from this period is Jean Freymond's *Le IIIe Reich et la réorganisation économique de l'Europe, 1940-1942*. Freymond traces the continuity between pre-war liberal-conservative and conservative economic attitudes in Germany and the *Reichswirtschaftsministerium's* thoughts and the Third Reich's attempts to remodel Europe's economy. The idea of an enduring faith in the necessity of Germany's economic hegemony in Europe is convincingly identified, although Freymond's portrait of the Nazis is consequently closer to conservatism and further from fascism than most.²⁵

After this flurry of economic histories of Hitler's Europe, economic history was less popular, while other approaches, such as social history, explored new ground. In the first years of this century, however, two well-established historians authored landmark monographs on the Nazi economy: Adam Tooze and Götz Aly. Although both authors seek a better understanding of the Third Reich through a focus on economic history, they are looking to answer fundamentally different questions. In his preface, Tooze considers the myriad inauspicious factors confronting Hitler's plan to defeat Great Britain and France. The underlying question of his work is why Hitler went to war the way he did.²⁶

²⁵ Jean Freymond, *Le IIIe Reich et la réorganisation économique de l'Europe, 1940-1942* (Paris : Leiden, 1974).

²⁶ Adam Tooze, *The Wages of Destruction: The Making and Breaking of the Nazi Economy* (New York: Penguin, 2004), xxv.

Tooze argues that “Hitler’s conduct of the war involved risks so great that they defy rationalization in terms of pragmatic self-interest”.²⁷ The purpose of his study is hence to explain why Hitler launched a war that he must have known he could never win. Tooze’s work deals primarily with the war and its geopolitical dimension, but bases much of his analysis of Hitler’s “life history” to explain not only his personal ideology, but the economic and military conditions of Germany and Europe until 1945. Tooze’s analysis is useful for its analyses of the German economy before 1939 and for the interaction of economics and military strategy during the war. Moreover, he devotes an important chapter to the French economy after the Armistice, although he does not draw long-term conclusions from this study.

Aly’s analysis of the Nazi economy yields very different, though compatible results. While Nazism is generally perceived as exclusionary, being intolerant of non-Aryans, Aly elaborates its essentially inclusive quality. By advancing “racial conflict as an antidote to class conflict”, the Nazis were able to effectuate national and class unity more successfully than any previous German government.²⁸ This sociological argument is strengthened by Aly’s economic evidence, with which Aly asserts that “concern for the people’s welfare – at any cost – was a mark of the Nazi system from its inception”.²⁹ He proceeds to outline the redistribution of wealth within Germany, the lowering of

²⁷ *Ibid.*, xxv.

²⁸ Götz Aly, *Hitler’s Beneficiaries: Plunder, Racial War, and the Nazi Welfare State* (New York: Holt, 2008), 13.

²⁹ *Ibid.*, 3.

taxes for Germans, and the introduction of benefits such as health insurance.³⁰ The second and third sections of his work examine how the Nazis passed the costs on to the plundered occupied territories and Jews, respectively, transferring the benefits to the German people. By exploiting non-Germans across Europe, he argues, the Nazis were able to literally buy the support of the German people until the final days of war.

Both these works are valuable contributions to the economic history of the Second World War. None of these works, however, reflect on the meaningful continuities between the Europe of the early 1940s and the Europe that would emerge after 1945.

Literature Review: The Vichy Regime

Many of the most important works on the period 1939-1945 remain national in scope, perhaps an unsurprising effect of the nationalist *Zeitgeist* of the period. The historiography of France during the war has undergone an especially interesting evolution. During the Fourth Republic and until the end of de Gaulle's presidency of the Fifth Republic, the Resistance narrative was enshrined. According to this version of history, France had been invaded by a reviled Nazi army and France had been betrayed by the traitorous actions of Maréchal Pétain and Pierre Laval. De Gaulle himself refused to acknowledge that the French Republic had ever ceased to exist, denouncing the Vichy regime as illegitimate and fictitious. De Gaulle propagated the narrative which cast him

³⁰ *Ibid.*, 56.

as the saviour of France from the Nazi scourge, the liberator of the nation. This narrative was politically expedient – it afforded French citizens the ability to shrug off the Vichy period, the weight of the nation being placed on a few ignoble politicians who disgraced France. Eventually, scholars sought to absolve Pétain, the hero of the First World War, from his role in the Second – or at the very least to contextualise his actions.

A logical work with which to begin a historiographical overview of the Vichy regime is Henry Rousso's *Le syndrome de Vichy*.³¹ First published in 1987, it studies how France's wartime experiences have been remembered since Liberation. In the immediate post-war period, he identifies a stage of "failed mourning": there was no consensus on which heroes could be commemorated legitimately. France had lost citizens fighting the Germans on the Western front, the Soviets on the Eastern, and other French within the country's borders. French had been killed by Allied bombings, had been executed based on their loyalties by both sides of the "Franco-French" conflict of the war years and the days following Liberation. By the early 1950s, however, an expedient version was accepted with quasi-unanimity. According to the narrative of "invented honour" promulgated by Gaullists and Communists alike, virtually all of France had participated in the Resistance, if not actively then at least tacitly, preceding even the Armistice of June 1940. Collaboration was reduced to a shameful crime of treason perpetrated only by a small handful of politicians who had seized power unlawfully and illegitimately.

³¹ Henry Rousso, *The Vichy Syndrome : History and Memory in France since 1944* (Cambridge, MA: Harvard UP, 1991).

The notion that French civil society was anything other than loyal to the Resistance for the duration of the war was not entertained.

With the defiant spirit of 1968, however, de Gaulle's version of events became the focus of increasingly critical scholarship. Rousso identifies Marcel Ophuls' classic documentary *The Sorrow and the Pity* as the catalyst of this wave of revisionist history. Rousso identifies this phase as beginning in the early 1970s, since which time France has been eagerly uncovering the Resistance narrative and exposing the true nature of the collaboration perpetrated by French society.

Raymond Aron's 1954 publication reiterated Pétain's famous defence that he had served, if not as a sword for France, at least as a shield. Aron presented the Maréchal as a protector of the French people and transferred his sins onto his prime minister, Pierre Laval. This two-pronged version of a venerable Pétain doing the best he could in impossible circumstances was juxtaposed with Laval, cast as a pro-German Iscariot. Despite this emerging dichotomy, de Gaulle's Resistance narrative remained the dominant one until after his death.³²

As de Gaulle's presidency waned, however, an increasingly critical approach to the study of France during the war began to emerge. This began with Eberhart Jäckel's *Frankreich in Hitlers Europa*, first published in 1966, with the French translation following two years later. With this analysis of German foreign policy towards France

³² Raymond Aron, *Histoire de Vichy* (Paris : Fayard, 1954).

between 1933 and 1945, Vichy became less taboo and Jäckel challenged the prevailing Vichy narrative.

It was Robert Paxton's *Vichy France: Old Guard and New Order*, however, that would spark a veritable revolution in the historiography on Vichy.³³ Published in 1972 (and in French in 1973), contemporary with the end of France's *trente glorieuses*, Paxton's book argued that collaboration was a voluntary politic initiated by France, maintained by Laval, Darlan, and Pétain alike. Furthermore, he identified myriad continuities between the *révolution nationale* undertaken by Pétain and post-war France. This re-examination of Vichy was met with floods of praise and controversy, and remains the landmark publication on the Vichy regime.

In the wake of Paxton's publication, several works emerged which released Vichy from the parentheses to which it had been quarantined, into the longer narrative of French (but unfortunately not European) history. These works considered the economic continuities before, during, and after the war, but unfortunately remain at the national level, and thus fail to engage in the narrative of European integration.

Julian Jackson's recent synthesis, *France: The Dark Years, 1940-1944* offers an excellent overview of France before and during Vichy. He stresses the ambiguities between collaboration and resistance, and between National Revolution and

³³ Robert Paxton, *La France de Vichy* (Paris : Seuil, 1973).

collaboration. He also engages with the historiography and a reflection on how the war has been remembered and written about since liberation.³⁴

The standard textbook on Vichy in France has been, since its publication in 1979, Jean-Pierre Azéma's *De Munich à la Libération, 1938-1944*.³⁵ Beginning the narrative from the '*drôle de paix*' of the Munich Accord, Azéma attempts to offer a factual, positivist account of the war years in France. He presents the period in question as unique, thus downplaying the continuities between either the Third or Fourth Republics and Vichy. Aside from admitting that the Resistance legitimated Gaullism and established Christian democracy, as well as the *Parti communiste français*, in France, Azéma is implicitly dismissive of more important historical continuities between Vichy and post-war France. While not championing the Resistance narrative in particular, he does pay homage to the resisters in his work.

Several works have attempted to place French collaboration within a wider European context; collaboration did, after all, occur in nearly every territory incorporated into Hitler's New Order. Yves Durand's *Le Nouvel ordre européen nazi, 1938-1945* is based on the juxtaposition of two models: collaboration, embodied by Pétain's pragmatic concessions to the Germans, and collaborationism, the work of pseudo-fascist governments such as Quisling's in Norway.³⁶ Henry Rousso has made a valuable contribution to this subject as well, with his publication, *Collaboration*. Here, he offers a

³⁴ Julian Jackson, *France: The Dark Years, 1940-1944* (New York: Oxford UP, 2001).

³⁵ Jean-Pierre Azéma, *De Munich à la Libération, 1938-1944* (Paris, Seuil : 1979).

³⁶ Yves Durand, *Le Nouvel ordre européen nazi, 1938-1945* (Paris : Editions complexe, 1990).

thematic treatment of different aspects of collaboration, which better contextualises the French case. While this transnational approach is a refreshing change from the Francocentrism of most of the scholarship on Vichy, it remains within the chronological confines of the wartime period. These works improve our understanding of European collaboration, but end with the Nazis' final defeat, and therefore offer only indirect insight into the continuities between the Europe forcibly united under Hitler and the Europe that would develop around economic collaboration in the post-war period.

Philippe Burrin's landmark *France à l'heure allemande, 1940-1944* distinguishes different forms of "accommodation" in which the French population engaged.³⁷ Considering both government and civil society, Burrin does a fairly successful job of distinguishing between the different shades of cooperation with the Germans, from attentisme to outright collaboration. He concludes that collaboration was bound to happen in France, and that the Vichy regime may have helped avoid more radical forms of collaboration by projecting a conservative-nationalist politic rather than an outright fascist one. On the other hand, the legitimacy of the Vichy state undermined civil resistance, since opposition in Vichy could only protest Germany's influence rather than its outright occupation of the area (at least until 1942).

Any accounts that do address Franco-German relations during the war, whether from a French or a European perspective, focus invariably on the exploitative nature of the relationship. The French were undeniably squeezed of capital, labour, and persons

³⁷ Philippe Burrin, *France under the Germans : Collaboration and Compromise* (New York: Norton, 1996).

between 1940 and 1944. With few exceptions, Germany is presented as the actor, draining France of its power. On several points, the French are shown to be active in the German war effort, notably the *Légion des volontaires français contre le bolchévisme* and, following Paxton's work, Vichy's role in the Shoah. Although political collaboration is widely acknowledged, it is still generally presented as one-sided. Even Paxton depicts the situation as an ever-accommodating France allowing itself to be depleted in the hopes of gaining a more favourable peace settlement and position in Hitler's New Europe. The reciprocal nature of collaboration, and especially the bilateral dimension of trade relations, however, remains taboo; France is invariably presented as simply a victim of German greed.

The Project at Hand

Although they range in scope and even in discipline, the historiographies of European integration, of the Second World War at the European level, and of France during the war all share a common blindspot. No work has sought to investigate in depth the continuities between the Vichy regime and the European project, particularly in the fields of international relations and economics. Despite the increasingly critical literature of the past decades, none of the authors have shown a readiness to admit and address the effects of the Vichy legacy on European integration.

Yet, the Armistice of 1940 is one of the most important and influential documents in the history of European integration. In the summer of 1940, France was forced to turn

away from its cross-Channel ally as the Armistice forbade not only military cooperation between the two nations, but even commercial exchanges. The consequence was a cessation of trade, notably of coal, and even a *de facto* Franco-British War, the first since Napoleon. Britain's isolation from the European continent, then dominated by Nazi Germany, led the British to adopt an increasingly Atlanticist policy, which would culminate in its Special Relationship with the United States. France, meanwhile, would have to look to other sources for the coal it needed to fuel its industry.

France's turning away from the Channel was accompanied by a simultaneous reorientation towards the Rhine. Deprived of British and overseas markets, France had little choice but to increase its trade with Germany, which had been in decline for the decade before the war. The integration of the industrial provinces of Alsace-Lorraine, Saarland and the Ruhr within the Reich would create a precedent for postwar integration plans, as would the steady flow of French exports towards Germany. The forced integration of the French and German economies in 1940 would facilitate deeper (and consensual) integration from 1950 onwards.

Given the harsh economic conditions of the Armistice, whereby France had to pay the outrageous amount of 400 million francs to Germany per day, France had to reorganise its economy to fulfill German conditions while minimising the decline of living standards in France. While France was only partially successful in realising these goals, they did prompt a profound restructuring of the French state. Dirigisme, technocracy, a strong executive eclipsing a weak parliament, and new institutions for economic planning are among the manifold innovations that resulted in Vichy from the

Armistice. These would in turn shape not only postwar France, but also the European Coal and Steel Community and its successors.

The Purpose of this Project

Before delving into the subjects outlined above, several caveats to this work should be articulated. First, I am in no way proposing that the Nazi Empire simply evolved into the European Union. Such an assertion would be mere sensationalism and, quite simply, unsupportable. The Nazis' defeat and the consequent partition of Europe and Germany along the Iron Curtain (to use Göring's phrase) precluded any possibility of the realisation of a Fourth Reich of any sort. Hitler's agenda always lay to the East, towards the *Lebensraum* that he was convinced Germany needed to sustain itself. One might be more successful in arguing that with these lands, along with Prussia, united in a single *de facto* empire, Hitler's dream was achieved. Only it was not Berlin, but rather Moscow that reaped the benefits.

The European Community emerged instead as a Western European phenomenon. As Ute Frevert has noted, the Cold War reoriented Germany towards the West. Prussia had always been a Central European power that generally looked to the East for possibilities to expand, with the obvious exception of the Franco-Prussian War of 1780-1781. With the geopolitical realities of divided Germany and Europe, the possession of nuclear weapons by the United States (and, after 1949, the USSR), and the strength of the Soviet

Union, the Federal Republic of Germany remained decisively oriented towards its liberal democratic neighbours to the West.³⁸

Furthermore, the Nazis were hostile to the idea of pan-Europe (not least because its generator, Coudenhove-Kalergi, a half-Japanese, was denounced as a racially inferior “semi-Asiatic”) and to the notion of a “United States of Europe”, as championed by Victor Hugo and others. These conceptions presumed equality among nations, a presumption unequivocally rejected by National Socialism. The Third Reich and the European Union are fundamentally different. What I am arguing is that the development of the latter was facilitated by some developments that occurred under the former.

From this, we come to a second qualification. Although I argue that evolution of (what is now) the European Union was enabled by the actions of the Vichy regime that collaborated with Nazi Germany, I am in no way suggesting that this makes the European Union the heirs of Nazi policies, nor that the Holocaust is the original sin of the EU. The repugnance of Nazism has, I believe, inhibited scholars from tracing to it the evolution of the European project. The economic and geopolitical continuities, however, stand in contrast to the ideological ruptures between National Socialism and the European Union, based on democracy, peace and human rights. Despite the undeniable, fundamental ideological differences between Nazi Germany and the European Union, geopolitical, economic, and institutional continuities abound.

³⁸ Frevert, Ute. “Europeanizing German History”, *History and Memory* 17, no. 1/2, 2005, 87-116.

At first glance, it may appear that this project, by critiquing the standard narrative of European integration and examining the continuities between the Nazi New Order and postwar European projects, constitutes an attack on the European Union. I state unequivocally that such is not the case. Rather than weaken the EU or European identity, I hope that my research may contribute to their strengthening.

“History is the curriculum subject that does the most to enhance pupils’ feeling of identity and togetherness”. This view was expressed by Frédéric Delouche, Director of the Council on European Responsibilities (COEUR) at a seminar co-organised by the German Federal Government and the European Commission in 1999, entitled “The Culture of European History in the 21st Century”. With this approach, “Europe should be built on the foundation of history, as is each individual state”. Consensus for Europe therefore “can be gradually created – by education and by providing an introduction to the historical background of European construction”.³⁹ It is therefore through knowledge of European history that European identity will be developed.

History is indeed an invaluable tool for identity building, as we can see in practically every nation in Europe. An understanding of European history could therefore certainly contribute to a greater sense of European identity. But what history, and which understandings of historical events, should be used? The EU and its forerunners have thus far opted for a rather homogeneous and less complex narrative, as we have seen.

³⁹ Frédéric Delouche, “A Book on European History”, in *The Culture of European History in the 21st Century*, ed. Hermann Schäfer (Bonn: Haus der Geschichte des Bundesrepublik Deutschland, 1999), 197.

1945 is generally presented as Year One for Europe, based on a conception of Europe which has existed among cosmopolitan elites since at least the Enlightenment and which is necessarily associated with the ideals of democracy, rule of law and human rights. This politically pragmatic narrative has brought the European integration process this far. But with an incomplete historical narrative, I fear that the development of European identity will likewise remain at best incomplete.

National foundation myths fuelled the development of national identities in Europe throughout the nineteenth century. But these myths were based largely on political considerations rather than on an academic quest for truth. These myths played no small part in the competing nationalisms and the resultant wars that characterised the first half of the twentieth century. Since 1945, the nations of Europe have been able to reflect on their respective national myths and, by questioning them, arrive at a deeper understanding and a more solid foundation of national identity. A similarly critical reflection on the origins and development of “Europe” will likewise strengthen European identity.

In the context of furthering European integration, the historian is faced with a choice. He or she may advance the current narrative as a defence of the *status quo*, fearful that any associations between the democratic EU and non-democratic European orders – whether the Nazi or the Soviet – might make the EU seem less legitimate. Or, the historian can identify gaps or weaknesses in the current narrative and, by correcting these, improve and strengthen the historical narrative of the EU. If European integration is indeed to depend upon the understanding of Europe’s history, then that history should

at least be accurate. If a population's history shapes its identity, then it is obvious what kind of identity will be produced by a weak and incomplete historical narrative. For the sake of the future of the EU, its present citizens must fully understand its past.

CHAPTER ONE

Continental Drift:

The June 1940 Armistice and Great Britain's Estrangement from Europe

In this chapter, we explore the evolution of the Franco-British relationship as a result of the Armistice concluded between France and Germany in June 1940. We begin with a consideration of pre-war cross-Channel relations in order to better contextualise the subsequent discussion of the Second World War. We conclude by examining the lasting consequences of the Armistice and the war on relations between the two countries, especially in relation to the postwar European project.

The Declaration of Franco-British Union: Precursor to the European Union?

There is a tendency in English scholarship on European integration to exaggerate the role of Great Britain in the construction of Europe. Many British scholars prefer to present the origins of the European Community as a Franco-British, and not a Franco-German, initiative. A prime example of this is *Building European Union*, compiled by Trevor Salmon and Sir William Nicoll.⁴⁰ This volume is a collection of primary documents, which seemingly lends it an air of objectivity. Even a cursory look at the documents selected, however, reveals its fundamental bias. Some unsurprising names appear from the interwar period, such as Aristide Briand and Count Coudenhove-

40 Trevor Salmon and Sir William Nicoll, *Building European Union: a documentary history and analysis* (New York: St. Martin's Press, 1997).

Kalergi, but shockingly absent is Gustav Stresemann, the German Foreign Minister who shared the Nobel Peace Prize in 1926 with Briand, his French homolog, for their efforts at Franco-German rapprochement. Instead of Stresemann, the architects of this volume opt for several responses of the British government to Briand's initiatives to buttress their premise of the Franco-British origins of European integration.

Perhaps the greatest contribution to this historical misrepresentation is the "Declaration on Franco-British Union", a document issued in June 1940 by Winston Churchill, inspired by Jean Monnet and supported by Charles de Gaulle.⁴¹ The declaration constitutes a great red herring of European integration; retrospection has bestowed far more importance on this document than it deserves. This document declares the union of France and Great Britain, with all citizens to receive joint citizenship and for the two countries, decidedly separate since the conclusion of the Hundred Years' War five centuries earlier, to merge into a single Union. Even a constitution was foreseen, which would "provide for joint organs of defence, foreign, financial and economic policies".⁴² At first glance, it is hardly surprising that this document has captured the imagination of many an historian. The pooling of French and British sovereignty, based on the respect of common liberal and democratic principles, can appear to be a genuine first attempt at the creation of a European Union, which both countries would ultimately create after the war.

41 "Declaration on Franco-British Union", qtd. In Trevor Salmon and Sir William Nicoll, *op.cit.*, 17

42 *Ibid.*

As attractive and convenient as this narrative is, however, it is retrospective and based on a misunderstanding of the document itself. The declaration was invalid, however, since Charles de Gaulle had no legitimate political power in June 1940. From a legal point of view, the one-star general from Lille who had fled to London in June 1940 had no legally inferable legitimacy to crown himself leader of France. According to the rule of law, the Vichy government, meanwhile, was entirely legitimate: Pétain had been named Prime Minister of the Third Republic according to process, and on July 10th the Parliament voted to suppress the constitution of 1875 and allow Pétain to draft a new one. The next day, he would assume sweeping, quasi-dictatorial powers as *chef d'état*. Indeed, this vote in the Parliament had fewer opponents than had the ratification of the Munich Accord barely a year and a half earlier.⁴³ While the suspension of Parliament and the establishment of the autocratic Vichy state did not reflect the democratic form of governance, it did in fact come into being following the democratic processes of the Third Republic and thus Pétain's was an entirely legitimate government.

