

The Ruhr Occupation, 1923-24: pre-crisis bargaining strategies

The present note is in supplement to my case study (January 1971), wherein I comment that [p. 3] [after the fiasco of the Genoa Conference] of April-May 1922....the drift toward inter-Allied conflict, and toward French coercion of Germany and German resistance, went unchecked. What follows elaborates on this point with respect to the bargaining strategies of each of the major national actors.

British policy since the end of 1921 had on the reparations issue focused on a moratorium in exchange for stringent financial controls over Germany. However, for the British, reparations were to be subsumed into the larger problem of European "recovery," both political and economic. Hopes of bringing about this general recovery through reintegration of Russia and Germany into the European community with the financial blessing of the United States foundered at the Genoa Conference, the failure of which Prime Minister Lloyd George attributed primarily to the policy of French premier Poincaré.

Thereafter British policy on the reparations question was to let France pursue her course in the conviction that only thus could France herself see that that course must fail. Thus in a conversation with his
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colleagues on 15 July

The Prime Minister...asked whether in fact anything could be done to save Germany....if a loan [to enable Germany to meet her reparations payments] could not be obtained, then it might be best the situation reach bottom before building up....The French...would not come round until the ship was in sight of the reefs....it would be a mistake to make any proposals to M. Poincaré just at present. It was necessary to leave France to realise all the facts of the situation. Then something might be done....

Meanwhile the issuance of the Balfour Note, proposing a general mutual cancellation of allied war debts and reparations, would "make it clear to the United States that the action of America was responsible for the continuance of chaos in Europe."² After the failure of an Anglo-French conference in London in August to agree on the conditions for a further moratorium on reparations payments, Lloyd George wrote to his former cabinet colleague Jan Smuts, now South African prime minister, that³

I am convinced....that our failure to reach an agreement this time will have a very salutary effect upon French opinion. It is indeed evident already that Frenchmen, having claimed the right to act independently of their Allies, and having failed to come to any agreement such as to make independent action unnecessary, are now cooling off distinctly at the uninviting prospect which independent action presents....We shall have made a long stride forward towards peace if the meeting in London has, as I hope it may have, finally disposed of the French desire for violent remedies.

In October the Lloyd George government fell, the victim of its own "get-tough" policy toward Turkey. The new prime minister, Bonar Law, a colourless and passive figure highly sensitive to Conservative parliamentary pressures, informed the British delegate to the Reparations Commission that⁴

at the moment it is impossible for me to seriously consider this terrible question. I do not suppose it is necessary for me to make any move until something further happens.

2. Cab. 23/30, 2 Aug. 1922.
3. Ltr., Lloyd George to Prime Minister Smuts, 18 August 1922: Lloyd George Papers F/45/9/59, Beaverbrook Library, London.
4. Ltr., Bonar Law to Bradbury, 25 Oct. 22: Bonar Law Papers, 111/7/27, Beaverbrook Library.

The primary problem in foreign affairs to the British government was now not Germany but the need for a less-than-disastrous peace agreement with Turkey, with which the former Allied Powers opened negotiations at Lausanne, Switzerland on 20 November. Consequently, as the Prime Minister wrote his Foreign Secretary at Lausanne,

as regards the whole position, I have done my best to postpone reparations from the fear that once we tackle it it will be found that we cannot agree with Poincaré and that the French will be much less amenable at Lausanne....the difficulty [over possible unilateral French withdrawal from Constantinople] will only come as a result of differences over reparations.⁵

At the Anglo-French London Conference on reparations of 1-17 December
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Bonar Law

had really...nothing to do but play for time for the sake of Lausanne and I am sure you will have a respite there.

The final Anglo-French meeting prior to the occupation of the Ruhr was held in Paris from 2 to 4 January 1923, in accordance with Bonar Law's intention

to arrange a subsequent meeting in Paris in ten days or so rather than have difficulties now.⁷

Prior to that meeting the Cabinet authorized the Prime Minister to threaten

5. Ltr., Andrew Bonar Law to "My dear Curzon," Personal, 5 Dec. 22: Bonar Law Papers 111/12/38
6. Ltr., Law to Curzon, 12 Dec. 22: Bonar Law Papers 117/12/44.
7. Ltr., Bonar Law to Curzon, 7 Dec. 22: Bonar Law Papers 111/12/40.