Additionally, it is necessary to recognise the context in which this offer of union was extended. In June 1940, as the Wehrmacht closed in on Paris, Prime Minister Reynaud sent a message to London asking for permission to renege on the Franco-British agreement to refuse a negotiated peace with Germany. For Reynaud, defeat was certain and the Germans would soon control the whole of metropolitan France. His

⁴³ Robert Paxton notes that 569 members of the National Assembly voted in favour of creating the Vichy regime. See Robert Paxton, *La France de Vichy* (Paris : Seuil, 1973), particularly page 41. Meanwhile, Fred Kupferman states that 537 voted to ratify the Munich Accord. See Fred Kupferman, *Laval 1883-1945* (Paris: Balland, 1987), page 91. It should nevertheless be noted that, due to the number of abstentions, there were also five more opponents to the July 1940 vote (80 against, with 17 abstentions) than to the Munich Accord (75 against).

cabinet favoured a negotiated peace with the Nazis, rather than risk the “Polonisation” witnessed the previous autumn after Poland’s defiant perseverance in combating the Nazis – as well as the Red Army.⁴⁴ Churchill responded with a reluctant approval of Reynaud’s plans, albeit with several conditions which violated French sovereignty: France could negotiate, but only after it had moved all of its naval ships to British ports – as we shall see, Churchill’s primary concern of a French capitulation was the potentially decisive effect the French navy could have on Germany’s plans to invade Great Britain. Mere hours later, however, Churchill sent another telegram: revoking his previous approval, he instead offered a Franco-British Union which would permit France to continue fighting the Nazis, even if the struggle would have to be continued from Algiers or London. Although Reynaud was enthusiastic about this alternative, his cabinet dismissed this proposal for what it was – an unrealistic notion that would simply allow the British to control the French navy and, according to one cabinet member, to reduce France to a member of the Commonwealth. Hours after Churchill’s offer was relayed, Reynaud stepped down as leader of France, to be replaced by Maréchal Philippe Pétain.⁴⁵

The about-face of Britain over the course of a few hours may seem startling – while initially accepting France’s surrender to the Nazi Empire, Britain suddenly produced an unprecedented proposal of Franco-British Union to avoid surrender to

44 For an assessment of the prospect of the “Polonisation” of France, see Paxton, *op.cit.*, 332.

45 See Christopher Baxter, “A Very Fine Clerk: Sir Ronald Campbell and the Fall of France, May-June 1940” in *Anglo-French Relations since the Late Eighteenth Century*, Glyn Stone and T.G. Otte, eds. (London: Routledge, 2008), 187-200, especially 192.

Germany at all costs. When examined more closely, however, there is a striking continuity between the two strategies that belies Britain's primary concern. The condition Churchill's cabinet attached to its acceptance of France's surrender was that its navy be transferred to Britain, where it could continue the struggle against the Reich and, more importantly, not fall into the hands of Germany, whose navy was too weak to mount a successful invasion of the British Isles.⁴⁶ Britain's desire to control the French navy and to prevent it from being appropriated by the Nazis is equally apparent in its proposed Declaration of Franco-British Union: "During the war there shall be a single War Cabinet, and all the forces of Britain and France, whether on land, sea, or in the air, will be placed under its direction".⁴⁷ With metropolitan France on the verge of occupation, there could be little doubt that this War Cabinet would be based in London and would provide the British government with the pretext to control the French fleet as it wished. The motivating factor behind the Declaration was not a futures-oriented or statesman-based desire to unite the peoples of Europe, but rather a defensive, pragmatic and opportunistic strategy of Churchill *et alii* to protect Great Britain from a Nazi invasion through the conduit of French war ships.

Thirdly, and most pertinently to the topic of this work, there was no linear progression from the Franco-British Union declared in June 1940 and the signature of the Maastricht Treaty in 1992, which established the European Union with France, Great Britain, and ten other countries. As such, hindsight shows the 1940 declaration to have

46 *Ibid.*

47 "Declaration on Franco-British Union", *op.cit.*

been a toothless paper tiger. Within weeks of the Declaration, British pilots would be bombing French military facilities. The notion of Franco-British solidarity observable in the early months of the war would undergo a profound transformation over the course of the following years. Mere days after the “Declaration of Franco-British Union” was signed, a far more important document would be signed, which would be immeasurably more decisive and conclusive for the evolution of Franco-British relations: the Franco-German Armistice of June 22 1940.

The Interwar Years: Relations between the Victors of the Great War

Before elaborating on the consequences of the Armistice on Franco-British relations, we must examine the nature of the relations between these two countries before the Second World War, in order to better contextualise the situation and to accurately recognise the fundamental changes that occurred early in the conflict. This task is a complicated one, since the decade that preceded the outbreak of the Second World War constituted the most significant economic depression of modern times. Moreover, the 1920s were marked by reconstruction immediately following the end of the First World War, and by 1925, the early signs of the Depression were already evident in Great Britain. The abnormality of this period makes it difficult to establish a point of reference for Franco-British economic relations, since the last “normal” period of trade between the two was on the eve of the Great War, a quarter of a century earlier. Obviously, the significance of the changes that occurred during and after the First World War make comparisons between 1914 and 1939 of only qualified usefulness. We must nevertheless

briefly consider the nature of cross-Channel trade in the twilight of the Belle Epoque to better understand the evolution of Franco-British relations over the ensuing decades.

The interwar period was marked by economic depression for Great Britain. While London had been the unrivalled economic and financial *omphalos* of the world in 1914, it was forced to withdraw from the overseas market during the First World War, allowing the United States and Japan, who remained outside the conflict (although America would join the war in 1917) to capitalise on the newly available export markets.⁴⁸ While the British economy revived in the early 1920s, its imports and exports declined markedly in 1925, a situation worsened by the coal strike of 1926.⁴⁹ In 1932, Britain concluded the Ottawa Conference, which established a 10 per cent import tax in Britain, while granting preferential treatment to the Commonwealth. This attempt to limit imports and boost exports was typical of the protectionist reaction seen in most countries to the Great Depression. Britain abandoned the gold standard in 1931 and depreciated its currency, which stimulated the export market further. From 1932 until 1937, Great Britain's real GNP rose at a steady rate of 4 per cent, a trend that was further helped by the rearmament spending beginning in 1936.⁵⁰

While Britain's economic slump was experienced from 1925 until 1932, France's came later, just as Britain was beginning its recovery. Furthermore, the Depression was

48 On the emergence of overseas rivals as a result of the First World War, see Barry Eichengreen, "The Interwar Economy in a European Mirror" in *The Economic History of Britain since 1700, volume 2, 1860-1939*, Roderick Floud and Donald McCloskey, eds. (Cambridge: Cambridge UP, 1994), especially 293.

49 *Ibid.*, 301.

50 *Ibid.*, 313.

not as extreme in France as it was in either Great Britain or Germany, with unemployment rates remaining well below those of its neighbours. Industrial production began to stagnate in France in 1930, before collapsing in 1931 and 1932. In the spring of 1932, after hitting a low point, the economy began to recover. By the following spring, however, the economy began to slip again, until it reached a second collapse in April 1935. The accompanying deflation meant that the industrial index was 47 per cent lower in 1935 than it had been in 1929. Only in March 1938 did the French economy begin a proper recovery, with inflation being checked, production increased and capital flows reversed. By the beginning of the summer 1939, the French economy was once again strong; by the end of the summer, it would be waging war.⁵¹

Having considered the economic context of the pre-war period, it becomes clear that establishing any notion of a pre-war status quo in terms of Franco-British economic relations is difficult. From the mid-twenties until the very eve of the Second World War, either the French or the British economies (or, briefly, both) were in crisis, which inevitably had an important impact on trade. The reaction of both countries was typically protectionist, with a strategy of currency devaluation to encourage exports and discourage imports. In Britain, this was manifested in the form of the Import Duties Act of March 1932, which imposed a ten per cent general tariff on imports. This was amended the following month to double the tariff to twenty per cent on steel, chemical products and luxury items. The tariff on these products would eventually reach 33.3 per

51 See Alfred Sauvy, *op.cit.*

cent, and import quotas would be imposed in 1933 on agricultural goods.⁵² It is important to recognise that all these imports were primary French exports, which compounded the economic crisis there. France, however, was the first country to introduce this method of defending the interior market through import quotas.⁵³ In this context of protectionism, fuelled by the increasingly nationalistic environment of the Europe of the 1930s, there were few, if any, advances in multilateralism.

Although the climate was hostile towards imports, trade nevertheless continued. While economies tried to limit their imports, they simultaneously tried to encourage exports, and to this end currencies were devalued. By 1938, the major economies of Western Europe were in full swing, fuelled by the rearmament geared towards the coming war.⁵⁴ It was in this context that French and British trade resumed, and throughout the entire interwar period, France remained the primary importer of British coal.⁵⁵ Although France had its own coal deposits, most notably in Alsace-Lorraine and Nord-Pas-du-Calais, its economy was reliant on imported coal to run at full capacity. In this respect, Britain was an indispensable trade partner for France, especially at times of rearmament and reconstruction.

This economic partnership was bolstered by a level of diplomatic cooperation unseen since the Great War. From the notorious Munich Accord of 29 September 1938,

52 Ivan T. Berend, *Histoire économique de l'Europe du XXe siècle* (Bruxelles : De Boeck, 2008), 72.

53 *Ibid.*

54 James Foreman-Pick, "Industry and industrial organisation in the interwar years" in *The Economic History of Britain since 1700, op. cit.*, 386.

55 See L. Dudley Stamp, "Britain's Coal Crisis: Geopolitical Background and some Recent Literature", *Geographical Review*, Vol. 38, No. 2 (Apr., 1948), 179-193.

the French and British governments tried to coordinate their approach to the threat of an increasingly expansionist Nazi Germany. They jointly declared war against Germany on the 3rd of September 1939, two days after the German invasion of Poland. This degree of coordination was not even matched between Great Britain and its Empire; the Dominion of Canada, for example, waited until the 10th of September to join forces against the Nazis.⁵⁶

The defeat of France, especially after such a short period of fighting, came as a shock to practically everyone. Stalin had anticipated a long, drawn-out conflict between the “bourgeois” states of Western Europe that would leave the whole continent weakened and ripe for a westward surge of Bolshevism. The United States had planned to continue lending and trading with Great Britain and France, and was caught off-guard when the primary buffer between the Nazis and the Atlantic was eliminated. Even Hitler himself was surprised at the success of the Wehrmacht, which would lead him to believe in its invincibility and would inform the disastrous Operation Barbarossa in 1941.⁵⁷

The primary concern of Pétain in capitulating to the invading forces and signing the Armistice was to protect France from “Polonisation” – the razing of major cities and the devastation of the entire population. The hero of the Battle of Verdun in 1916, Pétain was celebrated for his strategy of minimising casualties, a tendency that had only

56 This was an important difference from 1914, when the British declaration of war against Germany automatically implicated Canada in the war. It should also be noted that while the British and French declarations of war against Germany were indeed coordinated, there was in fact a difference of several hours between the British and French declarations.

57 For more on the reactions of Stalin and Roosevelt, see primary documents referred to in Chapter 2 of my thesis, particularly pp. 73-74.

increased during the interwar period. Having seen the carnage of the protracted trench warfare of the First World War, and the devastating effects it had on France, he had no desire to put France through a Second such conflict.⁵⁸ In this light, Pétain would later defend himself, saying “if I could no longer be [France's] sword, I wanted to remain [her] shield”.⁵⁹ Of course Germany would take full advantage of the situation, dictating the terms of the Armistice, which was signed in the very railway car in Compiègne where German representatives signed the Armistice of 11 November 1918.

The Armistice of 1940: Its Effects on Cross-Channel Relations

The generalities of the Fall of France in June 1940 are well-known. Less familiar, however, is the impact of these events on France’s relations with its hitherto closest economic, political and military ally. With a stroke of his pen, Pétain agreed to break off relations with France’s single most important trading partner as a condition of ceasing the hostilities between France and Germany. Thus in terms of the economic history of Western Europe, 22 June 1940 is a turning point.

It would not be long, however, before France started to try to gain exceptions to the imposed cessation of trade with Britain. . The rupture of Franco-British trade also

58 Pétain was often noted for these qualities. According to Campbell, the British ambassador to France until the end of the Third Republic, when Pétain became leader, he “was entirely absorbed with one thought and one only – that of putting an end to further bloodshed and remaining himself in France in the hope of mitigating the sufferings of the people under German occupation”. Quoted in Baxter, *op. cit.*, 94.

59 This famous defense by Pétain was first articulated in an address from August 1944: “Si je ne pouvais plus être votre épée, j'ai voulu rester votre bouclier”, quoted in Paxton, *op. cit.*, 333.

extended to the empires of both,⁶⁰ effectively forbidding trade even between Pondicherry and Tamil Nadu.⁶¹ Recognising the degree of dependence of some of its colonies on their British-held neighbours, France made repeated pleas to Germany to rescind the absolute nature of the embargo. In particular, France wanted Canada and South Africa to be exempt from the embargo so that trade and investments could be maintained. In Canada, for instance, France was particularly concerned over its significant investments in the Canadian Pacific Railway and the *Crédit foncier franco-canadien*. In the latter, for example, France had invested over 500 million francs and feared that, if France were to seize British assets in its colonies, as stipulated in the Armistice, then Great Britain would follow suit with French assets in the Commonwealth.⁶²

Interestingly, one of the only other cases in which France pled for an exception to the embargo was its funding of Collège Stanislas in Montreal. The original Collège Stanislas in Paris was one of the most prestigious private schools in France, counting among its alumni Alphonse XII of Spain, Anatole France and Charles de Gaulle. France founded a second location in Montreal in 1938, hoping to strengthen ties with French Canada. Before June 1940, France had promised to send one million francs to the

60 “Armistice Agreement between the German High Command of the Armed Forces and French Plenipotentiaries, Compiègne, June 22, 1940” in *The Avalon Project: Documents in Law, History and Diplomacy*, Lillian Goldman Law Library, Yale Law School, <http://avalon.law.yale.edu/wwii/frgearm.asp> (2008).

61 This is one of several examples of a French colony entirely surrounded by and dependent on British colonies.

62 “Relations économiques avec l’Angleterre et l’Empire britannique – Situation au 13 novembre 1940” and “Note pour M. Hemmen – 6 août 1940 – N. 1586/DE”, Record Group AJ41 170, Archives nationales, Paris.

institute, but had only delivered 561,000 before the Armistice was signed. Despite being predominantly francophone, Quebec, by virtue of its being part of Canada, was part of the British Commonwealth and therefore subject to the embargo. France insisted that if it were to not honour its financial promises and pay the remaining 439,000 francs, the image of France in French Canada would change from being benevolent to uninterested, and would push Quebec further under British influence. Perhaps most interesting in this document, written in November 1941, is the way in which de Boisanger of the French delegation for Economic Affairs adopts the Nazis' racial and nationalist rhetoric. France must not punish the "ethnic French" (*Français de race*) living under the British yoke and project an image of the "disinterest of their homeland". Just as Nazi Germany had presented itself as the protector of all ethnic Germans living under non-German regimes, France is using the same strategy against Germany to obtain derogation from the embargo.⁶³ Interestingly, the Collège Stanislas counted future Quebec premier Jacques Parizeau among its students at this time.⁶⁴ As an aside, it would be interesting to study the possible influence of France's support of this school on his formation and the consequent course of Québécois and Canadian history.

Despite such minor exceptions sought by France, the embargo between France and Great Britain effectively halted trade between the two countries. The coal that Great

63 Yves de Boisanger, "Relations commerciales et financières avec l'Angleterre et autres pays en guerre avec l'Axe – Délégation française pour les affaires économiques, N. P1280/DE, Paris, le 26 novembre 1941", Record Group AJ41 170, Archives nationales, Paris.

64 See the first volume of Pierre Duchesne's exhaustive *Jacques Parizeau* (Montréal: Editions Québec Amérique, 2001), especially pages 35-36. I refer here to M. Parizeau's controversial and at times ambiguous use of *le nous*, generally referring to francophone *Québécois de souche*.

Britain had routinely exported to France no longer had access to that market, and was consequently sent instead to other parts of the Empire. More importantly, however, domestic consumption of coal soared as a result of the war effort and the total mobilisation of the British economy to that end. For imports, Britain came to depend increasingly on its transatlantic allies, especially the United States, who would further fuel the British wartime economy with its Lend and Lease program. As we shall see, this intensification of Anglo-American relations would endure well beyond the end of the Second World War.⁶⁵

The disruption in Franco-British trade was paradigm-shifting. Before the outbreak of the Second World War, 23% of all French imports came from Great Britain and 15% of French exports went to Great Britain. The British Empire was crucial to the French economy: 99% of jute imported to France came from British India, while 75% of its wool came from the British Empire in general. The French would rightly point out that they could not supply Germany with its requested quotas without access to these markets, or to equivalent ones. Not surprisingly, the most important British commodity for France was coal. Although France was a world leader in industry, its domestic supply of coal was entirely insufficient to fuel its modern economy. More than a third of British exports to France were comprised of this single commodity. Western France and, to a lesser degree, Paris were almost entirely dependent on British coal imports.⁶⁶

⁶⁵ See Stamp, *op. cit.*

⁶⁶ "Note au sujet des relations financières et commerciales entre la France et ses colonies d'une part, l'empire britannique, l'Egypte, les Colonies néerlandaises et belges, d'autre part", 31 juillet 1940, Record Group AJ41 170, Archives nationales, Paris.

On the 21st of July 1940, all British assets in both metropolitan France and the French Empire were blocked, as stipulated in the Armistice. The closest of pre-war partners only days before, all trade between France and Great Britain effectively screeched to a halt. This did not extend to all of Britain's dominions; Canada and South Africa, for instance, maintained assets in France, much to the displeasure of the Nazis. France argued that if its own very considerable assets were frozen in the Dominions, it would be disastrous for the French economy and, in a bid to gain German support, that France would consequently be unable to fulfil Germany's requisitions. Moreover, Canada and South Africa had only negligible credits in France, whereas France had invested heavily in them. Similarly, France insisted that it be allowed to continue to trade with Egypt, as the latter was a vital source of cotton – an especially important commodity since France was responsible for producing German uniforms. While metropolitan France agreed to cease trade with Britain, it insisted that certain French colonies, such as Syria, Lebanon, and its Pacific colonies, would be economically devastated if denied economic relations with neighbouring British colonies. Others, namely the French settlements in India, New Caledonia and Saint-Pierre and Miquelon, would be virtually without resources. French colonies such as Réunion, Madagascar, Guyana and the Antilles would also be subject to tremendous and unnecessary hardships. Many of these arguments, however, fell on deaf German ears, since the Nazis considered metropolitan France and its colonies as an inseparable whole (*Gesamtheit*).⁶⁷

67 "Séance de la Sous-Commission Finances et Banque du 23 juillet – 16h", Record Group AJ41 170, Archives nationales, Paris.

Insofar as its trade with Britain is concerned, France was most affected by the very sudden and very marked reduction in coal and tar. On the 11th of December 1940, less than six months after the Armistice was signed and as winter was descending on France, the French Ministry of Foreign Affairs wrote to the *général d'Armée ministre secrétaire à la guerre* imploring Germany to allow France some exceptions from the embargo. In 1937, France imported 600,000 tonnes of tar, the majority of which, namely 357,000 tonnes, came from Great Britain. That same year, Germany exported only 71,000 tonnes to France, equal to approximately 12% of its annual imports. With the sudden embargo imposed between France and Great Britain, the former was desperate to find a new source of tar. For France, tar was essential, since it could be used to stick together bits of coal that would remain otherwise unusable. France sought an arrangement with the resource-rich Soviet Union, but by the end of 1940 any delivery from the Russians remained aleatory, German resources were being directed towards the war in the Balkans and British goods remained inaccessible. Despite French attempts to receive authorisation to resume an exceptional importation of tar from Great Britain, trade between Great Britain and the Continent would remain static.⁶⁸

68 "Délégation économique, N.10027/DE – Le Président de la Délégation française pour les affaires économiques à M. le Général d'armée Huntziger – objet : Achat de brai en Grande-Bretagne", 19 décembre 1940, Record Group AJ41 170, Archives nationales, Paris.

The Long Shadow of June 1940: Lasting Consequences on *post bellum* Franco-British Relations

The economic rupture between France and Great Britain would endure well into the post-war period. In 1945, Britain's coal industry lacked both skilled manpower and equipment, casualties of a long and intense military engagement. Whilst continental Europe was eager to exchange raw materials and agricultural products for coal, Britain was barely able to meet domestic demand. "In the very severe winter of 1946-1947 the British froze in their homes and offices, factories went on short time, no outdoor display lighting was allowed, and precious dollars were spent on imports of coals – with a 200 years' supply waiting to be mined".⁶⁹ France, which remained the single largest importer of British coal throughout the entire interwar period, was left with an unsatiated hunger for coal. Whereas France had imported 6.15 million long tons of British coal in 1938, in 1946 its imports had dropped to a mere 0.75 million long tons, and was now only the second-largest importer of British coal, after Ireland.⁷⁰ While the drought of British coal in France between 1940 and 1944 was due to the embargo imposed with the Armistice, surprisingly little changed in the post-war period. Unable to meet domestic demand, let alone resume its role as a global supplier of fossil fuel, Great Britain failed to reinstitute its pre-war carbon-trading relationship with France after 1945. No longer able to rely on steady imports of coal from Great Britain, France was forced to look

69 Stamp, *op. cit.*, 192

70 *Ibid.*, 190

elsewhere for the coal it needed to fuel its post-war economy, most notably its steel industry.

The economic rupture between Great Britain and France was accompanied by a similarly notable break in international relations. Even before the French signed the Armistice, feelings of animosity had begun to emerge between the two allies. On the 18th of May 1940, eight days after Germany attacked neutral Belgium and the Netherlands and only three days after the Germans had succeeded in penetrating the French front, the British army withdrew the majority of its forces from the continent to concentrate on home defence. By May 18th, only three RAF squadrons were left in France. Even before this British retreat, their presence on the Western Front was conspicuously slight: despite the Franco-British agreement to concentrate on the Franco-German border as the primary battleground of the conflict, the French had more than ten times the number of divisions stationed there than the British. Indeed, neutral Belgium had twice the number of divisions on the Front than did Great Britain – that is, before the British began to recall their troops to the British Isles on May 18th, thus reducing the British presence even further.⁷¹ The purpose of this sketch is not to present Great Britain as in any way responsible for the Fall of France, but rather to demonstrate how Britain's comparatively low level of commitment in the first month of action on the Western Front could be, and indeed was, perceived negatively by the French.

Resentment was high in France after its defeat, and Britain was an easy target. Throughout the interwar period, Britain had opposed French attempts to occupy the coal-

71 P.M.H. Bell, *A Certain Eventuality: Britain and the Fall of France* (Farnborough: Saxon House, 1974), 13-27, especially 20.

rich regions of western Germany (notably the Ruhr in January 1923) in an attempt to strengthen Germany and thereby maintain a balance of powers on the continent rather than a French hegemony. Some memories reached back even further. While the figure of Joan of Arc had been seen as a national symbol before 1939, in 1940 she was revived as a symbol of French martyrdom at the hands of British cruelty.⁷² She would figure prominently in anti-British propaganda throughout the war, especially during the Allied bombings of Rouen, the city in which Joan of Arc was executed, which devastated the city's famous cathedral. One recurrent image of Vichy propaganda was a crying Joan of Arc, with the Rouen cathedral in ruins behind her, accompanied by the caption “the guilty always come back to the scene of the crime”.⁷³

While it is hard to judge how effective appeals to legendary martyrdoms were in fuelling anti-British sentiment, there were other sources of such feelings. Winston Churchill provided ample reasons to resent Britain, perhaps most controversially with the British bombing of the French fleet in the Mediterranean. Although the Armistice treaty stipulated that the French fleet would not be used by the Nazis and that the ships would be disarmed,⁷⁴ Britain doubted whether that promise would be kept – after all, Hitler had a fairly one-sided track record when it came to honouring international treaties. On the

72 See Gerd Krumeich's interesting article, “The Cult of Joan of Arc under the Vichy Regime” in *Collaboration in France: Politics and Culture during the Nazi Occupation, 1940-1944*, Gerhard Hirschfeld and Patrick Marsh, eds. (New York: St. Martin's Press, 1989).

73 See Dominique Rossignol's excellent study of wartime propaganda, *Histoire de la propagande en France de 1940 à 1944: l'utopie Pétain* (Paris : Presses universitaires de France, 1991).

74 “Armistice Agreement between the German High Command of the Armed Forces and French Plenipotentiaries, Compiègne, June 22, 1940”, *op.cit.*

23rd of June, the day after the Armistice was signed, Churchill proclaimed that “in no circumstances must we run the mortal risk of allowing these [French] ships to fall into the hands of the enemy. Rather than that, we should have to fight and sink them”.⁷⁵ While mere hours earlier French ships had been seen as allied vessels, they were suddenly seen as a potentially decisive tool in the Nazis’ war against Britain. The British response was to attack the French fleet stationed in Mers el-Kebir, near Oran, Algeria, which was still a *département* of France at the time. The British offensive cost the lives of 1, 297 French soldiers in the first Franco-British battle since Waterloo, although the two countries were still formally allies.⁷⁶ The French were shocked by this strategy – after having done seemingly little on the Western Front, the RAF now mobilised to destroy France’s own navy. It would take years before the French viewed Britain with trusting eyes again. De Gaulle’s popularity in domestic France was shockingly low for the first years of the war, since he was seen as indistinguishable from the British Army, waging war against the French Empire.⁷⁷

75 Churchill quoted by P.M.H. Bell in *France and Britain 1940-1994: The Long Separation* (London: Longman, 1997), 14.

76 Jean-Pierre Azéma et Olivier Wieviorka, *Vichy, 1940-1944* (Paris : Perrin, 2004), 41.

77 “Synthèse des rapports des préfets de la zone occupée – Novembre 1941” and “Service des Rapports mensuels et des tournées administrative – Ministère de l’Intérieur – Décembre 1941”, Record Group AJ72 257, Archives nationales, Paris. It must be noted that according to the French administration’s evaluations of French public opinion, while anti-British sentiment remained high, this did not automatically lead to a widespread increase in the popularity or even the acceptability of the German presence in France.

For its part, Great Britain blamed France for its own defeat, the result of chaotic domestic politics and poor military strategy.⁷⁸ Having lost confidence in its European allies and with Stalin still honouring the Molotov-Ribbentrop Pact of August 1939, Great Britain looked to the West for assistance. The emergence of a strong Anglo-American relationship as a result of the Fall of France has already been elucidated by David Reynolds. Reynolds has written extensively on this theme, and has called 1940 “The Fulcrum of the Twentieth Century”,⁷⁹ in large part because it forced Great Britain to rely to a far greater extent on the United States, which forged the persisting Anglo-American alliance that continues to exist, albeit informally, today. Reynolds has not, however, elaborated the rupture between France and Great Britain and the effects of this on European integration. The reorientation of Great Britain towards America, however, is crucial in the evolution of its relations with Europe in the post-war era.

This Anglo-American alliance would become entrenched in the wartime period and would endure for decades, even after peace was restored on the European continent. The Franco-British rupture would similarly endure, with British prejudices of French disorganisation and incompetence persisting.⁸⁰ Britain’s break from Europe for the Atlantic shaped France’s policy, especially concerning European integration. Charles de Gaulle, who started his political career as being virtually indistinguishable from Great

78 Indeed, many French, starting with Marc Bloch in his classic *L'Etrange défaite*, written during the summer of 1940, held the poor performance of political and military leaders responsible for the “strange defeat” of June 1940.

79 David Reynolds, “1940: Fulcrum of the Twentieth Century?”, *op.cit.*

80 For similar charges of French disorganization and incompetence by the British in the postwar era, see P.M.H. Bell, *France and Britain 1940-1994: The Long Separation*, 71-75.

Britain for the French,⁸¹ would be one of the most Anglophobic French presidents of the century. He famously declared Great Britain to be the “Trojan Horse of America” and repeatedly vetoed Britain’s attempts to belatedly join the European Community in the 1960s. Only in 1973, three years after de Gaulle’s death, did Britain finally join “Europe”, once French President Georges Pompidou approved their application. In many ways, its distinct nature remains today – from its governments’ opposition to joining the Schengen Area and the Eurozone to the widespread Euroscepticism of the British population.⁸² Indeed, in both Continental Europe and Great Britain, it is not uncommon for people to use “Europe” to refer exclusively to Continental Europe.

The Britain of the postwar era was less linked to France (and linked more to America) than the one that signed the insignificant “Declaration of Franco-British Union” in 1940, mere days before the orientations of both France and Great Britain would be altered forever. Although the Anglo-American “Special Relationship” has weakened since the 1970s and Great Britain has become more involved in European integration, the rupture of June 1940 has lasted well beyond the end of the Second World War.

This estrangement between the two initial Allies of the Second World War could not simply be repaired in August 1944, when General de Gaulle became leader of a newly liberated France. Many French colonies, from Senegal and Madagascar to Syria and, most importantly, Algeria, were attacked throughout the war by British and Allied

81 See note 39

82 For a thorough study of Euroscepticism among British politicians, see Anthony Forster, *Euroscepticism in Contemporary British Politics* (London: Routledge, 2002).

troops working with de Gaulle. Depending on the journalist reporting these developments, the attacks were either imperialist British incursions into French territory or the inspiring *reconquête* of the French Empire by the legitimate Free France, aided by Allied troops.⁸³ On May 31st 1945, however, British troops seized Beirut, which was still part of the French Empire. This was particularly shocking, given that the leader of France was no longer a French collaborator or a German administrator, but the Général de Gaulle, alongside whom so many British soldiers had fought during the war. Moreover, hostilities had officially concluded in the European and Mediterranean theatres of the war. De Gaulle, who saw himself as having reconquered France through its Empire, saw its colonies as the key to re-establishing France to its rightful position in the world and as an expression of France's *grandeur*. He did not let the loss of the Levant go lightly. On the 4th of June, he announced to Britain that "we are not in a position to open hostilities against you... But you have insulted France and betrayed the West. This cannot be forgiven".⁸⁴ It would be one of many contributing factors that made the distance across the Channel seem even greater in the post-war period and no doubt manifested itself in de Gaulle's vetoes of Great Britain's applications to join the Common Market.

83 For an interesting juxtaposition of these types of press clippings, see the AJ72 607 file at the Archives nationales, Paris.

84 Quoted in Bell, *op. cit.*, 76.

Continental Drift: The Estrangement of Great Britain and France after Liberation

When the Allied victory and the ultimate defeat of the Third Reich were announced on 8 May 1945, the general euphoria in Great Britain and France accompanying the end of the war detracted from the economic situation of Europe. Great Britain, cut off from its European trade partners, had increased trade significantly with the United States during the war. The balance of trade was remarkably one-sided, however. For exactly one year, between France's signing of the Armistice and the actualisation of the Reich's colossal Operation Barbarossa, Britain, along with its Empire and some of its Commonwealth countries, notably Canada and Australia, remained the only country at war with Hitler's Germany. With the British economy and society in "total war" mode, it abandoned the austere approach to trade that had characterised its economy of the 1930s. All British industry was dedicated, in some respect, to the war effort. Money, food and other supplies were hungrily imported from the United States, which quickly established the "Lend-Lease" programme, which encouraged ever-greater consumption of American goods. This pattern of reliance on American goods would endure well after VE Day.

After the war, Britain found itself in immense debt to the United States and with an all-but depleted workforce. As we have seen, Britain's famous coal industry stalled for want of machinery and labour. Having weathered an exhausting six years of total war, the British economy was in shambles. Throughout the war, Britain had relied extensively on its Empire as a source for troops and goods, and the defence of shipping routes between the metropolis and her colonies was deemed more important than the

defence of the Continent. After the war, Britain remained dependent on her Empire as the foundation of her status as a great power. In the first study of the notion of the “superpowers” that had emerged after the war, William T. Fox identifies not two, but three superpowers: “The United States of America, Great Britain and the Soviet Union are the Big Three in war as they will be in peace”.⁸⁵ While he recognises the military and industrial strength of the United States and the Soviet Union, he notes that the source of Great Britain's importance is its “far-flung bases” and that without her Empire and the support of her Dominions, “she could hardly claim to be more than a regional European power of the same order of importance as the larger states across the Channel”.⁸⁶

Britain's economy was marked by two profound changes in 1945. First, the election of Clement Attlee and the Labour Party (which won a majority of seats for the first time ever) brought with it the genesis of the British welfare state. While the British military continued to fight in the Pacific, Churchill left 10 Downing Street, along with his wartime approach to the economy.

The second major change in Britain's approach to the economy was essentially a return to the protectionist measures that were characteristic of the Depression era. Great Britain sought to minimise its imports, especially of luxury goods, and focus on exports. This austere approach stifled the growth of the welfare state. Paradoxically, the British remained on rations until 1951 - hardly characteristic of the welfare state model.

⁸⁵ William T. Fox, *The Super-Powers* (New York: Harcourt, Brace and co., 1944), 12.

⁸⁶ *Ibid.*, 19 and 56.

These economic hardships translated into strained relations, both diplomatic and commercial, between France and Great Britain. Indeed, the immediate post-war period, from 1945 until 1958, has been dubbed the «*mésentente commerciale*» between the two countries by Robert Frank.⁸⁷ An illustrative example of this era concerns France's food situation. In December 1945, France's stocks of wheat and flour were practically depleted and in desperation turned to the British, requesting 100 000 tons of British wheat. Britain, struggling with a food crisis itself, refused. In February 1946, the Minister of Food announced that nothing would be sent to France, and accused the French of being imprudent (or incompetent) with their food rationing. To add insult to injury, Britain sent thousands of tons of wheat to British-occupied Germany to stave off starvation there. France could hardly understand why the British would value the well-being of Germans over their cross-Channel neighbours and allies.⁸⁸

These feelings of anti-British resentment were exacerbated by the Soviet Union's proposal to give France 500 000 tons of wheat. The Socialists and Christian Democrats in France eagerly accepted, but sought a greatly inferior but highly symbolic shipment from Great Britain, to show that the English still cared about the French and to limit the boost the Soviet shipment would give to the French Communist Party. The British remained inflexible.⁸⁹

87 Robert Frank, "France-Grande-Bretagne: la *mésentente commerciale* (1945-1958)", in *Relations internationales*, n. 55, automne 1988, 323-339.

88 Bell, *op.cit.*, 75

89 *Ibid.*

This ordeal had disastrous consequences on both sides of the Channel. In Britain, the French appeared as weak, incompetent and susceptible to the “Red Menace”. The French, meanwhile, hardly appreciated being berated by the British on how they ought to run their own affairs [rationing system] and were bewildered by the fact that the British would send tons of wheat to feed Germans and not French.⁹⁰

While food was a major source of tension, coal was perhaps an even more valuable commodity, since it would fuel the French efforts at reconstruction and modernisation after years of occupation. As we have seen, British coal output was drastically reduced, and would remain far lower than during the century preceding Germany’s invasion of Poland. Yet in 1945, Britain acquired one of the richest territories in coal in Europe – the Rhineland, including the Ruhr. France kept pressing for Britain to divert some of the coal from this region to stimulate French industry. These demands were made all the more desperate by the political situation in France after the war. With widespread homelessness, hunger and unemployment, and with the Soviet Union emerging as the victor of the war which had occupied Berlin and defeated Nazism for good, Communism was an increasingly attractive option. In the November 1946 elections, the first of the Fourth Republic, the French Communist Party was the single largest party in the National Assembly, although it was unable to engineer a governing coalition.⁹¹ If the impressive offer of half a million tons of wheat from the Soviet Union gave French republicans cause to worry, there was widespread panic over

⁹⁰ *Ibid.*

⁹¹ For a negative description of this situation, see the text of Gaullist Prime Minister, Michel Debré (co-written by Jean-Louis Debré), *Le Gaullisme* (Paris: Plon, 1978), 96.

the potential effects of a shortage of coal, which would not only effectively stall reconstruction, but would also deprive the French of heat, light and transportation, and would thereby open the way for a Communist takeover.

Indeed, this fear was so acute that French Prime Minister Léon Blum, who had formerly led France in the Popular Front of 1936 and was later imprisoned by the Nazis as a Jew and a Socialist, wrote a desperate letter to British Prime Minister Clement Attlee at the end of 1946. “The fate of democracy and socialism in France”, he wrote, depended on “France receiving one or two million extra tons of coal per month... only a fraction of British production or that of the Ruhr”.⁹² The British, however, could be of no help. With domestic coal supplies hardly secured, Britain could do little to satisfy Blum’s request.

While politics certainly played a large role in cross-Channel trade, so too did Britain’s economic strategy of austerity. While France tried to increase its exports to Britain in order to gain much needed capital, Britain had revived its pre-war strategy of limiting imports to bare essentials, targeting luxury goods in particular. Paradoxically, while France’s recovery hinged on exporting more to Britain, Britain’s hinged on importing less from France. Similarly, while France was willing to accept increased inflation in order to modernise its industries, Britain did all that it could to avoid higher inflation. While both national strategies made perfect sense in their respective contexts, they were utterly incompatible with one another, and would undermine the realisation of

⁹² Bell , *op.cit.*, 79.

any significant (economic) rapprochement between the two countries in the years following the war.

The More Things Change: Continuities in British Foreign Policy through the Twentieth Century

Although there was a rupture in Franco-British relations in 1940 – indeed, one that resulted in a *de facto* Franco-British War, the first since the Napoleonic Wars – we must not focus unduly on the radical changes at the expense of the significant continuities that transcended the wartime period.

First, let us consider Britain's protectionism, even isolationism, perceived from the time of France's capitulation. Was this a new phenomenon? Was Foreign Minister Lord Halifax' famous statement, "We are all glorious isolationists now", in June 1940, indicative of a breaking point, as Reynolds has suggested? Or is it rather an evolution of a much older British attitude to international affairs? To assess the impact of this policy, we must consider Britain's actions in the interwar period to determine whether Britain's isolationist turn was a radical change or merely the continuation of its previous politics.

As we have seen, protectionism was the predominant reaction to the onset of the Great Depression. Both imports and exports decreased sharply – by 30 per cent and 41 per cent, respectively, for Great Britain between 1929 and 1932.⁹³ In response to this, the British government decided that, from 21 September 1931, the pound sterling would no longer be convertible. By the following April, the British currency had lost nearly a

93 René Girault and Robert Frank, *Turbulente Europe et nouveaux mondes, 1914-1941* (Paris : Payot, 2004), 287.

third of its value, in the hopes of increasing British exports (and reducing imports). Britain's unilateral devaluation of its currency was imitated by 25 other countries, at once spreading the disruption and making an international solution less likely.⁹⁴ The British doctrine of free trade, dominant since the mid-nineteenth century, quickly gave way to protectionist measures.

The Ottawa Conference of July-August 1932 is crucial in assessing Britain's economic attitude of the time. It was at this meeting of representatives from the Commonwealth that the leaders agreed that the gold standard system had failed and that it was not worth trying to return to it. To replace it and the global free trade system, they favoured "Imperial Free Trade", or the creation of a "Pound Sterling Bloc". In essence, it was agreed that there would be only minimal tariffs for trade within the Commonwealth, in the hopes that this would encourage intra-imperial commerce and be mutually beneficial for all members. Conversely, tariffs would remain discouragingly high with the rest of the world. This economic consolidation of the Empire suggests Britain's priorities in the interwar period, as it valued trade with and the economic well-being of its Empire rather than Europe.⁹⁵

The British made no secret of these trade preferences. At the London Economic Conference on June 1933, Great Britain made it clear that its priorities were protecting its national economy and protecting its Empire. Only once these interests were assured

94 *Ibid.*

95 *Ibid.*

could a more global (or European) approach be considered.⁹⁶ Accordingly, with the weakening of the British national economy compared to that of the United States and with the shrinking of the once-mighty British Empire, Europe became an increasingly important priority for Whitehall.

The 1930s were marked by an unprecedented surge of nationalism, especially noticeable in economics. The crisis was seen in respective countries as an “external” problem, an economic illness that had spread from Wall Street to the other side of the Atlantic. By seeking an international reaction and promoting more economic openness, they believed, they would be leaving themselves vulnerable to subsequent waves of this economic epidemic. The resulting strategy was to restrict trade with one’s neighbours, which inevitably led to diplomatic strains within Europe, at a time when tensions were already high, and would continue to escalate after Hitler’s ascent to power.⁹⁷

This isolationist theme was by no means a new one for Britain. Indeed, the term “splendid isolation” was coined by Canadian Finance Minister George Eulas Foster in the Canadian Parliament in 1896, when he praised Great Britain as “stand[ing] splendidly isolated in Europe”.⁹⁸ Britain did ultimately enter into a formal alliance with Japan in 1902 and, despite remaining aloof until the second half of 1914, finally joined the French and the Russians in the Great War, but only after Germany had violated

96 *Ibid.*, 292

97 *Ibid.*, 360

98 At the time, the remark referred particularly to Britain's abstention from any of the complex multi-party treaties, such as the *Dreikaiserbund*, in which all the other European powers were involved. The connotations of the term would evolve over the twentieth century, however.

Belgium's neutrality. The post-war period, however, can be seen as a return to the late-nineteenth century policy of isolationism, and would recur throughout the twentieth century as characteristic of Britain's foreign policy.⁹⁹

The remilitarisation of the Rhineland on the 7th of March 1936 caused a considerable degree of tension between France and Great Britain. According to the Treaty of Versailles, Germany was forbidden to amass a military presence in this territory, which remained part of Germany.¹⁰⁰ The Locarno Treaty of 1925, confirming that the Rhineland would remain demilitarised permanently, had been negotiated and signed willingly by Gustav Stresemann, the German Foreign Minister.¹⁰¹ France recognised remilitarisation of the Rhineland as a threat to European peace and wanted to take action against Germany, but its financial situation at the time – this was the worst period of the Depression for France – made full mobilisation of its army impossible. It could only make a show of force with British help – but Britain was entirely uninterested in provoking the Reich militarily. As the Secretary of the Committee of Imperial Defence, Colonel Pownall, stated at the time, “I don't see why our country should enter into a war because somebody occupied its own territory”.¹⁰² This would be a point of resentment for the French against the English for years to come, as this early sign of

99 While Great Britain would not remain entirely isolated from European affairs – it did, after all, decide to declare war against Germany in reaction to the latter's invasion of Poland – Britain would maintain its distance from the European integration project, preferring to foster its Special Relationship with the United States.

100 “28 June, 1919: The Peace Treaty of Versailles”, Brigham Young University, <http://net.lib.byu.edu/~rdh7/wwi/versailles.html>, (March 26, 2001).

101 Pierre Milza, *Les relations internationales de 1918 à 1939* (Paris : Armand Colin, 2006), 71-3.

102 Girault and Frank, *op.cit.*, 361.

indifference towards increasing German military aggression encouraged Hitler to pursue his expansionist programme in Central Europe.

This was typical of British policy of the interwar, wartime, and postwar period. The defence review completed in 1938 outlined Britain's priorities, and its continental commitment was ranked dead last. Britain's primary concern was the defence of the United Kingdom itself, followed by the defence of trade routes and imperial lines of communication, and then defence of the British Empire.¹⁰³ For the British, defending Rhodesia was more important than defending France.

Great Britain's Victory Syndrome: An obstacle to European Integration?

One fundamental difference between Great Britain's experience during the war and those of its Continental counterparts, with the exception of the Soviet Union, is that British nationalism was fuelled by the outcome of the war. Britain had been the lone defender of democracy and justice, while its Eastern neighbours had crumbled before the totalitarian threat. Britain fought Hitler alone and in so doing saved Europe, and indeed European civilisation, from otherwise certain extinction.¹⁰⁴ So goes the nationalist memory of Britain's "finest hour". This is in stark contrast to the experiences on the Continent. In Germany and Austria, nationalism had led to the ruin of their country and even loss of sovereignty as the victors divided and occupied their national territory. In

103 Glyn Stone, "Yvon Delbos and Anthony Eden: Anglo-French Cooperation, 1936-1938" in *Anglo-French Relations since the Late Nineteenth Century*, Glyn Stone and T.G. Otte, eds. (London: Routledge, 2008), 179.

104 See David Reynolds, *Britannia Overruled: British Policy and World Power in the 20th Century* (Harlow, Essex: Pearson, 2000), especially chapter 6, 137-162.

Central and Eastern Europe, the celebrations of liberation by the “Allied” powers soon gave way to the quashing of national aspirations and of political and personal liberties as the Eastern half of Europe fell under the domination of Stalin’s imperialist Soviet Union. In France, the disgrace of having capitulated to Germany, especially after it was so palpably proven that the Reich was not invincible, was compounded by internal divisions. The Vichy régime had been championed by nationalists, who saw a negotiated peace with Germany and the subsequent *Révolution nationale* (or, as Pétain preferred, *Rénovation nationale*).¹⁰⁵ Collaboration, however, was broadly supported from across the political spectrum: the Left supported negotiated peace to prevent a war between workers of different nationalities, while the far Right perceived ideological affinities with the Nazi regime.¹⁰⁶ The Resistance had been led by an uneasy coalition of conservative nationalists, Charles de Gaulle first among them, and anti-nationalist Communists. Predictably, neither example of an opportunistic *union sacrée* survived for long – while opposition to Vichy grew steadily over the course of the war, especially after 1942, the Resistance fell apart quickly after the Liberation of 1944. The divisions within France characterised the whole of the Fourth Republic, and the threat of civil war hung over France for the decade and a half following the German surrender.

This fundamental difference of nationalist attitudes between Great Britain and the rest of Europe helps explain why they diverged in the post-war period concerning the European project. For France, the Low Countries, Italy and Germany, rampant

105 Paxton, *op. cit.*, provides a fascinating examination of the *Révolution nationale*, 137-224.

106 See Pascal Ory, *Les collaborateurs, 1940-1945* (Paris: Seuil, 1976).

nationalism had led to widespread destruction, death, economic ruin, which left nationalism weak and discredited in the post-war era, even if the nation-state remained the standard political unit. Surrendering a limited amount of sovereignty in order to resurrect Western Europe and to assure peace in the region – the primary concern of practically everyone at the time – was consequently attractive. For Great Britain, however, the plan had very little to offer. As one of the three “superpowers”¹⁰⁷ that had realised the reconquest of Europe and helped design the new international architecture of the post-war period, Britain saw any notion of surrendering any of its sovereignty as absurd. Nationalist sentiment had seen Britain through the war and had helped the country emerge as a superpower, although in reality its power and international clout was weaker than it had been in centuries, and would continue to decline. Nevertheless, while the revolutions on the Continent had led to a certain distancing from nationalism, Britain’s nationalism was strengthened by the war, buoyed by the discourse of Britain alone having resisted Hitler and not surrendered, and that the liberation of Western Europe would have been unthinkable without the strategic position of the United Kingdom. In this context, the prospect of handing over sovereignty, especially to those countries against which British nationalist rhetoric had been geared for a decade or more, simply did not resonate. Britain fully supported the integration of the Western Continent (most of the time), but did not seek to participate directly. The traditional policy of

107 See William T. Fox, *op.cit.*

“splendid isolationism” was reiterated by Churchill’s comment on Britain’s approach to European integration: “We are *with* them, but not *of* them”.¹⁰⁸

Conclusion

In guise of a conclusion, we must ask how the events of the Second World War affected the European project, especially regarding Britain’s role in European integration. We can now safely dismiss the simplified notion that the Declaration of Franco-British Union was in any way indicative of London’s desire to be the keystone of a post-national Europe, since the document was in fact little more than a Machiavellian ruse to gain control of the French navy for self-interested and nationalist ends.

As we have just seen, three were undoubtedly important continuities in British policies between the pre-war and post-war periods. Protectionism and isolationism recurred in Britain’s policies during the twilight of the Belle Epoque, in the midst of the Great Depression, in the throes of total war, and in the rubble of the post-war era. Similarly, British nationalism survived the war remarkably intact, having avoided defeat at any stage in the war. Its priorities remained firmly on home defence and relations with its Empire, itself a source of national pride as well as wealth. At the Ottawa Conference, Great Britain made it clear that the only internal market in which it was interested was its Commonwealth and not Europe – its sticking to this strategy in the

108 Quoted in Pierre Hassner and John Roper, “Les relations avec les superpuissances est-ouest et ouest-est” in *Les politiques étrangères de la France et de la Grande-Bretagne depuis 1945: L’inévitable ajustement*, Françoise De la Serre et al., eds. (Paris : Presses de la Fondation nationale des sciences politiques et Berg, 1990), 25.

post-war era was one of de Gaulle's primary objections to Britain's application to the EEC.¹⁰⁹ Only with the disintegration of the British Empire in the decades following the war did Britain reorient itself towards Europe. Despite these continuities, however, the relationship between Great Britain and France, and with Europe more broadly, was fundamentally different in the post-war period, because things had changed so profoundly on the Continent. The juxtaposition of nineteenth-century British attitudes with the post-war policies on the Continent precluded any possibility of a *status quo ante bellum*.

Although Britain conserved some of its pre-war policies, its relations with France underwent profound changes that stemmed from the turning point of June 1940. Economically, their close partnership founded on British coal exports to France ended with the Armistice, and would never be revived to pre-war levels. This left France with no alternative but to seek new partners that could provide it with the fuel required to revive its industries. A newly neutralised Germany, along with the coal-rich Low Countries, were the natural places to look. As we will see in the next chapter, other developments stemming from the Armistice would push France along this path.

With Britain's repeated attacks against the French Empire throughout the war, France's hold on its colonies was weakened irreparably. It lost control of Syria and Lebanon in 1946, largely due to British involvement, and its colonies in Africa and Asia would emancipate themselves over the following two decades. In this context, France

109 On the impossibility of belonging to both the Commonwealth and Europe, see Simon Serfaty, *France, De Gaulle and Europe* (Baltimore: Johns Hopkins UP, 1968), 55-56.

sought new sources for its *grandeur*, which had hitherto been assured by its empire. France's nuclear programme and, more importantly, its use of the European Economic Community as a *chambre d'écho* for its own policies were used to this end. These policies were meant to rival not only American but also British influence. Indeed, the increase of Britain's interest in the European Community corresponds to its own period of decolonisation that began with the independence of India in 1947 and would be practically complete by the time it joined the Community in 1972. The Great Britain of 1945 saw itself as a global, and not just a European power, and sought to pursue its interests by means of its Empire, at the time constituting roughly one quarter of the world in both area and population. After the Suez crisis of 1956 and in the context of the decades-long process of decolonisation, however, Great Britain would have to re-evaluate its decision to abstain from the establishment of the Common Market in Europe. Britain's first genuine attempt to join the EEC, in 1963, reflected an awareness that Great Britain was in decline, no longer the global power it had been the previous century.¹¹⁰ Yet Britain would remain a reluctant member of the Community, entertaining the Common Market as a parallel strategy to its Special Relationship with the United States and a broader Atlanticist programme. Britain's self-image as a great power has continued to inform its European policy, notably with its refusal to abandon the pound sterling in favour of the common currency.¹¹¹

110 See "British Decline and European Integration" by Marie-Therese Fay and Elizabeth Meehan in *Rethinking British Decline*, Richard English and Michael Kenny, eds. (New York: St. Martin's Press, 2000), especially 210-211.

111 For a particularly Eurosceptic opinion on this issue, see current Mayor of London Boris Johnson's article "Would you share your currency with this lot?" in *The Daily Telegraph*, February 13 2003.

While Franco-British relations underwent rapid and fundamental changes during the war, their greatest influence was initiating a new era of economic and geopolitical relations between France and Germany. With Great Britain reoriented away from Europe and towards the United States, France was left to turn from the Channel to the Rhine and forge its future, and the future of Europe, with Germany.

CHAPTER TWO

The Origins of European Integration: Franco-German Relations, 1940-1944

Having examined the evolution of Franco-British economic and diplomatic relations from the interwar period to the postwar construction of the European project, we may now consider the relationship that in many ways would define western Europe in the twentieth century, namely the Franco-German. In this chapter, we will briefly examine the nature of Franco-German relations in the interwar period, especially after Hitler's rise to power in January 1933. The central part of this chapter will focus on the nature of French economic and political relations with Germany during the war, particularly between June 1940, when the Franco-German Armistice was signed, and the fall of 1944, when German troops permanently withdrew from French territory. We will then conclude what lasting effects of this period can be observed concerning the European integration process.

Eye of the Hurricane: The Interwar Period in Germany

The economic and political situation in Germany immediately following the First World War was chaotic. In early 1918, the Reich had expanded its territory to a size unseen in Europe since Napoleon's Grande Armée more than a century earlier; by March 1918, Berlin not only controlled Brussels, Lille and Luxembourg in the West, but its

eastern territories now included the distant cities of Kiev, Odessa, Minsk, Tallinn and Rostov. Within a year, the German Reich itself would cease to exist and its western territories of Alsace-Lorraine and Eupen-Malmédy would be ceded to victorious France and Belgium, respectively, while its newly acquired lands to the east would be used to create new states, notably Poland, which had not known statehood since the Third Partition of 1795. Such a rapid and complete reversal of fortunes was incomprehensible to many Germans, and extremist parties would exploit this in the decades that followed.¹¹²

With the collapse of the German Reich, revolution spread across Germany, with Bavaria even being declared a Soviet Republic, albeit a short-lived one.¹¹³ The Treaty of Versailles, signed 28 June 1919, imposed harsh economic burdens on the country, although in practice the worst of these conditions were never enforced and the negative effects of the treaty were ultimately minimal. Not only did Germany lose some of its most industrialised territories (such as Alsace-Lorraine, Saarland and the coal-rich regions in present-day Poland) and the vast areas won from Russia with the Treaty of Brest-Litovsk, but the reparations and limits imposed on its economy would fuel resentment and facilitate the rise of extremist parties.

¹¹² In *Mein Kampf*, Hitler describes how his “lectures” on the Treaties of Brest-Litovsk and Versailles developed his abilities as a persuasive orator. Notably, he “contrasted the two peace treaties, compared them point for point, showed the actual boundless humanity of the one treaty [Brest-Litovsk] compared to the inhuman cruelty of the second [Versailles]”. See the Ralph Mannheim translation (Boston: Houghton Mifflin, 1943), 468.

¹¹³ For more on the Bavarian Socialist Republic, see Richard Grunberger’s *Red Rising in Bavaria* (London: Barker, 1973).

Predictably, the economic and political implications of the so-called *Diktat* imposed on Germany at Versailles did not bode well for Franco-German relations. The French strategy at the Paris Peace Conference had been to crush Germany to an extent whereby it would be unable to recover economically and militarily to again pose a threat to France. For France, the victory in 1918 was the culmination of the *revanchisme* that characterised the Third Republic, itself declared during the Franco-Prussian War in which the armies of the emerging state of Germany occupied Paris and wrenched Alsace-Lorraine from France. In keeping with this strategy of preventing a German resurgence, France maintained control of Saarland, an important industrial centre with rich coal deposits, until the protectorate opted to rejoin Germany in a 1935 referendum.¹¹⁴ It should be noted, however, that France's desire for revenge was tempered by the British strategy to re-establish a rough equilibrium on the European continent, thereby preventing a French hegemony in the region, and by Woodrow Wilson's push for the creation of a League of Nations in which the vanquished powers would participate.¹¹⁵

With the advent of the Great Depression in 1929, countries overwhelmingly resorted to protectionist measures. Initially seeing the economic crisis as an external threat emanating from Wall Street, protectionist measures were favoured as a means of limiting the threat of contagion from foreign markets. Moreover, in this pre-

¹¹⁴ See Frank Russell, *The Saar: Battleground and Pawn* (Stanford: Stanford UP, 1951).

¹¹⁵ For the dynamics of these negotiations, see Margaret Macmillan, *Paris 1919* (New York: Random House, 2003), especially 194-203.

macroeconomic era, countries adopted unilateral strategies with the intention of improving domestic conditions. In France, this exacerbated the nationalist and anti-German sentiments already strong within the country. In 1931, Germany and Austria proposed creating a customs union in an effort to salvage their crumbling economies. France, however, vetoed the agreement, fearing it represented a resurgence of German imperialism and would amount to an economic Anschluss of the two countries. The deal failed, as did the respective economies of Germany and Austria.¹¹⁶ Ironically, the worsening economic conditions in Germany would be a key factor in the Nazis' rise to power, and they would in turn effect a political, and not merely an economic, Anschluss with Austria in 1938.

Relations between the Third Reich and the Third Republic

Both the effects of the Depression and the increasing tensions between the fascist and democratic states impacted cross-Rhine trade in the decade preceding the war. Both imports and exports decreased dramatically, especially between 1931 and 1936, during which time the value of French imports from Germany decreased from 6,142 million francs to 1,774 million francs, while the value of exports to Germany fell from 2,749 million francs to a mere 667 million.¹¹⁷ Imports from Germany thus decreased to 29% of their 1931 levels by 1936, and exports to Germany fell even more sharply to 24% in the

¹¹⁶ See Pierre Milza, *Les relations internationales de 1918 à 1939* (Paris : Armand Collin, 2006), 125.

¹¹⁷ Alfred Sauvy, *op.cit.*, 564-565.

same period. Much of this can be attributed to the economic situation in the mid-1930s. As seen in the previous chapter, the worst effects of the Depression struck France rather belatedly, in 1934, which would explain the severe decrease in its trade with its neighbours.¹¹⁸ In Germany, meanwhile, the economy was stronger than it had ever been since the end of the Second Reich. After having suffered from inflation and scarcity throughout the 1920s and early 1930s, the economy began to recover from 1932-33 onwards. From 1933 to 1935, the percentage of GDP growth due to private consumption went from 45.9% to 37.1%, a dramatic volte-face over a twenty-four months period.¹¹⁹

Although Germany's economic recovery in the 1930s is generally attributed to the Nazis' accession to power, it has been argued that the policies implemented by the National Socialist government may not have been decisive for this recovery. Just as there was a strong recovery in the Weimar Republic after the severe slump of 1925, there are signs that the recovery had already started on the eve of Hitler's rise to power.¹²⁰ Indeed, many of the policies that would have the most decisive impacts on the German recovery were implemented in 1932, but their positive effects would only be seen after the change of government in January 1933.

While Germany's economy was in the ascendant, its trade with the other large economy on the Continent was nevertheless declining at a conspicuous rate over the same period. This aspect of the economy was almost certainly due to the National

¹¹⁸ For more on France during the Depression, see Chapter 1 of this thesis, especially page 32.

¹¹⁹ Adam Tooze, *op. cit.*, 63.

¹²⁰ *Ibid.*, 64.

Socialist attitude towards international trade. Eschewing the liberalism preached by Great Britain and France, and which many believed had led to the global depression, Germany preferred to create trading blocs with its eastern neighbours. There was nothing radical about this approach – only fifteen years before the Nazis came to power most of these territories were under the control of either the German or the Habsburg emperors. It was therefore a widely held view among those on the political right that reconstituting the lost empire – even if only in the limited form of cartels - was the best strategy out of the depression. The great expanse of lands to the east of Germany had long been the object of German aggression in central Europe. Germany had sought to incorporate these areas for generations, and while Wilhelm II had realised this goal for a period of months in 1918, politicians as disparate as Gustav Stresemann and Adolf Hitler refused to accept the eastern border imposed on Germany at Versailles, keeping alive the dream of an expansive *Lebensraum* in central Europe.¹²¹

Another factor that affected Germany's imports and exports was its refusal to devalue to Reichsmark. In 1931, the United States unilaterally devalued their dollar, while Great Britain devalued the pound sterling by 33% and abandoned the gold standard.¹²² Germany refused to follow suit, in large part because memories of the rampant inflation of the 1920s had led to an aversion to such measures. By maintaining

¹²¹ On Stresemann, see Mark Mazower, *Hitler's Empire*, 38. Stresemann had supported both westward and eastward expansion of the German Reich in the First World War, and saw Germany's entry into the League of Nations and rapprochement with France as a means of renegotiating Germany's eastern border.

¹²² René Girault and Robert Frank, *op.cit.*, 287.

the Reichsmark at a comparatively high level, Germany would inevitably discourage exports, especially in an international economic climate dominated by currency devaluation. On the other hand, a strong Reichsmark eased the payment of reparations and debts, since these were payable in US dollars, which had now depreciated significantly, and facilitated imports.¹²³ Given this state of affairs, one might assume that German exports would decline drastically, while imports would increase. Yet this was not the case with France, where exports to Germany in 1936 were less than a quarter of what they had been only five years earlier.¹²⁴ This is further evidence that Germany's focus remained to its east, to the lands that, many hoped, would serve as the breadbasket for a revived Germany. Indeed, in the 1930s, Germany established systems of clearing accounts and ran up trade deficits with the countries of Southeast Europe, such as Bulgaria, Yugoslavia and Greece.¹²⁵ Germany would replicate this pattern in France from 1940 onwards.

Considering the period between 1931 and 1936, it can be concluded that Franco-German trade declined drastically, a situation compatible with the increasingly tense climate of relations between the European powers at the time. It would be tempting to extrapolate that these economic trends continued until the eve of the war, thus projecting a linear and steady decline of trade between the two increasingly antagonistic nations. But this was not the case. Startlingly, perhaps, both imports and exports shot up in 1937,

¹²³ Adam Tooze, *op.cit.*, 41.

¹²⁴ Alfred Sauvy, *op.cit.*, 564-565.

¹²⁵ Mark Mazower, *Dark Continent*, 129.

with imports from Germany doubling between 1936 and 1937 and exports to Germany increasing by 235% over the same twelve-month period.¹²⁶ This surge was not sustained, however; trade would again begin to decline and by 1939 it was approximately a third lower than in 1937. But this means that in 1939, the last third of which France and Germany were at war, the levels of trade were considerably higher than they had been in 1936. What is the explanation for this resurgence in Franco-German trade, even as the two powers headed inevitably closer to war?

One consideration that must be remembered is the territorial changes that occurred at the end of the 1930s. On the 12th of March 1938, Hitler effected the *Anschluss*, or union, of Austria and Germany. Despite France's success in thwarting an economic union between the two countries in 1931, it was unable to prevent the absorption of Austria into the expanding Reich. Later that year, France and Great Britain agreed to Hitler's annexation of the Sudeten region of Czechoslovakia with the infamous Munich Accord. This agreement, dated the 29th of September 1938, enabled Hitler to incorporate one of the wealthiest regions of Czechoslovakia into the Reich, ostensibly to protect the German minority there.¹²⁷ Neville Chamberlain's statement that the agreement would ensure "peace for our time" proved to be tragically naïf; less than a year later, the bloodiest war in human history would be underway.

¹²⁶ Alfred Sauvy, *op.cit.*, 564-565

¹²⁷ Pierre Milza, *op.cit.*, 198-204.

Economically, these territorial changes meant that Germany was no longer contained to the borders drawn up at the Paris Peace Conference, but now also included some of the wealthiest regions of the defunct Habsburg Empire. Total imports to and exports from Germany in the year 1939 would therefore also include Austria and Czechoslovakia.¹²⁸ It would be reasonable to assume, therefore, that Franco-German trade might increase as the German state, and market, expanded. This is only partially true, however. Exports to Germany did increase by a third from 1937 to 1938, but then fell by nearly half between 1938 and 1939. Moreover, there was a slight decrease in imports from Germany from 1937 to 1938, despite the fact that for most of this period Germany included an entire other country, namely Austria. This is therefore indicative of an even greater decline in Franco-German trade after 1937, since the combined trade of Germany, Austria and much of Czechoslovakia with France was less than that between France and Germany two years earlier. Territorial increases therefore cannot be the reason for the surge in Franco-German trade witnessed in 1937. As Germany acquired more territory (by increasingly aggressive means), effectively expanding its agricultural and industrial output and enlarging its markets, trade with France actually decreased. The decisive increase in trade was from 1936, the low point of trade between the two countries, and 1937. After 1937, bilateral trade would again decrease – even more markedly than the records suggest, given the growing size of the German market in the years preceding the war. The cause of this revival of trade in 1937 must be found elsewhere.

¹²⁸ Sauvy's figures take these territorial changes into account.

The Accords of July 1937: Precursor to the European Coal and Steel Community?

The decisive initiative responsible for this late resurgence in Franco-German trade was likely the signing of the accords of July 1937 between the two countries. Between the 1st of August 1935 and the 10th of July 1937, there was no trade agreement between France and Germany,¹²⁹ which undoubtedly contributed to the decline in trade that we have identified, the low-point of which occurred in 1936, the precise midpoint of the period without a trade agreement. The agreements made in July 1937 bear a striking resemblance to certain post-war initiatives, namely the Economic Coal and Steel Community. Both agreements were essentially attempts at Franco-German rapprochement and were based on the exchange of two materials traditionally considered to be essential for war: coal and steel. Common to both pacts was also the constructivist presumption, or at least the hope, that such economic collaboration would lead to increased political cooperation, thereby ensuring peace between the two nations. History has shown us that at least one of these attempts failed to prevent such a conflict.

Relations between France and Germany were increasingly tense after the rise to power of Hitler in early 1933 and the end of the liberal Weimar Republic. In 1934, France refused to engage in further bilateral negotiations with Germany over military

¹²⁹ See “New Franco-German Trade Treaty” in *The Times*, July 12 1937, London, 11.

issues in response to the latter's rearmament programme.¹³⁰ That same year, the Depression began in earnest in France, which had managed to avoid the worst of its effects until then. In 1935, the Franco-Soviet Pact was negotiated, which led to Germany feeling surrounded and fearing the prospect of another two-front war.¹³¹ The remilitarisation of the Rhineland by Germany in March 1936 strained Franco-German relations nearly to the breaking point. The French were vehemently opposed to Germany's actions, which essentially jeopardised peace in Europe, and at that time Germany would have been entirely unable to defend the Rhineland from a French offensive. The financial crisis affecting France in late 1935-early 1936, however, precluded a costly military intervention, as did Britain's reluctance to start a war over the issue, although the crisis increased tension between the two continental countries.¹³² This crisis, coupled with the economic and financial situation in France in 1936, explains the low-point in bilateral trade.

It was hoped in 1937 that these tensions could be resolved through a mutually beneficial economic pact that would also serve to bolster the recovering economies. During the negotiations, the leaders of both the French and German delegations, M. Alphand and Herr Brinkmann, respectively, stated that they believed the agreement would improve not only bilateral economic relations, but also the international situation

¹³⁰ Adam Tooze, *op.cit.*, 59.

¹³¹ Although this pact was negotiated in 1935, the Prime Minister at the time, Pierre Laval, did not put forth the act to be ratified by the French Parliament. See Pierre Milza, *op.cit.*, 165.

¹³² On the Rhineland crisis, see Pierre Milza, *op.cit.*

more broadly. The agreement hinged on the exchange of French iron ore for German coke. They agreed on levels of 601 000 tonnes of iron ore from France in exchange for 175 000 tonnes of coke each month, with the possibility of France buying an additional 80 000 tonnes of coke on a month-by-month basis.¹³³ The strategic value of these materials is evident. Coke is a useful fuel and is used in the smelting of iron ore, which is itself a key ingredient of steel, used for tanks, guns, and other weapons of war. The political implications of this agreement are crucial: if Germany was willing to fuel French industry and France was willing to supply a Germany that had based its economy on rearmament with copious amounts of iron ore, it would be easy to assume that neither country foresaw an imminent war with the other. Indeed, the French and German negotiators explicitly said as much.¹³⁴ Indeed, the level of trust implicit in the arrangement is startling, especially given the tensions of the preceding year. This same logic, that peace could be maintained through the exchange of the materials essential to war, would be reiterated in the post-war period to legitimate the ECSC as the keystone of European peace.

Curiously, the bilateral agreement did not prevent an overall decrease in French imports from Germany in 1938. German exports destined for France decreased by 48% by the end of 1938, and trade between the two countries would decline dramatically in

¹³³ Raymond Poidevin, «Vers une reliance des relations économiques franco-allemandes en 1938-1939» in *Péripéties franco-allemandes : Recueil d'articles* (Bern : Peter Lang SA, 1995), 261.

¹³⁴ *Ibid.*

1939.¹³⁵ Shockingly, the French economy simply could not consume the amounts of coke to which it had committed in July 1937; in February 1939, the governments agreed to reduce the monthly shipments to France from 175 000 tonnes to a mere 70 000 tonnes. Further issues complicated the economic agreement: the French argued that there was too great a disparity between German and global prices of goods, which encouraged France to import from other markets; they also asserted that Germany's economic focus remained on south-east Europe, which prevented it from taking full advantage of the possibilities opened up by the July 1937 deal with France. For its part, Germany found the agreement too restrictive for exporting goods to France, particularly due to France's insistence on such technicalities as the *Appellation d'origine contrôlée*, which remains a sensitive issue for French importers to this day.¹³⁶

Ultimately, the prototypical Franco-German agreement on the trade of coke and iron ore failed. Contrary to the intentions of its architects, bilateral trade decreased, as did political and diplomatic cooperation. Although French exports to Germany did increase slightly in 1938 compared to 1937, there was a sharp decline the following year. The agreement was ultimately the victim of Hitler's outright aggression in invading Czechoslovakia in early 1939, which made it perfectly clear that the diplomatic approach had failed and that another war between France and Germany was inevitable. The 1930s was also a time of economic nationalism, and by 1937 both France and Germany had learned to function with a high level of self-sufficiency. Both still needed imports, but

¹³⁵ Alfred Sauvy, *op.cit.*, pp. 564-565.

¹³⁶ Raymond Poidevin, *op.cit.*, 270.

the French and German coal and steel industries were largely independent of each other and competed rather than cooperated. With its steady supply of British coal, France could afford to reduce imports from and exports to Germany as the latter became increasingly bellicose. These industries would be increasingly integrated during the war, however, in the context of the economy of the New Europe, which would in turn facilitate their postwar integration and the creation of the ECSC. Another reason for the deal's failure was that France, suffering from an economic low-point in 1937, simply could not consume the amounts of coal to which it had agreed. While the postwar consumer society would eradicate this problem, at least until the end of the *Trente Glorieuses* in 1973, it prevented France from consuming German coal in 1937.

It is nonetheless important to note France's willingness to collaborate economically and politically with Germany until only a matter of months before the invasion of Poland. This was likely more than mere appeasement; it appears that France truly believed that a sustainable economic and political relationship between Nazi Germany and the Third Republic was possible.¹³⁷ Despite the best intentions of French diplomats and economic negotiators, however, Europe drifted unavoidably towards another conflict that would take the lives of millions.

The End of Appeasement and the Fall of France

¹³⁷ *Ibid.*, 272.

France remained very reluctant to return to war two decades after the Treaty of Versailles had concluded the previous one. Despite the contributions and sacrifices of the Allies in the First World War, France emerged as the great victor. All the battles on the Western Front took place on French and Belgian soil and the ultimate victory was seen as vindication for the loss of the Franco-Prussian war half a century earlier. France also suffered the most significant losses of all the countries engaged on the Western Front. The postwar period was consequently characterised by strong currents of pacifism. Memorials to those lost in the Great War tended to avoid glorification of their deaths, expressing rather recognition of the senselessness of the massive and mechanised loss of human life. “*Jamais encore ça*” was engraved not only on countless memorials, but also in the minds of a generation of French politicians.

It was in this context that France declared war against Germany, hours after Britain’s comparable declaration on 3 September 1939, two days after Germany’s invasion of Poland. France feared another long “battle of inches” that would consume another generation of young men. This strategy was most palpably demonstrated with the Maginot Line, a purportedly impenetrable defensive wall that was to protect France from any German invasion. Placing their faith in this defensive strategy, the French waited for the German offensive.

Such was the situation when France embarked on the *drôle de guerre* that would last until the 10th of May, when Germany opened the Western Front by invading the Low Countries and France. The offensive appears to have come as a surprise to both France and Great Britain. On the eve of the invasion, the French ambassador in Rome relayed a

message to President Reynaud summarising a meeting between the English ambassador in Rome and Count Ciano, Mussolini's Minister of Foreign Affairs. The interlocutors agreed that the real war had yet to start and that they were still in the preliminary phase of a longer conflict. And this preliminary phase, Ciano jibed, didn't seem to be going very well for the Allies. Nevertheless, Italy assured Britain that it did not foresee matters changing significantly anytime soon. The following morning would see the first battles of the Western Front, which would certainly mark the end of the "preliminary phase" observed by Ciano and the Allied ambassadors.¹³⁸ If the preliminary phase had not gone well for France, the subsequent phase was catastrophic.

The Fall of France came as a shock to everyone. On the 5th of June 1940, President Reynaud called U.S. President Roosevelt asking for military assistance. In his plea for support, Reynaud assured his American homologue that "the destiny of this country, of democracy and of freedom in this world will be decided in the next four weeks".¹³⁹ Less than three weeks later France would sign the Armistice with Germany, marking the end of hostilities between Western countries on the European Continent. The United States would respond by intensifying its contacts with Great Britain for the following 18 months, before finally joining the war in December 1941. Churchill was surprised when Reynaud contacted him frantically in June, requesting permission to

¹³⁸ "Rome, 9 May 1940, 18h25", document n. 266, Series 2862-2867, Ministère des affaires étrangères, Paris.

¹³⁹ "Message téléphonique de M. Paul Reynaud au Président Roosevelt", 5 juin 1940, document n. 364, Ministère des affaires étrangères, Paris.

negotiate a peace with Germany.¹⁴⁰ Ever the shrewd realist, he began planning accordingly, withdrawing British troops from the continent and trying to convince France to send as much of its navy to British ports as possible. While these measures made the French defeat even more certain, they may also have protected Britain from a naval invasion, thereby making the D-Day attacks in Normandy in June 1944 possible. Stalin, meanwhile, was as worried as his future allies in the West; he had been hedging his bets on a long, drawn-out repeat of the First World War which would deplete the Western Powers while the Soviet Union completed its rearmament. Speaking with the French ambassador in Moscow, Soviet Foreign Minister Molotov made it clear that “Stalin would fear nothing more than an over-hasty German victory that would leave the USSR face-to-face with an insufficiently exhausted Reich”.¹⁴¹ With France overtaken and Great Britain expected to negotiate a peace imminently, Hitler would be free to conquer the *Lebensraum* in Eastern Europe at the expense of National Socialism’s existential opponent, Bolshevism.

The French decision to seek a negotiated peace with Germany was motivated by several factors. Chief among them was the desire to avoid a repetition of the extended and fruitless bloodshed that dominated the fields of northern France during the Great War. This position was entrenched with the appointment of Maréchal Philippe Pétain as President of France the evening of the 16th of June 1940. The “Hero of Verdun” was

¹⁴⁰ Christopher Baxter , “A Very Fine Clerk: Sir Ronald Campbell and the Fall of France, May-June 1940” in Glyn Stone and T.G. Otte, *op.cit.*, 192.

¹⁴¹ “Note de la direction politique – Attitude URSS. Représentation diplomatique française à Moscou”, 26 mai 1940, document n. 323, Ministère des affaires étrangères, Paris.

known for his minimisation of casualties in the First World War, and this aversion to bloodshed had only become more developed in the interwar period. The pacifism of the 1920s and 1930s continued to characterise French attitudes at the dawn of the 1940s; even the Socialists, who would later trace their wartime involvement to the Resistance, embraced pacifism in the early stages of the war and favoured a negotiated peace in 1940 to avoid French and German workers killing each other for imperialist and bourgeois interests.¹⁴²

This pacifism was compounded by the belief that this war would be very short. Given the speed with which the Wehrmacht had conquered Poland, Denmark, Norway, Luxembourg, Belgium, the Netherlands, and now France, few on the Continent doubted that Britain would agree to a negotiated peace with Germany that would effectively end the hostilities. This was coupled with a belief that the Nazis would impose their own international order on Europe, just as the Allies had done with the Treaty of Versailles. In order to avoid terms as harsh as those they had imposed on a vulnerable Germany following the end of the First World War, France sought to cooperate as much as possible. By agreeing to a mutually beneficial peace rather than fighting to the death, it was believed, France would avoid the dreaded “Polonisation” and secure itself a favourable position in the New Order established by the Nazis.¹⁴³

¹⁴² See Paxton, *op.cit.*, 48.

¹⁴³ See chapter 1, especially page 34.

A further reason for collaboration was the fear that internal instability would provide fertile ground for a communist revolution, as had been the case following the defeat of Hungary and Bavaria at the end of the Great War, where Soviet Republics, albeit short-lived ones, emerged. This was particularly strong among those on the political Right, who had vehemently opposed the Popular Front led by Léon Blum in 1936, fearing it would lead to unleash outright Bolshevism in France.¹⁴⁴ Taken together, these conditions provided a convincing case for negotiating with Germany rather than accepting the alternative, namely exile to North Africa or England to carry on indeterminate guerrilla warfare on the French mainland.

Most literature on the French economy during the Second World War, from Sauvy to Milward to Arnoult,¹⁴⁵ focuses overwhelmingly on the exploitation of French capital and resources by the German forces. Indeed, in both relative and absolute terms, the period 1940-1944 was devastating for the French economy. Germany imposed “occupation levies” on the northern and western parts of France that would remain under direct German control until the summer of 1944. These levies were supposed to pay for the upkeep of German troops during the occupation. This was a standard practice in military occupation; Prussian forces imposed a similar charge on France when they

¹⁴⁴ For fear of revolution and communism in France in 1940 as motivation for collaboration, see Pascal Ory, *Les collaborateurs 1940-1945* (Paris, Seuil, 1976).

¹⁴⁵ These are among the keystones of the economic history of France during the Second World War. See Alfred Sauvy's *La vie économique des Français de 1939 à 1945* (Paris : Flammarion, 1978); Alan Milward's *The New Order and the French Economy* (Oxford : Oxford UP, 1970); and Pierre Arnoult's *Les finances de la France et l'occupation allemande (1940-1944)* (Paris : Presses universitaires de France, 1951).

occupied Paris in 1871. In 1940, however, the burden was significantly greater. Not only was the amount fixed unilaterally by the Germans at an artificially high rate – 20 million Reichsmarks per day - but Germany also set the conversion rate between the franc and the Reichsmark, at the apparently capricious rate of 1:20. The French coffers were consequently depleted over the course of the war – economic historian Alan Milward has calculated that France paid Germany 169 per cent of the whole of its income from taxation over the period 1940-1944.¹⁴⁶

From as early as August 1940, less than two months after the signature of the Armistice, the Banque de France called an emergency meeting to discuss the implications of the occupation levies. According to the Governor of the Banque de France, the amount would total nearly 150 billion francs per annum. By means of comparison, the total amount of French exports annually was a mere 25 billion francs. He warned that the French would inevitably suffer a profound decline in living standards and suggested that the whole economic structure of France would be endangered.¹⁴⁷

In addition to these levies, Germany benefitted economically from the results of its racial policies. The “Aryanisation” of Jewish-owned capital and property meant that millions of francs were seized and transferred directly to Germany. Reprehensibly, the Vichy Regime enforced measures even more anti-Semitic than anything seen under the fascist dictatorships of Mussolini or Franco. Evaluations of the fate of the Jews in

¹⁴⁶ Alan Milward, *New Order and the French Economy* (Oxford: Oxford UP, 1970), 272.

¹⁴⁷ “Concours de la Banque au règlement des frais d’occupation – exposé par M. le Gouverneur”, 24 août 1940, Archives de la Banque de France, Paris.

France, or other exiles who had fled to France from fascism in Germany, Poland and Spain cannot be reduced to the purely economic, but must rather be recognised as morally condemnable.¹⁴⁸

After the Fall: Exploitation and Collaboration

An economic analysis of France during the Vichy period shows that the propensity to characterise the Franco-German relationship at this time as a purely one-sided exploitation, whether issued from Gaullist ministries or respected academics, is misleading. In reality, this period saw the laying of the very foundations of the postwar cooperation between the two continental powers. There was no denying that France had been defeated militarily. In June 1940, the question was what kind of peace the French might expect at the hands of the Nazis. Maréchal Pétain and his government repeatedly reached out to Germany, proposing collaboration in the true sense of the word, seeking a partnership, albeit a reluctantly unequal one, rather than the victors merely plundering the vanquished.

On 11 October 1940, Maréchal Pétain addressed France over the radio: “Certainly, following its victory over our armies, Germany can choose between a

¹⁴⁸ On Aryanisation of Jewish property in France, see Richard Kuisel’s article, “Vichy et les origines de la planification économique (1940-1946)” in *Le mouvement social*, No. 98 (Jan.-Mar. 1977), 77-101.

traditional peace of oppressions and an altogether new peace based on collaboration...”¹⁴⁹

It was clear which option France preferred, and it organised its relations with Germany accordingly in the hope of achieving the latter. Germany, however, was not immediately convinced of the advantages of abandoning the exploitative strategy originally envisioned for France.

It was to this end that the Economic Delegation to the Germany Armistice Commission was created on 4 July 1940. Based in Wiesbaden, it would serve as the link between Vichy and Berlin. The president of the Commission, Johannes Hans-Richard Hemmen, saw that the initial strategy of pillage was slowly abandoned; instead, it was replaced with negotiations with the Vichy government which would yield even greater concessions from France than those provided in the Armistice. Hemmen agreed to give Vichy more control over French industry in the whole country, including the Occupied Zone. In exchange, Germany would gain access to resources in the non-occupied zone run by Vichy.¹⁵⁰

The “*négociation d’ensemble*” sought by France was seen as a means to achieve three objectives, which categorised Vichy’s actions vis-à-vis Germany until 1944: the weakening, and ultimately the removal, of the demarcation line between the occupied and non-occupied zones (although Germany would accomplish this on its own terms in

¹⁴⁹ Michel Margairaz, *L’Etat, les finances et l’économie. Histoire d’une conversion 1932-1952* (Paris : Comité pour l’histoire économique et financière de la France, 1989), 526.

¹⁵⁰ *Ibid.*, 528-9

1942, by occupying the hitherto non-occupied southern zone)¹⁵¹; the release of the French POWs captured before the signing of the Armistice; and the adjustment of the occupation fees, which remained a crushing burden to France.¹⁵²

Given the situation, what can we conclude about the peace chosen by Germany? With reference to the dichotomy proposed by Pétain in his 11 October 1940 address, did the Nazis choose a “traditional peace of exploitation”, or a new peace based on collaboration? Despite the best efforts of Vichy, the Germans did not engage in the “*négociation d’ensemble*” that would have ensured a more equal partnership between the two continental powers. But this does not, however, mean that they engaged in any sort of “traditional” peace, nor that the arrangement was purely exploitative. Pétain’s rhetorical device is a false dichotomy, and the Nazis, perhaps typically, opted for a “third way”. Much of the scholarship on the French economy during the war has opted to present Germany’s dealings with France as a simple “traditional peace of exploitation”, but this obscures the unique features of the complex Franco-German relationship during the war.

The Fuel of Rapprochement: Coal Industries in France, 1940-1944

¹⁵¹ “Secrétariat Etat à la guerre Etat-Major de l’Armée – Objet : contrôle douanier à la ligne de démarcation – N.1658/EMA3E”, 3 décembre 1940, Record Group AJ41 74, Archives nationales de France, Paris.

¹⁵² For the motivations for collaboration, see Paxton, *op.cit.*

Given the importance of coal in post-war European integration, we must consider the role that coal played in Franco-German economic relations during the war in order to determine its lasting effects on the continental economy. Before the war, France was the number one importer of coal on the European continent; during the period 1936-8, it imported 7.5 million tonnes of coal annually from Great Britain.¹⁵³ As we have seen, the Armistice implemented an embargo between France and Great Britain, effectively severing France's supply of coal from Britain. In order for France's industries to continue to run, it had to look to other sources for coal.

The situation was complicated by the division of France into five zones following its capitulation. The northernmost department, Nord-Pas-de-Calais, was fused with Wallonia and was controlled from Brussels. Wallonia itself was detached from Flanders, according to Hitler's desire to redraw the borders of Europe according to ethnic boundaries; he similarly divided the Czechs from the Slovaks and dissolved Yugoslavia into its constituent nationalities, half a century before remarkably similar changes to the map of Europe would be made. In keeping with this ethnic reorganisation of Europe, Alsace and Lorraine were annexed by Germany; the Third Reich thereby reclaimed the first provinces won by the Second Reich. The rest of France was divided into the northern occupied zone and the southern zone, which would be run by Vichy. A final, fifth zone consisted of a thin strip of the French Riviera, reluctantly handed over to Mussolini, who declared war against France only after Germany's victory was all but certain.

¹⁵³ Margairaz, *op.cit.*, 604.

What impact did this redistribution of French territory have on the country's coal production? Most importantly for France, the coal-rich provinces of Alsace and Lorraine no longer counted as French territory; just as they had been from 1871 until 1918, the long-disputed provinces became an integral part of the German Reich. This deprived France of a source of coal which could have gone a long way in compensating for the loss of imports from Britain. This is the aspect of the annexation on which most economic historians of France focus, which is presented as yet another injustice committed by Germany which resulted in the weakening of the French economy. What is ignored, however, is that the integration of France's most important coal- and steel-producing regions into the centralised German economy would have lasting implications for cross-Rhine cooperation in these industries.

In March 1941, a French government report calculated that France was receiving approximately 1,500,000 tons of coal per month. Before the war, however, it had received a monthly average of 3,850,000 tons – in other words, France was now operating with less than 40% of the amount of coal it had enjoyed two years earlier. The government identified two measures that had to be taken in order to procure more coal: it had to increase domestic production of the commodity and it had to increase its coal imports.¹⁵⁴ With the loss of access to the British market and to control over Alsatian coal mines, the intensification of the coal industry in other parts of France, which had hitherto been content to receive coal from other parts of France or Europe, became

¹⁵⁴ "Note sur le ravitaillement de la France en charbon - 15236", 14 mars 1941, Record Group AJ41 168, Archives nationales de France, Paris.

essential. The southern zone, ruled from Vichy, stepped up its coal production so that, by the summer of 1941, its production was 40% higher than it had been before the war.¹⁵⁵ Meanwhile, the government redoubled its efforts to secure coal from beyond France's borders. In November of that year, the French government requested a monthly shipment of 200,000 tons of coal from Germany; hardly a great request, they argued, given that German coal mines purportedly produced one million tons per day.¹⁵⁶ By April 1942, France was receiving 200,000 tons of coal, but only one-tenth of this came from Germany: while 20,000 tons were sent from Germany, the remaining 180,000 tons came from Belgium.¹⁵⁷ In the context of the wartime economy, however, these amounts remained insufficient. That same month, the Ministry of Industrial Production reported that the steel and chemical industries were chronically short of coal, which consequently decelerated the rhythm at which German industrial orders could be fulfilled. To ensure proper functioning of French steel industries, for example, an additional 40,000 tons of coal would be required each month.¹⁵⁸

These reports reveal the *idée fixe* of the French government for the duration of the war: from the summer of 1940 onwards, France insisted that in order for its industries to continue working, and to provide for both soldiers and civilians in Germany, it would

¹⁵⁵ Margairaz, *op. cit.*, 605.

¹⁵⁶ "Extraits du compte-rendu N.1348/DE de la réunion du 21 novembre 1941 à 16h", Record Group AJ41 168, Archives nationales de France, Paris.

¹⁵⁷ "Compte rendu d'un entretien du 24 avril 1942 avec M. Thibaut, Répartiteur du charbon", Record Group AJ41 168, Archives nationales de France, Paris.

¹⁵⁸ "Ministère de la production industrielle – secrétariat général à l'énergie – N.2203/SGE", le 30 avril 1942, Record Group AJ41 168, Archives nationales de France, Paris.

require more German coal. Wanting to avoid domestic shortages and in the midst of increased production in preparation for the ill-fated fighting on the Eastern Front, Germany was reluctant to provide France with any coal from Germany itself. Since it controlled virtually the entire continent, however, Germany was able to find coal for France. The Reich initially authorised shipments of up to 150 000 tonnes per month from Belgium to France.¹⁵⁹ This amount proved to be insufficient for France, however, and it would spend the next four years trying to extract more coal, either from Germany directly or from other territories under German control. By August 1942, France and Belgium had agreed to exchange French agricultural goods for an additional 110,000 tonnes of Belgian coal each month. When France failed to deliver the sufficient quantity of wheat and fats, however, Belgium threatened to cease all coal deliveries. The French protested, stating that such a move would be disastrous for the French economy, and were particularly concerned for their electricity and beet industries.¹⁶⁰ One lasting effect of the German occupation of France and Belgium is that it forced the two countries' coal industries to cooperate more closely than ever before. The administrative fusion of the *départements* of Nord-Pas-du-Calais with Belgium also likely exacerbated this evolution. France would continue to import large quantities of coal from Belgium in the post-war period, and both would be founding members of the European Coal and Steel Community in 1951.

¹⁵⁹ "Allemagne – échanges commerciaux, produits divers – N.9234/DE", le 8 décembre 1940, Record Group AJ41 102, Archives nationales de France, Paris.

¹⁶⁰ "Compte-rendu de la réunion de liaison du 29 juillet 1942 – Echange du charbon belge contre des produits de ravitaillement", Record Group AJ41 168, Archives nationales de France, Paris.

Despite Germany's reluctance to provide France with coal directly, the latter was able to continue operating its industries quite effectively for approximately one year after the Armistice. This was in large part due to the coal reserves it had built up before the war, and which it could draw on in the event of an emergency. At the end of May 1941, however, a French coal miners' strike reduced production to the extent that the reserves were depleted. In northern France, meanwhile, British bombardments routinely disrupted production.¹⁶¹

In theory, Germany was supposed to compensate France for the coal and other primary materials it used in producing manufactured goods ordered by the Reich. In practice, however, this did not apply to coal.¹⁶² Germany tried its best to resist calls from France to provide more coal. Stating that Europe as a whole was lacking the 40 million tonnes of coal it had received annually from Great Britain before the war, the German Delegation for the Economy in Wiesbaden stated unequivocally that "it is impossible to provide [France] with German coal!"¹⁶³ By the time of the Allied landings in Normandy in June 1944, however, France had achieved moderate success in receiving coal from Germany: France received a daily total of 13,000 tonnes of coal from Saarland and Lorraine.¹⁶⁴ Interestingly, both provinces were part of Germany at the time, but would be integrated into France economically (and, in the case of the latter,

¹⁶¹ Margairaz, *op.cit.*, 608.

¹⁶² Margairaz, *op.cit.*, 602.

¹⁶³ *Ibid.*, 607.

¹⁶⁴ "Archives de réseau Marco – Renseignements économiques", le 17 juin 1944, Record Group AJ72 2203, Archives nationales de France, Paris.

politically) after the war. Despite these shipments of coal to France, however, the overall shortage of coal in the workings of the “European wartime economy” would prove decisive in the outcome of the war. Even though the British coal industry was on the decline, the vast reserves of coal in both the Soviet Union and the United States dwarfed the output of a united Europe. As the Blitzkrieg strategy gave way to a war of production, it became apparent that Europe would not be able to compete against the two emerging superpowers.

The shortage of coal also provided an occasion for further Franco-German cooperation, namely in the industry of synthetic fuels. While this would also endure after the fall of the Reich, it was coal that would be decisive for the economic integration of the warring neighbours.

Establishing Trade Patterns across the Rhine: Economic Rapprochement, 1940-1944

Beyond the question of coal, one lasting effect of the experience of the war was the overall increase of French exports to Germany. With bilateral trade declining over the course of the interwar period, the summer of 1940 saw a rapid reversal of this trend. As we have seen in the previous chapter, the British market was cut off from France, and much of the goods exported across the Channel were reoriented eastwards. Normally, this flow of goods to Germany would benefit France tremendously, as the balance of trade remained in its favour throughout the war. Because of the system of clearing

accounts established by the Germans, however, the French instead accumulated a wealth of IOUs. These were to be settled once the war was over and peace was established on the Continent. With the fall of the Vichy and Nazi regimes in 1944 and 1945, respectively, however, the IOUs became worthless. Nevertheless, the effects of this intense period of trade endured into the post-war era, and were reinforced by France's occupation of southwest Germany following the end of the war.

The clearing advances provided by France to Germany facilitated the increasing flow of goods eastwards across the Rhine. The amount of these advances increased from 20 billion francs in 1941 to 45 billion francs in 1943 and, astoundingly, to an estimated 90 billion francs in 1944. As a measure for comparison, annual state expenditures for civilian needs in all of France averaged approximately 130 billion francs between 1941 and 1943. By the spring of 1944, the Reichsbank reported that Germany had imported 120 billion francs worth of goods and services from France since June 1940. This figure does not include Alsace-Lorraine, which had been integrated into the Reich itself, nor does it include the small area administered by Italy. While approximately half of this amount had been financed on credit, the other half was paid for by Germany – albeit at the unfair exchange rate of 1:20 established in June 1940.¹⁶⁵

Naturally, the immediate economic effects of such a surge of exports to Germany, exacerbated by the crippling occupation accounts which amounted to over 700 billion francs over the course of the war, had negative effects for the French economy.

¹⁶⁵ Götz Aly, *op.cit.*, 146-147.

Having financed so much trade on credit, which became worthless with the fall of the Reich, France's national debt had increased by over one trillion francs during the war.¹⁶⁶ Economically speaking, France's demands for reparations were even more justified at the end of the Second World War than had been the case in 1918. The destruction of industries and farmland during the battles that accompanied the Allied advance through France in the last year of the war would devastate much of the potential for postwar recovery, and the years immediately following the end of the war would be economically trying for France. Crucially, however, all coal mines were saved from sabotage and strategic bombing during the Liberation of 1944. Although the Allies wanted to sabotage some coal mines in France, the French were able to dissuade the Anglo-American forces from implementing this strategy. In the end, only a few compressors and transformers were sabotaged by the Resistance before German troops were expelled from France.¹⁶⁷ This enabled the French coal industry, and other industries dependent on coal, to function at much higher levels than would have been the case had these mines been destroyed in 1944.

Nevertheless, we must consider the economic relations between France and Germany not only through the lens of France's narrative of victimisation, which still prevails in the historiography on France's economic history during the war, but also by considering the effects of this flow of French goods to Germany. In 1931, the apogee in

¹⁶⁶ *Ibid.*, 147.

¹⁶⁷ "Concernant les mesures prises pour la protection des points vitaux de l'économie française contre les tentatives allemandes de destruction", Record Group AJ72 472, Archives nationales de France, Paris.

prewar trade between the two countries, French exports to Germany totalled 2.7 billion francs. In 1939, the year before the Occupation began, that amount had dwindled to 1 billion francs – still higher than in 1936, when French exports to Germany totalled a mere 667 million francs.¹⁶⁸ Over the course of the war, however, that amount surged to an average of over 30 billion francs per year (Aly 147). Even if this tendency was encouraged by artificially favourable exchange rates and credit destined never to be repaid, it is nevertheless an astounding thirty-fold increase in trade between the two countries. This figure is even more remarkable when we consider that Alsace and Lorraine, two of the French provinces with the highest export rates to Germany, are not considered in the wartime figures. The situation is thus one in which Germany became accustomed to importing massive amounts of French goods for a period of four years, reversing a decade-long trend of declining cross-Rhine trade. After the war, these trends would be nourished by yet another occupation, namely the French occupation of southwest Germany and its administration of Saarland.

Another Peace, Another Occupation: Saarland and the French Occupation Zone of Germany after 1945

It is well worth considering the influence of France's occupation of its zone of postwar Germany. In the immediate postwar period, from 1945 until the creation of the Federal Republic of Germany in 1949, the French were accused of exploiting the

¹⁶⁸ Alfred Sauvy, *op.cit.*, 564-565

southwest region of Germany they administered. Indeed, during the worldwide food crisis of 1945-1946, the Allies revealed their differing attitudes towards their respective occupation zones. As we have seen in the previous chapter, Britain assured minimum amounts of wheat to its occupation zone of Germany, at the expense of sending supplemental wheat to France. Meanwhile France, much of whose arable land had been ruined in the war, was reluctant to send any French resources to Germany. Michel Debré, later the first Prime Minister of the Fifth Republic, argued that helping the Germans while the French suffered could not be justified to the French population at that time. As a result, food rations in some parts of the French occupation zone fell to below that of prisoners at Buchenwald. The scarcity of even basic materials and the burgeoning black market in southwest Germany were blamed on the French administration.¹⁶⁹

The French administration, however, made some crucial contributions to the shape of postwar Germany. Most notably, the French policy on the indemnification of war victims in its occupation zone was adopted by the Federal Republic in 1949. More important, however, was the transcending of national differences that could be observed during this period. From the summer of 1945 onwards, in Hesse-Palatinate,¹⁷⁰ the German and French economic administrations opposed the labour administrations of

¹⁶⁹ See Rainer Hudemann's excellent chapter, "Kulturpolitik in der französische Besatzungszone – Sicherheitspolitik oder Völkerständigung?", *Kulturpolitik im besetzten Deutschland 1945-1949*, Gabrielle Clemens, ed. (Stuttgart: Franz Steiner, 1994).

¹⁷⁰ This *Land* no longer exists; following the *ordonnance numéro 57* of 30 August 1946, the French administration created the *Land* of Rheinland-Pfalz. Hesse-Palatinate corresponds roughly to the present-day *Länder* of Rheinland-Pfalz and Hesse.

both countries over the first attempts at social reforms.¹⁷¹ This would come to characterise the period of French occupation: collaboration between French and Germans on particular issues, uniting over common policy rather than common nationality. This can be considered a forerunner of the European Economic Community, in which German and French Christian Democrats, for example, found that they had far more in common with each other than they did with socialists in their respective countries.

France's administration of Saarland after the war would also affect integration. While France administered one quarter of the remaining German state after 1945, Saarland became a nominally independent protectorate. It would remain a distinct state until 1957, when it joined the Federal Republic of Germany. In December 1946, France reinforced its customs system with Saarland, imposing more stringent restrictions on travel between the region and the rest of Germany. Germans from the French occupation zone needed a permit to enter Saarland, and could bring no more than 100 marks with them. At the same time, France released nearly 10 000 Sarrois prisoners of war to work in the region's coal mines, which were already producing 70% of their maximum levels in the pre-war period. While France publicly denied that it would ever annex the area outright, the integration of the region's economy with France's is remarkable. More than two-thirds of its foodstuffs came from the neighbouring province of Lorraine alone, while France also supplied the majority of the region's automobiles, machinery, clothing, and luxury items.¹⁷² At this period, both the coal mines and the steel factories operated

¹⁷¹ Hudemann, *op.cit.*

¹⁷² « Notre système douanier à la frontière sarroise a été renforcé », *Le Figaro*, 1 Jan. 1947, 1, Paris.

24 hours per day, seven days per week. Moreover, coal from the Ruhr and iron from Lorraine were used in these factories to produce steel.¹⁷³ This continued the wartime pattern, although at that time all three regions were under the control of a single government, based in Berlin.

Conclusion

Although the Reich was defeated, the economic patterns it established would endure and contribute to the cross-Rhine integration that would culminate in the European Union. Just as France had provided trainloads of goods to Germany during the war and sought German coal to fuel its industry (with the resultant manufactured goods in turn being sent to Germany), these trends continued to develop in the postwar years. 1940 had proved to be a turning point for cross-Rhine trade, as it would reverse the prewar decline of Franco-German trade and establish the economic trends that characterise postwar Europe. In the context of the 1930s, the efforts of France and Germany to share their coal and steel resources with the agreement of July 1937 failed completely. After the extensive development of Franco-German trade and the integration of their coal industries for the good of the New Europe, however, even more ambitious economic plans were feasible. French industry's thirst for coal, left unquenched by what remained of Britain's coal industry after the war, looked to the coal rich regions immediately to its East: the French occupation zone, Saarland, and the Ruhr.

¹⁷³ « La Sarre prospère sous l'administration française », *Le Figaro*, 4 Jan. 1947, 3, Paris.

The French occupation zone also served as an eager market for French goods, from automobiles to textiles to perfume. The wartime flow of French goods to Germany that were paid for through clearing accounts continued in the postwar period, although after 1945 France would be paid in full for them. The interdependence of steel and coal works in France and Germany would similarly continue, and even intensify, leading to the pooling of these industries in 1951 with the creation of the European Coal and Steel Community.

CHAPTER THREE

From the Compiègne Armistice to the Treaty of Paris:

Continuities between Vichy and the European Coal and Steel Community

In the two preceding chapters, we explored how the Second World War and its postwar period led to a reorientation of France's economic and political relations away from Great Britain and increasingly towards Germany. Having examined relations between France and Great Britain, on the one hand, and between France and Germany, on the other, we may now concentrate on the consequences of the June 1940 Armistice on domestic economics and institutions in France. We will then consider the continuities between wartime and postwar France, before evaluating to what extent these wartime innovations influenced the construction of the European Coal and Steel Community and the bodies that would develop into the central institutions of the European Union.

New Economic Priorities: The End of the 1930s Economic Orthodoxy

From the earliest moments after the reconquest of France and the defeat of the Vichy regime, there was a strong desire among many French to move forward and put the era of collaboration behind them.¹⁷⁴ The period from 1940 to 1944 was known as

¹⁷⁴ See Henry Rousso, *op. cit.*

“the dark years” and even, by André Mornet, as “four years to erase from our history”.¹⁷⁵

The provisional government, led by Resistance leader Charles de Gaulle, encouraged the Resistance narrative that endured well into the 1960s.

The Liberation of 1944 was undoubtedly an important turning point in French history. But to deny that continuities between the Vichy and the postwar eras have transcended this date is to opt for disavowal or ignorance. Many scholars have exposed the myriad links between Vichy France, on the one hand, and the Fourth and Fifth Republics, on the other.¹⁷⁶ It is worth underlining some of these continuities, before turning to their ultimate influence on the European project.

One important innovation of the Vichy era, noted by Robert Kuisel, is the departure from the preoccupation with monetary stability and balanced budgets that characterised the 1930s. While this had been a widely followed approach in the decade before the war, the planners at Vichy rejected adherence to financial criteria to the extent that it sacrificed economic development.¹⁷⁷ From 1940 onwards, a rupture with prewar economic dogma was evident. Instead of avoiding inflation and deficits, the state had a new priority. According to the planners, “the goal and *raison d’être* of public finance is

¹⁷⁵ André Mornet, Procureur général, prosecuted Pierre Laval at his trial for treason. Both Mornet and the judge had previously sworn oaths of loyalty to the Vichy regime – undoubtedly an incentive to erase those four years from France’s history altogether. See Paxton, *op.cit.*, 317.

¹⁷⁶ See Robert Paxton, *op.cit.*, Richard Kuisel, *op.cit.*, and Henry Rousso, “L’économie: pénurie et modernisation” in *La France des années noires*, Jean-Pierre Azéma and François Bédarida, eds. (Paris : Seuil, 2000), 453-482.

¹⁷⁷ See Kuisel, *op.cit.*, 151.

to promote the full employment of the country's working capacities".¹⁷⁸ This marks a radical departure from the prewar economic strategies, which saw significant rises in unemployment. The shift away from deficit reduction and monetary stability towards full employment as a means to ensure high productivity is one commonly observed characteristic used to separate pre- and postwar Europe. It is important to note, however, that this change occurred not after the Liberation of 1944 by planners from the Resistance, but rather as an approach predicated by Vichiste experts as a result of the 1940 Armistice.

This shift towards employment and the revival of the national economy, even at the risk of inflation and budgetary deficits, was evident at the Banque de France in 1943. At a meeting on July 15th of that year, the respective postwar plans advanced by English economists John Maynard Keynes and Harry White were evaluated. Interestingly, both plans involved the creation of an international currency (the Bancor and the Unitas, respectively), whose value would be based on gold, avoiding the reinstatement of the gold standard. Both plans also aimed at re-establishing trade patterns by advancing credit to impoverished European countries after the war – a strategy ultimately realised with the Marshall Plan. The board of directors noted the inflationist tendencies of the plans, and even suggested that the adoption of either could constitute a surrendering of a part of their sovereignty. Nevertheless, the plans were greeted as opportunities to reconstruct the French economy that would not entail having to weaken the internal structure of the franc or to deplete the country's gold reserves. Finally, it was noted that the choice

¹⁷⁸ Quoted in *ibid.*, 154-155.

between the two plans would depend largely on the result of the war – still uncertain in the summer of 1943, despite the series of Nazi losses on the Eastern Front. The plans, it was agreed, were bases of discussion well worth pursuing.¹⁷⁹

Interestingly, the advancing of credit to European countries was presented in the frame of clearing accounts, which served as the foundation of Franco-German trade between 1940 and 1944. The innovation, however, was to be the creation of a Clearing Union (*union de clearing*), which would have a central institution that would settle the debts of its member countries in their common currency. The idea of a European clearing system was endorsed by the Governor of the Banque de France. The problem with the one currently in place, he explained, was that the creditor country, France, found itself dependent on the debtor country, Germany. The former was consequently forced to “bend to the debtor’s *Diktat*”. For such a clearing system or plans for a future Union to be successful, the Governor emphasised, “it is obvious that we must hope that after the war, no country will be sufficiently powerful to impose its dominance onto others and to oblige them to export while receiving nothing in return, save a note in a credit ledger”.¹⁸⁰ The postwar order hoped for by the board of directors of the Banque de France would be realised a few short years later. With Germany defeated and France in a weakened state after its years of occupation and exploitation (exacerbated by the gradual loss of its empire after the war), no country in Europe had the power to impose unsupportable

¹⁷⁹ «Exposé par M. le Gouverneur des dispositions principales des plans ‘Keynes’ et ‘White’», le 15 juillet 1943, Conseil Général, Archives de la Banque de France, Paris.

¹⁸⁰ *Ibid.*

economic demands on another.¹⁸¹ This newfound balance of power in Western Europe, along with American credit and support and the willingness to go into debt to ensure economic recovery, facilitated the postwar integration process.

While the shift of economic priorities from deficit to reduction to full employment occurred during the war, it is also a central tenet of Keynesian economics, which would characterise the international economic order from 1944 onwards. In 1936, Keynes published *The General Theory of Employment, Interest and Money*, arguably the twentieth century's most important and influential work of economic theory. The *General Theory* would establish the discipline of macroeconomics and would inform the creation of the Bretton Woods monetary regime in 1944, history's first example of a fully negotiated monetary order intended to govern currency relations among sovereign states. More pertinently to the present discussion, it also emphasized the importance of employment as a means of assessing the strength of an economy.

Interestingly, in the preface to the German edition of the work, Keynes argued that “the Manchester School and Marxism both derive ultimately from Ricardo, - a conclusion which is only superficially surprising. But in Germany there has always existed a large section of opinion which has adhered neither to the one nor to the other”. His assertion that both modern liberalism and Marxism spring from a common source and the implicit acknowledgement of the “third way” Germany had exemplified since 1933 is made explicit several paragraphs later, when Keynes states that his “theory of

¹⁸¹ With the obvious exception of the Soviet Union and its expanding sphere of influence, although these countries would remain external to the European project until the 1990s.

output as a whole... is much more easily adapted to the conditions of a totalitarian state” than laissez-faire capitalism would be.¹⁸² The experience of dictatorships in all six founding members of the ECSC and the fascist New Order may indeed have fallowed the field for the blooming of Keynesian economics in Europe in the decades after the war.

The Development of Dirigisme in France

As we have seen, the economic demands of Germany on France following the June 1940 Armistice were soon felt by the French population. Coal shortages left millions of French without sufficient heating during the winter, while the services of metro and SNCF trains dwindled. At Christmas time, even the famous department stores of Paris had to forego their annual window displays, since the steel bars required were requisitioned by the German forces.¹⁸³ With extra-European trade severely limited, France came to depend increasingly on Germany, even as it was required to send it a fee of 400 million francs each day to the other side of the Rhine. In order to organize transfers of such excessive sums, and to avoid domestic want and consequent instability as much as possible, a fundamental shift in economic policy was required.

In the decades preceding the Second World War, France had a liberal capitalist economic model. Yet it was a relatively fragmented system, dominated by small,

¹⁸² John Maynard Keynes, *General Theory of Employment, Interest and Money* (Palgrave Macmillan: New York, 2007), xviii-xix.

¹⁸³ Eugène Delaborde, "Les grands magasins de Paris", le 30 juillet 1944, Record Group AJ72 607, Archives nationales de France, Paris.

uncoordinated enterprises and by powerful trusts and *sociétés anonymes*. With the onset of the Great Depression, alternatives to this economic model advanced, but the most significant change came in the summer of 1940. Given the crushing occupation levies imposed on France, the embargo implemented on cross-Channel trade, and the difficulties associated with the division of the country (which included the loss of one of France's most industrialized regions, namely Alsace-Lorraine), France could no longer continue with its prewar economic model. Instead, the state would intervene and engage in rational economic planning – dirigisme was thus born.

Dirigisme is the term generally applied to the postwar economic model that emerged in France and other Western European countries after the end of the Second World War. The French government had intervened in the national economy during the 1930s, notably subsidizing industries, controlling prices and imposing limits on output. During the government of the Popular Front in 1936, a demand-side approach to economic policy was favoured, with wage increases and job-creating public works implemented in order to strengthen the public's purchasing power. Yet these interventionist measures do not themselves constitute dirigisme. This refers more to the model of rationally planning production, which can also include the allocation of primary materials, such as coal. Efficiency is the guiding principle of dirigisme; implicit in this model is the belief that centralized planning will lead to more efficient production than unregulated competition of various enterprises and industries. Crucially, while Depression-era state intervention had been overwhelmingly protectionist, focusing on erecting tariffs and import quotas, the postwar emergence of dirigisme was marked by

the integration of economic planning into a free trade system. This was realized on a global level with the Bretton Woods system, most notably the WTO and GATT, but also regionally in “Little Europe” with the European project.¹⁸⁴ Dirigisme, then, is the rational, comprehensive planning of the national economy, integrated into a broader European economy, with the primary goal of efficiency. As we will see, the foundations of dirigisme emerged not after 1945, but rather in 1940. Speaking at a lecture in January 1942, at the *Ecole libre des sciences politiques*,¹⁸⁵ Jean Bichelonne, then Secretary General of Production and Secretary of Repartition, explained the emergence of dirigisme in France: “Doctrinal preferences aside, each understood that only one method was possible: we had to quickly establish a planned economy (*économie dirigée*). The birth of the planned economy therefore has no theoretical foundations; rather, it has an essentially practical starting point”.¹⁸⁶ It was therefore out of necessity that the state intervened to assure that the French economy would survive the war and occupation, effectively marking the end of the prewar liberal model in France.

In practice, this intervention of the government entailed product standardization, industrial research, and optimal use of raw materials.¹⁸⁷ From June 1940, the Minister of Finance pursued dirigiste monetary and financial policies destined to maintain prices and salaries. The success of this endeavour would be mixed: although salaries in 1941 were

¹⁸⁴ Ivan T. Berend, *An Economic History of Twentieth-Century Europe* (New York: Cambridge UP, 2006), 68, 190-191.

¹⁸⁵ This would be transformed into the *Institut d'études politiques (Sciences Po)* in 1945.

¹⁸⁶ Quoted in Michel Margairaz, *op.cit.*, 535. Translation mine.

¹⁸⁷ See Robert Kuisel, *op.cit.*, 135 .

officially identical to those of 1938, the cost of living in France had increased by 35%, exacerbated by the burgeoning black market.¹⁸⁸ Nevertheless, this intervention of the state in the economy to maintain wage levels over such a period was unprecedented. Within months of the Armistice, the age of dirigisme had begun.

Despite the personal nature of Pétain's leadership, it would be incorrect to ascribe to him Louis XIV's attitude of «*l'Etat c'est moi*». Rather, the Etat français relied heavily on the complex network of ministries, services and delegations to run national affairs. Although he had proved himself a capable military strategist in the Great War, Pétain was not a gifted economist. He opted to devolve most decision-making in the economic field to the experts who staffed the various apparatuses of the state.¹⁸⁹ This enabled the shift in power that would accompany the emergence of dirigisme. While the state gained more powers over the economy, the state simultaneously became less representative.

On July 10th 1940, the Assemblée nationale voted to suspend the Constitution of 1875 and allow Pétain to assume far-reaching executive powers, sounding the death knoll of the Third Republic. Among the 569 members who supported this move away from parliamentary democracy was Robert Schuman, one of the postwar "Fathers of Europe".¹⁹⁰ The parliamentary system of the Third Republic had been widely criticized and was notable for the frequency of its cabinet shuffles and its ideological divisions. Following the defeat of France, support for a stronger executive was broad; many

¹⁸⁸ Michel Margairaz, *op.cit.*, 550.

¹⁸⁹ Richard Kuisel, *op.cit.*, 131.

¹⁹⁰ Gérard Bossuat, *Histoire de l'Union européenne* (Paris : Editions Belin, 2009), 148-149.

believed that the weaknesses of parliamentary politics had played a significant part in France's defeat at the hands of a strong dictatorship. In July 1940, parliament was suspended and would not be reconvened until after the Liberation of France in August 1944. Moreover, of all the governmental institutions that underwent the postwar *épuration*, the Assemblée nationale was among the most thoroughly purged.¹⁹¹

This auto-effacing prorogation of the French parliament is significant for the development of the apparatuses of the French state from 1940 onwards. With the powers of the legislature now entrusted to the State, democracy in France came to end for the first time in 70 years. It was now up to Pétain, the widely revered yet unelected leader, and his army of technicians and *hauts fonctionnaires* to run France. With the advent of dirigisme, itself a response necessitated by the Armistice, it would be this bureaucratic elite that would steer the French economy for the next four years. As we will see, this was not without consequence for the subsequent stages of French and European history.

The Persistence of the Civil Servant

While these economic priorities emerged after (and because of) the June 1940 Armistice, they could easily have fallen away along with other Vichy policies such as the anti-Semitic laws of 1942 and the autocratic powers of the Head of State. These shifts in economic thinking were reinforced after the war, however, in large part due to the striking stability of the corpus of economic planners, technocrats and *hauts*

¹⁹¹ Robert Paxton, *op.cit.*, 323.

fonctionnaires responsible for engineering France's economy during its *trente glorieuses*.

Robert Paxton has identified the startling consistency of the composition of the state institutions between Vichy and the Fourth Republic, especially those that dealt with economic planning. The Court of Audit (*Cour des comptes*), an officially apolitical and purely technical body, revealed particularly surprising continuities: of the members of the Court of Audit in 1942, 99% would still be members in 1949, by which time the *épuration* had been exhausted. Every individual who had entered that Court during Vichy remained in place after the war. Similarly, 97% of the Inspectors General for the Ministry of Finance (*Inspection générale des finances*) in 1948 had held that same position in 1942. As with those in the Court of Audit, all inspectors recruited under Vichy remained in place after 1944, including a future president of the Council of State (Félix Gaillard, 1957) and a future Prime Minister under Georges Pompidou (Jacques Chabon-Delmas, 1969). Under Vichy, the Inspection was responsible for providing the necessary financial elements for the central planning directed by the Ministry of the National Economy; this would remain the case through the Fourth and Fifth Republics.¹⁹² Even more politicised bodies, such as the Council of State (*Conseil d'Etat*), revealed very little turnover. The Council's initial powers were increased under Vichy and its full legislative functions, originally established by Napoléon I, were fully restored by Pétain. 80% of the *présidents de section* in 1942 still retained their positions in 1946. In addition to these revealing numbers, Paxton observes that after the war, the

¹⁹² Robert Paxton, *op.cit.*, 314-315.

few members of these *grands corps* who had been removed were replaced through internal promotion, and not from outside of the body. The independence of the technocratic bodies was protected, even after their deep involvement in the Vichy regime.¹⁹³

Richard Kuisel has also researched the continuities in the French administration in the 1940s. Following the Armistice, the Ministry of Commerce and Industry was replaced with the Ministry of Industrial Production, aimed at reorganising the French economy in light of the demands on it made by Germany. “This new structure and most of its personnel survived the war almost intact to become a major tool of postwar expansion”.¹⁹⁴ Similarly, the statistics office charged with collecting and circulating economic information introduced new techniques which would help with postwar planning. Like the Ministry of Industrial Production, the statistical office was incorporated, “with a new name but the same staff”, into the postwar administration.¹⁹⁵

These technocrats, who played a significant role during the Vichy regime, saw their work as apolitical and in the national interest. For this reason, they were able to brave the *épuration* that claimed the careers and the lives of thousands of their compatriots.¹⁹⁶ Indeed, after 1944, their projects came to fruition to an even greater

¹⁹³ *Ibid.*, 316.

¹⁹⁴ Richard Kuisel, *op. cit.*, 133.

¹⁹⁵ *Ibid.*

¹⁹⁶ The most accurate estimates state that 97,000 individuals were found guilty, over 10,000 of whom were executed. Pierre Laval, twice Prime Minister (or *dauphin*) under Pétain, was among those executed.

extent than they had under Vichy. While Vichy was always caught between progressive tendencies, embodied in the *Rénovation nationale*, and its innate conservatism, the postwar governments were more eager to champion modernisation.¹⁹⁷

The economic planners in the *Délégation générale à l'équipement national* (DGEN), a body established by Vichy in 1941, advanced a *Plan d'équipement national* for postwar France in 1942, and a second, 600-page plan in 1944. These ten-year plans, necessarily tentative given the uncertain outcome of the war, were never formally accepted by the Vichy government and were never officially implemented. However, the DGEN and its plans were retained by Pierre Mendès-France in his capacity as Minister of the National Economy in the provisional government led by de Gaulle. The delegation's work would serve as the foundation for planning postwar reconstruction.¹⁹⁸ To the extent that these projects guided the economic policy of de Gaulle's first government, the projects left unfinished by Vichy would inform postwar France's revival.

Henry Rousso also notes that the institutional heritage of Vichy was by no means abandoned at the end of the Second World War.¹⁹⁹ Michel Margairaz agrees that

Pétain was originally condemned to death, but this was commuted to life imprisonment in light of his heroics during the First World War.

¹⁹⁷ Richard Kuisel, *op.cit.*, 149.

¹⁹⁸ Frances M.B. Lynch, *France and the International Economy from Vichy to the Treaty of Rome* (London: Routledge, 1997), 17.

¹⁹⁹ Henry Rousso, "L'économie: pénurie et modernisation" in *Vichy 1940-1944*, Jean-Pierre Azéma and Olivier Wieviorka, eds. (Paris: Perrin, 2004), 480.

“structures and practices, available for other ends, survived well beyond the summer of 1944”.²⁰⁰ Finally, Robert Paxton notes that the legacy of Vichy “exists, but discretely, in entire services which continue to function and in political orientations which subsist”.²⁰¹ The “four years to erase from our history” are indispensable for understanding postwar France.

The France that emerged after the Second World War was indeed the heir to some of Vichy’s policies, especially in economics. Dirigisme had emerged from necessity, in response to economic difficulties and the risks of famine and collapse. With the expulsion of German troops and the removal of Pétain in 1944, however, these factors by no means disappeared immediately thereafter. In Chapter One, we saw how France desperately sought wheat and coal in the first years following the end of the war, notably from Great Britain.²⁰² During the winter of 1947, bread rationing was more severe than it had ever been during the war.²⁰³ In this context, a return to the comparatively disorganized economic model of the 1930s would have left untold numbers of French literally starving to death.

The role of technocrats also played a far more prominent role in the Fourth and Fifth Republics than they had in the Third. In 1945, new institutions were established to train the technocratic and political elite, notably the Ecole nationale d’administration

²⁰⁰ Michel Margairaz, *op.cit.*, 714. Translation mine.

²⁰¹ Robert Paxton, *op.cit.*, 311.

²⁰² See pages 48-50 of this thesis.

²⁰³ Robert Paxton, *op.cit.*, 313

(ENA) and the Institut d'études politiques (Sciences Po). While Vichy's finance minister Yves Bouthiller described his regime as "the triumph of administration over politics", Richard Vinen has argued that the same could be extended to the whole of twentieth-century France. He demonstrates the enormous power held by civil servants in the Fourth Republic, since their experience of economic management and their relative indifference to short-term cabinet crises made them better-suited than politicians to focus on long-term economic planning.²⁰⁴ Gerard Bossuat has even labelled civil servants in postwar France as an "aristocracy of the public service" (*aristocratie de la fonction publique*). As a corpus unaffiliated with any party in particular, this technocracy could focus on adopting whatever was best for the nation, uninhibited by partisan bickering.²⁰⁵ This conception of the apolitical, technocratic institutions acting in the best interests of the nation dates from the Vichy regime. Indeed, we have seen that the staff of central institutions remained strikingly constant through the tumultuous transition from Vichy to the Provisional Government of 1944-1946, and ultimately the Fourth Republic. Having established the continuities between Vichy and postwar France, we may now consider the influence of these links on perhaps the most important project undertaken by France since 1945: the construction of Europe.

La chambre d'écho: France and the European Project

²⁰⁴ Richard Vinen, *Bourgeois Politics in France 1945-1951*, (Cambridge : Cambridge UP, 1995), 82-83.

²⁰⁵ Gérard Bossuat, *La France, l'aide américaine et la construction européenne 1944-1954* (Paris : Comité pour l'histoire économique et financière de la France, 1992).

The construction of Europe began very quickly after the war – less than a decade separate the Franco-German Armistice and the Schuman Declaration. Indeed, in this thesis we have seen that many of the innovations that led to the creation of the European Coal and Steel Community in 1951 occurred not after 1945, but rather from 1940 as a result of the Armistice. Although scholars have examined the continuities between Vichy and postwar France, these discussions have remained national in scope. We must therefore consider how the innovations that occurred in France as a direct result of the Armistice in turn affected the European project.

Although the ECSC was supranational, its roots lie in the French state. The Schuman Declaration, which led to the creation of the ECSC, was a French initiative, and the architects of the first supranational institutions were mainly French. Walter Laqueur has correctly observed that the “impressive achievements [of the ECSC] were not just the result of pooling resources (as some argued), or liberalizing trade. Most of the inspiration behind the Common Market was provided by French expert[s]... who believed in dirigisme, in economic and social planning”.²⁰⁶ The importance of dirigisme in the early European institutions was one of the principal reasons for the success of the ECSC and its successor bodies. As we have seen, dirigisme first emerged in France under Pétain in order to render the economy more efficient so as to avoid shortages and to ensure that the exorbitant occupation fees imposed by Germany could be paid. After the war, the economic conditions were even worse than before 1944, and the economic model established during Vichy remained in place, more relevant than ever. The

²⁰⁶ Walter Laqueur, *Europe Since Hitler: The Rebirth of Europe* (New York: Penguin, 1982), 134.

overwhelming majority of those responsible for managing the economy from Vichy maintained their roles in Paris after 1944. The French model, already in place after the war, would serve as the blueprint for an integrated Western Europe.

Jean Monnet, one of the “Fathers of Europe”, designed the Monnet Plan, a dirigiste, multi-year economic design for France, reminiscent of the Four- and Five-Year plans successfully implemented under Hitler and Stalin, respectively. Monnet’s Four-Year Plan, implemented in France at the beginning of 1947, established production goals in six key industries (coal, steel, power, cement, agricultural machinery and transport) for the next four years. The Plan was an undeniable success, and centralized government planning became widely accepted in France.²⁰⁷ (Black et al. 347). Monnet would continue to follow this same dirigiste logic when constructing and heading the European Coal and Steel Community.

Due to the balance of power in postwar Western Europe, France was the dominant member of the ECSC. Indeed, de Gaulle would later argue that the European project should serve merely as a *chambre d’écho* for France and her interests. In 1950, the Federal Republic of Germany, which had only been created the previous year with the addition of the French zone of occupation to the Anglo-American Bizone, was not a sovereign state. Moreover, its foreign policy was in its infancy and it had no foreign minister – Konrad Adenauer held this position along with that of Chancellor.²⁰⁸ The

²⁰⁷ Cyril E. Black, *Rebirth: a history of Europe since World War II* (Oxford: Westview Press, 1992), 347.

²⁰⁸ Edelgard Mahant, *Birthmarks of Europe: The Origins of the European Community Reconsidered* (Aldershot: Ashgate, 2004), 22.

Schuman Plan was unmistakably a French rather than a European proposal. In his introduction to his famous Declaration, Schuman stated that “France is now taking the first decisive step towards the constitution of Europe and is associating Germany in this venture”.²⁰⁹ Given this evidence, it is obvious that Schuman’s outlines for Europe were issued from the context of postwar France.

We have explored how the fall of the Third Republic and the establishment of an authoritarian government under Pétain led to a strong feeling of antiparlamentarianism. Across the political spectrum, French men and women resented the weakness of the Third Republic for losing the war against Germany. The Third Republic, parliamentary to a fault, had been too weak to effectively respond to the threat of Nazism. For many, this justified the turn towards a more autocratic form of governance embodied by Pétain. For others, such as de Gaulle, both authoritarianism and strong parliamentarianism were flawed models. Upon coming to power in 1944, de Gaulle remained critical of a strong legislative chamber, and rejected the first proposed constitution for the Fourth Republic on these grounds. In the first elections after the Liberation, the Communists were the single largest party. A staunchly anti-Communist conservative, de Gaulle feared the consequences of a strong Parliament dominated by Stalinists. Following the 1946 elections, he was very critical of the proportional representation of the voting system: “The result was 250 communists in the [National] Assembly and, among other consequences, a representation that in no way represented the opinion of the country”.²¹⁰

²⁰⁹ Quoted in Mahant, *op.cit.*, 25.

²¹⁰ Michel Debré and Jean-Louis Debré, *Le Gaullisme* (Paris : Plon, 1978), 96.

Even without the threat of communism, de Gaulle remained disapproving of parliamentary systems, on the grounds that “[they rest], in effect, on a confiscation of the sovereignty of the people by its representatives”.²¹¹ With the increasing troubles encountered by the parliamentary system of the Fourth Republic, French opinion of parliamentarianism became increasingly disparaging.

The apprehensiveness vis-à-vis parliamentarianism in France was similarly expressed in the architecture of the supranational legislatures designed by Monnet and others. The ECSC consisted of three institutions: the High Authority, the forerunner of the European Commission; the Special Council of Ministers, whose name has been only slightly altered over the last 60 years; and the Common Assembly, the first attempt at establishing a European-level Parliament. In 1951, as today, the Parliament was weakest of the three major institutions. This would prove to be the major weakness of the ECSC; while national leaders were content to allow the High Authority to plan the coal and steel industries of the member states, which resulted in unprecedented prosperity, these leaders would not submit to the ECSC Assembly, resulting in the latter’s negligible influence on national leaders or governments. As Derek Urwin correctly notes, “the ‘parliamentary’ work of ECSC very rarely had direct practical consequences”.²¹² The weakness and general ineffectiveness of the European Parliament, which held its first general elections in 1979, has remained a major grievance of Members of the European Parliament and political scientists alike. It remained the weakest of the three institutions

²¹¹ *Ibid.*, 92.

²¹² Derek Urwin, *op.cit.*, 170.

until the long-delayed implementation of the Lisbon Treaty at the end of 2009, which increased its powers significantly after many years of allegations of a democratic deficit in the EU.²¹³

As early as 1950, shortly after the Schuman Declaration, French business interests complained of the secrecy with which the Planning Office had “spun its web” and feared that a powerful supranational agency would limit their freedom. Similarly, defenders of democracy noted that Schuman had not consulted the French Parliament before addressing the world with his proposal for a European economic community.²¹⁴ Not only was this bypassing of the legislature reminiscent of wartime France, but it would anticipate the process of the European institutions. Dirigisme, in France during the 1940s as at the supranational level in the 1950s, was motivated by efficiency rather than by democratic procedures. Given the perceived impotence of the parliament of the Third Republic due to partisan bickering, the state’s direct involvement in the economy to rescue the nation (or Little Europe) was seen as justified.

Schuman and Monnet had initially foreseen a strong High Authority (which would evolve into the European Commission) and a weak Common Assembly (the

²¹³ For some of the many critiques of the role of the Parliament and the EU’s democratic deficit, see Simon Hix, *What’s Wrong with the European Union and How to Fix It* (Cambridge: Polity Press, 2008); Richard McAllister, *European Union: An historical and political survey* (London: Routledge, 2010); Svein S Andersen and Kjell A Eliassen, *The European Union: How Democratic Is It?* (London: Sage, 1996); and Joan DeBardeleben and Achim Hurrelmann, *Democratic Dilemmas of Multilevel Governance: Legitimacy, Representation and Accountability in the European Union* (New York: Palgrave Macmillan, 2007).

²¹⁴ Hans A. Schmitt, *The Path to European Union: From the Marshall Plan to the Common Market* (Baton Rouge: Louisiana State UP, 1962), 60.

forerunner of the similarly weak European Parliament). Only objections from the smaller founding member states would ensure that a third institution, the Council of Ministers, would represent all member states equally. Schmitt describes how Jean Monnet's "autocratic personality" determined the shape of the institutions.

Jean Monnet, who, save his four-year stint as head of the ECSC, never held a formal political office as an elected politician or as a bureaucrat, has been described as "an elitist and a pragmatist", motivated only "by the remorseless ideology of efficiency".²¹⁵ Before the Schuman Declaration was pronounced, the plans were kept secret, "in order to avoid a negative public discussion". In Max Haller's evaluation, "[d]emocratic procedures played only a secondary, corrective function in the Monnet-Schuman plan (if at all)".²¹⁶ In Monnet's and Schuman's initial plans, the High Authority was to be led by Monnet and would wield sweeping powers. The delegations of the other five countries "not only distrusted the studied vagueness of Monnet's initial text; they were also alarmed by the generous interpretations given to it by his associates".²¹⁷ Only at the insistence of the smaller countries from the Benelux was the Council of Ministers added to the architecture, which ensured an equal representation of the member nations at the supranational level.

²¹⁵ Max Haller, *European Integration as an Elite Process* (New York: Routledge, 2008), 66-67, quoting Desmond Dinan.

²¹⁶ *Ibid.*, 67.

²¹⁷ Hans Schmitt, *op.cit.*, 67.

While Schuman had initially opted for collaboration during the war – he was briefly a member of Pétain’s first government and voted to suppress the constitution of the Third Republic in favour of the Vichy dictatorship – he ultimately joined the Resistance, as Jean Monnet had already done in 1940. Yet the Vichyites and the resisters were not as irreconcilable as is generally perceived. Both sides held the Third Republic responsible for France’s defeat in June 1940, and were not eager to restore a democracy controlled by an all-powerful parliament. Moreover, the resisters became increasingly convinced of the need for economic planning, as evidenced in their 1944 postwar plans.²¹⁸ As we have seen, the postwar governments, led especially by Resistance figures such as Charles de Gaulle, eagerly adopted the institutions and methods erected by Vichy. Robert Kuisel has shown that while Vichy’s economic planning had lost the popular support of the French public, the Resistance succeeded in rescuing Vichy’s strategies and would make dirigisme a mainstay of France’s postwar economy.²¹⁹

Moreover, the preference for a strong executive and a weak parliament that emerged in France in 1940 was equally observable in the initial architecture of the ECSC. The Common Assembly (which would become the European Parliament) had a marginal role, limited to an annual review of community policies, although it formally had the power to force the High Authority to resign, with a vote of two-thirds.²²⁰ As in

²¹⁸ See Richard Kuisel, *op.cit.*

²¹⁹ *Ibid.*, 144.

²²⁰ *Ibid.*, 69

France since 1940, the civil service, or, more accurately at the European level, the High Authority dominated economic policy at the expense of the Parliament (or the Common Assembly). By the beginning of the 1960s, national governments were beginning to worry that the supranational authority in Brussels was too strong, and “that a new technocratic elite was developing whose prime allegiance was to Europe, not to their country of origin”.²²¹ Just such a technocratic elite of the civil service had already developed in France during the 1940s to implement dirigiste economic plans for the sake of the nation. From 1951 onwards, a similar process has been underway at the European level.

Conclusion

The ECSC was to be a technocratic, undemocratic, dirigiste structure that would rationally organise the economy of Western Europe, at least in coal and steel. These characteristics, themselves a reflection of the postwar France that developed the ECSC, emerged in 1940 as a result of the Armistice. Their transmission from Vichy to Liberated Paris, and ultimately to Brussels, has thus far not been studied in depth, yet is crucial for a full understanding of the development of European integration. While the fundamental differences between national and supranational structures precluded a mere projection of the French model onto the European level, the continuities are nonetheless striking and causally linked.

²²¹ Walter Laqueur, *op.cit.*, 134.

CONCLUSION

We have now seen the myriad effects of the Franco-German Armistice of June 1940 on Franco-British and Franco-German relations as well as on European integration more generally. We will now review the conclusions that can be drawn concerning each of these topics and assess what areas of research would contribute further to the development of these themes.

Franco-British Relations Following the Armistice of June 1940

In the first chapter of this thesis, we explored the consequences of the Franco-German Armistice of 1940 on Franco-British relations. France's decision to cease hostilities against Germany made the British uneasy over the potential threat posed by France's navy – a worry assuaged by the British attack at Mers el-Kébir, which unambiguously marked the end of Franco-British military cooperation – at least until the ambiguous cooperation between Britain and a second, free France championed by Charles de Gaulle. More important were the commercial stipulations of the Armistice, which outlawed cross-Channel trade and deprived Europe's biggest importer of coal from its primary market. As we have seen, this shift would be permanent; ultimately, France would import only a fraction of prewar amounts of coal from Great Britain. While France's wartime experiences were characterised by increasing integration into the German-led "Europe", Great Britain would steadily distance itself from the

Continent, forging ever-closer economic and military links with its transatlantic allies. After the war, Britain would opt to preserve its distance from Europe in favour of its Special Relationship with the United States and Britain's connections with her colonies and dominions.

It must be reiterated that Great Britain did not remain altogether absent from European affairs after 1945. Its occupation of the quarter of Germany that included the Ruhr guaranteed its engagement in continental issues. Moreover, Britain was a decisive actor in bringing about the Brussels Treaty and the creation of both the Council of Europe and the North Atlantic Treaty Organisation. But in all of these arrangements, the sovereignty of all participating nations was guaranteed. The preconditions attached to participation in the Schuman Plan (namely the surrendering of some sovereign rights) were simply unacceptable to the British, at least in the early 1950s. The only British politicians advocating greater integration with Europe in the decade following the war were in the opposition – this includes Winston Churchill, whose speeches in Fulton and in Zurich were made as “a private visitor”.²²² By the 1960s, however, the situation was different. By the early 1960s, the European Coal and Steel Community and its successor, the European Economic Community, had proven their worth, evidenced by France's *Trente Glorieuses* and Germany's *Wirtschaftswunder*. Moreover, it must be remembered that according to Fox, Britain derived its superpower status from its empire

²²² See Winston Churchill's “Iron Curtain” speech at Fulton, Missouri, 5 March 1946: “Let me, however, make it clear that I have no official mission or status of any kind, and I speak only for myself”. For the unacceptability of the European project in Britain in the early 1950s, see Simon Serfaty, *op.cit.*, 60-63.

and the cooperation of its dominions.²²³ With the decades-long decolonisation process experienced by Britain, and after the humiliating experience of the Suez Crisis of 1956, it was clear that Great Britain could no longer count itself as the third superpower in what had evolved into a bipolar world order. Only after the disintegration of Great Britain's pretensions of being on equal footing with the other members of the Big Three could it accept limitations on its sovereignty as the cost of admittance to the EEC.

Despite Great Britain's ultimate accession to the EEC, delayed until 1973 by de Gaulle, the country would in many ways remain distinct from the rest of the members, Ireland included. The Special Relationship was affirmed by Prime Minister David Cameron on his first official visit to Washington in July 2010, and the Commonwealth remains an important component of British foreign policy and identity. Britain's reluctance to dissolve into an increasingly federal Europe can be traced back to its wartime experiences. An examination of the reorientation of Great Britain away from Europe is important to understand Great Britain's attitudes towards Europe today. The consensus among virtually all major parties to maintain the Pound Sterling rather than adopt the euro and to abstain from joining the border control-free Schengen Area reflects Britain's preference for maintaining certain vestiges of sovereignty.²²⁴

²²³ See Fox, *The Super-Powers*, and page 47 of this thesis.

²²⁴ The exception to this trend had long been the Liberal Democrats. Upon forming a governing coalition with the Eurosceptic Conservatives in May 2010, however, the Liberal Democrats jettisoned their pro-EU priorities. See "Britain's Accidental Revolution", *The Economist*, 13 May 2010.

The effects of the Armistice are also useful for understanding British attitudes towards European identity and enlargement. While French and German politicians refer back to Charlemagne and common experiences of the two countries, including the traumatic experiences of Nazism, British politicians remain unmoved by these appeals, since they did not share these experiences along with their continental neighbours. This might explain why parties in Great Britain, whether on the political Left or Right, are generally in favour of including Turkey in the EU, given its economic, military and demographic importance. Many French and German politicians, especially the conservative governments of Nicolas Sarkozy and Angela Merkel, respectively, oppose this enlargement because Turkey does not meet the criteria prescribed by their definition of European identity. Britain's straddling of two regions – it is at once European and Atlantic – may explain its comfort with the accession of other periphery countries, such as Turkey. The simultaneous weakening of its adhesion to Europe and strengthening of its transatlantic ties immediately following the June 1940 Armistice may help us to understand this situation.

Franco-German Cooperation during the Second World War

The collaboration of the French during the early 1940s remains one of the most sensitive topics in French history. Nevertheless, the economic cooperation that occurred between 1940 and 1944 would facilitate postwar economic integration. Deprived of British coal, France turned to Germany and Belgium for the coal it needed to fuel its

industry. Also, the most important coal-producing regions of Western Europe would be controlled directly from Berlin. France would increase its exports to Germany dramatically, and while this was encouraged by the use of exploitative clearing accounts and a biased exchange rate, it would nevertheless establish trade patterns that would endure after the war. These would in turn be fostered by France's postwar administration of one of the four occupation zones of Germany and its control of Saarland.

The broader importance of these studies is clear. While the mainstream version of the history of European integration holds that cross-Rhine economic integration began after 1945, it in fact began as a result of the 1940 Armistice. The narrative of European integration resulting from the postwar desire for Franco-German reconciliation must therefore be qualified – the economic integration in fact began in 1940, albeit in an entirely different political and ideological context. Advances in economic integration did in fact occur, without being guided by the democratic values that would characterise the postwar European project. When politicians and technocrats enacted the Schuman Plan in 1950, the foundations of economic integration had already been prepared during the early 1940s. In fact, many of the French technocrats who were instrumental in developing the postwar economic architecture were persons who had occupied the same key positions in Vichy France.

More specialised research is needed on the regional economic integration that occurred in the area comprising the Ruhr, Alsace-Lorraine and Saarland. Some historians of European integration argue that the ECSC was essentially a regional project

to integrate these coal-rich regions which were sought by both France and Germany.²²⁵ A study of economic geography focussing on the integration of this area between 1940 and 1960 would be tremendously fruitful, as it would demonstrate to what extent regional integration occurred during the war and could help to evaluate how decisive this was for postwar European construction.²²⁶

Similarly, a broader study of other important regions among the six founding members of the ECSC would also be beneficial. A closer examination of the integration of Nord-Pas-de-Calais and Wallonia during the war would be enlightening, as would studies on the economic consequences of the Netherlands' customs union with Germany, established in 1942, and Luxembourg's annexation by the Reich. I would hypothesise that these regions similarly underwent substantial integration, which would facilitate the success of the ECSC less than a decade later.

The Continuities between Vichy and the European Coal and Steel Community

We have seen the steadfast perseverance of the institutions and economic strategies developed during Vichy. The development of dirigisme, the greater role given to the state's technocrats, and the marginalisation of parliamentary politics emerged in the summer of 1940 as a result of the Armistice. These innovations remained useful in

²²⁵ Both Joël Kotek, at l'Université Libre de Bruxelles, and Eric Bussière, at Université de Paris IV – La Sorbonne, have articulated this to me in conversation.

²²⁶ Such a study could be guided by the work of Michael E. Porter and Paul Krugman. See Porter's "The Economic Performance of Regions" in *Regional Studies*, 37.6, 2003, 549-578.

the context of the immediate postwar period, in which scarcity was an even more acute problem than it had been during most of the war. The French economy and state underwent a profound reorientation in 1940, and the country would in many ways stay the course set in the summer of 1940. The provisional government of 1944, the Fourth and the Fifth Republics maintained many of these changes and would inform the construction of the European Coal and Steel Community, the precursor to the European Union.

These revelations are significant. The literature on the European Union's democratic deficit is extensive, but it is an area that has remained largely ignored by historians. By studying Vichy, we can understand the origins of the EU's preference for: a strong executive and a weak Parliament; for dirigisme; and for investing power with technocrats rather than elected politicians. More research is needed to determine just how significant each of these innovations has been for the development of later institutions, but this fresh perspective is promising.

Moreover, further investigation of the individuals involved in both Vichy and the construction of Europe could lead to a more thorough understanding of the development of the European project. This could confirm the role of technocrats who worked for the Vichy regime in the construction of Europe. This would also facilitate a more thorough understanding of the continuities between the institutions of Vichy and Brussels.

This could be guided by further research into the continuities in the motivations of Franco-German cooperation. Pierre Laval, generally considered the individual most

responsible for the strategy of collaboration with Germany between 1940 and 1944, was heavily influenced by Aristide Briand, whose name connotes attempts at Franco-German reconciliation. Laval served as Briand's foreign minister and together they visited Berlin in 1932 – the only time in the history of the Third Republic that a French Prime Minister visited Berlin. Laval had been a pacifist (so much so that he was considered a possible threat to France's military efforts in 1914 and was placed on the infamous Carnet B²²⁷) and his collaboration during the war was motivated by principles of peace and reconciliation between the two continental powers. His actions would ultimately amount to treason, yet they were nonetheless guided by these principles.²²⁸ Julian Jackson has noted the influence of the Franco-German attempts at rapprochement of the 1920s, led by Briand and Stresemann, on the strategy of collaboration pursued by Laval and others: “the road to Montoire runs back from 1940 through Munich (1938), Thoiry (1926), and Locarno (1925), even to Agadir in 1911”.²²⁹ Wartime economic collaboration must be placed in its proper context – namely as one of the stages of Franco-German rapprochement that ultimately culminated in the EU.

From the 1920s through the 1950s, then, we can observe a persistent desire on France's part to work with Germany. This was largely motivated by France's recognition of her own comparative weakness and by a consequent strategy of self-preservation. Briand famously said that he followed the politic dictated by France's

²²⁷ Fred Kupferman, *Laval 1883-1945* (Paris : Balland, 1987), 28.

²²⁸ *Ibid.* and Paxton, *op.cit.*

²²⁹ Julian Jackson, *France the Dark Years, 1940-1944* (New York: Oxford UP, 2001), 81.

birthrate, referring to the inevitable demographic reality that Germany would increasingly outpopulate France.²³⁰ Laval negotiated from a more obvious position of weakness, and hoped that collaboration would secure France a stronger position in a German-led European New Order. After the war, French politicians such as Robert Schuman saw the Common Market as a means of controlling Germany. Given the unification of three of its four occupation zones and the constitution of the Federal Republic of Germany in 1949, France pushed a strategy of merging the two countries' industrial potential and denying the newly reconstituted German state a part of its sovereignty. Upon German reunification in 1990, France was able to extract further concessions along these lines, namely the agreement to effect a monetary union with a common currency, the euro. Given this narrative, the years between 1940 and 1944 should by no means be perceived as parenthetical, but are rather essential to a more complete narrative of European integration. Further research into the constant motivations for Franco-German rapprochement in the varying contexts of the twentieth century would undoubtedly shed further light upon the history of European integration.

Conclusion

Taken together, this thesis shows how the Armistice of 1940 profoundly impacted the European integration process. France's trade with Britain declined sharply

²³⁰ *Ibid.* 84. According to Jackson, "when Briand talked of peace he meant French security; 'Europe' was a way of taming Germany".

while its trade with Germany increased exponentially. The Armistice caused both France and Britain to turn away from the Channel in favour of Germany and the United States, respectively. These changes, along with the emergence of a new state architecture in France, would facilitate the European project after 1945.

This thesis offers an alternative to the standard narrative of European integration. As Mark Mazower has justly noted, “the Europeanists clustered in Brussels” offer only one vision, “that of an ever-closer European union. Its acolytes still talk in the old way – as if history moves in one direction, leading inexorably from free trade to monetary union and eventually political union too. The alternative they offer to this utopia is the chaos of a continent plunged back into the national rivalries of the past, dominated by Germany and threatened by war”.²³¹ The danger of this narrative is that it presents the past as a teleological progression from national rivalries towards an ever-more integrated Europe, perhaps culminating in the United States of Europe. In this sense, Europe’s history orients its future. History is presented as the progression of Europe away from nationalistic wars and undemocratic alternatives, with any deviation from this course bracketed as an unfortunate detour for the march of history. This understanding of Europe’s past as a teleological march towards “ever-closer union” leaves little room to debate its future. By decoupling European integration in the past from the liberal ideology that has been attached to it since the end of the Second World War, we can observe the crucial advances made in integration under non-democratic regimes. While the Nazi conception of “Europe” died with that regime, the innovations made before

²³¹ Mark Mazower, *Dark Continent*, 399.

1945 in order to further that conception have survived well beyond the fall of the Reich. By recognising the advances made in European integration under Vichy, and how they carried over beyond 1945, we can understand not only the evolution of the EU, but its present shape. This is invaluable for understanding European identity and for offering prognoses for the EU's democratic deficit.

This thesis also opens the possibility of studying competing narratives and memory in the European Union. Many scholars have investigated the role of memory in national identities, notably Henry Rousso in France and Robert Moeller in Germany.²³² Their innovations and methodologies could be applied to the study of the history of European integration and the formation of European identity. While that remains beyond the scope of the present thesis, this project may constitute the first step towards this potentially very fruitful topic.

Much more research remains to be done on the legacy of Hitler's New Order on present-day Europe. Despite the initial discomfort of some academics reluctant to acknowledge continuities between Nazi-era Europe and the EU, this approach will transcend mere political pragmatism and lead to a fuller understanding of European integration. Notably, the development of European identity in France and other parts of Europe between 1940 and 1944 is crucial to understanding the development of the postwar integration process. Given the degree and variety of continuities between Vichy

²³² See Henry Rousso, *The Vichy Syndrome: History and Memory in France since 1944* (Cambridge, MA: Harvard UP, 1991) and Robert G. Moeller, *War Stories: The Search for a Usable Past in the Federal Republic of Germany* (Berkeley, CA: University of California Press, 2001).

and the postwar period, I suspect that those who collaborated during the war would have supported and contributed to the construction of the European Coal and Steel Community and its successors. Many collaborators were motivated by the desire for peace in Europe and Franco-German reconciliation – Laval chief among them. This line of collaboration sought greater (if not full) sovereignty for France within a new European order and hoped that France and Germany would cooperate as logical partners, being the two strongest powers on the Continent and having so many shared interests. Of course, because of the National Socialist ideology and priorities, this partnership was destined to remain unrealised under Nazi auspices. But the advocates of this kind of collaboration must surely have found much in common with the Europe they anticipated and the one that emerged after 1945.

On October 22 1940, Pierre Laval, Pétain's deputy, met with Hitler and German Foreign Minister Ribbentrop at Montoire, an isolated town near Tours. During their brief visit, Laval tried to convince the Führer that collaboration was the most promising course of action for Germany and France alike: "You can crush [France], you are the stronger. We will suffer, we will submit, but, because it is a law of nature, one day we will revolt. You have beaten us, but we have similarly beaten you in the past. If you want to humiliate us, then, at some future date, the drama between us will start again... If, however, you offer us a just peace, which takes into account our honour and our interests, then all is possible".²³³ Laval, who opposed the punitive Treaty of Versailles, sought to resolve the tensions between France and Germany that had existed since the

²³³ Kupferman, *op.cit.*, 265. Translation mine.

very birth of the latter. Instead of a vindictive peace, like the ones imposed on France in 1871 and on Germany in 1918-1919, Laval sought genuine collaboration between two partners. In 1940, however, Germany hardly saw the need for appeasing France or treating it as an equal partner. The just peace sought desperately by the French leaders would have to wait until their German interlocutors were ready for a just peace themselves.

The European Union and its supranational predecessors have proven their ability to make Europe an unprecedentedly integrated and wealthy region. Yet it has also been able to recognise its own flaws and to make itself more democratic and representative. With the recent Lisbon Treaty, the European Parliament has been given substantial powers. The Citizens' Initiative should further improve representation by ensuring that petitions with more than one million signatures (from a European population of over 500 million) will be considered by the Commission. The process of ever-closer union should continue alongside this process of ever-greater democracy. Even if the EU's origins can be traced to Vichy France, this certainly does not mean that the EU today is illegitimate or undemocratic. Rather, by understanding its undemocratic origins, the EU can continue to make itself more representative and more democratic.

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