British withdrawal from the Conference of ambassadors and the Reparations Commission, as well as the recall of a British garrison from the Rhine, in the event of continued French determination "to take independent coercive action against Germany."⁸ In Paris, however, Bonar Law made no such threats. Undoubtedly the need for French cooperation at Lausanne was still present in his mind. Moreover, he was

fully seized of the dangerous disproportion between French and British aerial forces.⁹

The Germans were therefore left to their fate. Was it, in Curzon's words,¹⁰ that

The feet of the Prime Minister were glacial, positively glacial?

Whatever the balance of motivations, the result was the same. "All I could say," a senior Foreign Office official, the legendary Eyre Crowe, told the German ambassador on 6 January, was "that the German Government would be well advised to come to terms with the French Government as best they could."¹¹

FRANCE- Poincaré first proposed occupation of the Ruhr within the councils of the French government on 7 June 1922, after Genoa and the evident failure of a proposed loan to Germany, a failure generally attributed to French intransigence over a new reparations settlement. A new German request for a moratorium was therefore expected, and in fact, made a month later. On 7 June Poincaré informed the combined parliamentary committees of foreign affairs and finance that an Allied occupation of the Ruhr would enable France,

8. Cabinet Conclusions, 29 Dec. 22: Cab 23/32.

9. Memorandum by A. G. B. of Conversation with Mr. Bonar Law at Whitlegame 22/12/22: Balfour Papers, British Museum Add. Mss. 49693. On 15 March 1922 the British Cabinet "generally agreed that the French air development constituted a formidable danger to this country." Cab. 23/29/277.

10. Cited in Nicolson, Curzon, 324.

11. Note by Sir Eyre Crowe, 16 January 1923, F.O. 40819, No. 26, P.R.O.

through control of German coal and tax policy, to "favour the Rhineland at the expense of German territories. This would enhance Germany's susceptibility to, so to speak, transformation." Though the aim was an Allied occupation, France would have to announce her intention to act unilaterally if need be. "If England knows we can do nothing without her, she will lead us where she will."¹²

On 12 July Germany requested a further moratorium on reparations-- through 1924! On French insistence the British reluctantly agreed to an¹³ Anglo-French conference to discuss a reply to the German request. By then the French government had already, according to a testimony of one of its members, decided "to act," preferably in conjunction with Great Britain. At the London Conference of 7-14 August Poincaré proposed Allied possession and control of a number of German "productive guarantees," including "the mines of the Ruhr." He prefaced his particular demands and conditions¹⁴ (for a moratorium) with the statement that

If France were alone and could act without taking account of the opinion of her Allies, she would have no hesitation in undertaking the occupation of the Ruhr because that in her opinion was the only effective step, but she wanted to make a serious attempt to come to agreement with her Allies and she thought that this agreement might be made on the basis of guarantees other than that referred to above.

12. Denise Artaud. "A propos de l'occupation de la Ruhr," Revue d'histoire moderne et contemporaine, tome XVII, Janvier-Mars 1970, pp. 11-12.
13. "In all the circumstances of the case I do not think it possible for you to refuse to see the French Prime Minister....If you see Poincaré now it will I fancy clear you till Oct. at earliest" Ltr., Balfour to Lloyd George, 29 July 1922: F/3/5/21, Lloyd George Papers.
14. British Secretary's Notes, Allied Conference, 10 Downing Street, 7 August 1922, 11 A.M. L.C. 250. Cab. 29/97, P.R.O.

Poincaré, however, received, for reasons already indicated, no satisfaction in London. Back in France, on 21 August, he made a public speech at Bar-le-Duc, threatening unilateral French action if necessary to obtain the necessary "garantées." Therewith he, and France, found himself committed. The British continued the waiting game, deciding on 29 September not to reply to the latest French dispatch on reparations.¹⁵

Following on the fall of Lloyd George, it was the turn of the French, feeling themselves now the stronger, to assume the role of the one to whom propositions are made. At the next Allied reparations meeting, in London 9-11 December, Poincaré remarked that it was not he who had requested yet another conclave, nor did he request the finale one in Paris in the beginning of January.¹⁶ In neither of these conferences did he, however, receive British agreement to the policy of "productive guaranties." The alternatives before the French government were now clear: either loss of "face," both domestic and vis-a-vis other states, through acceptance of a complete moratorium offering no compensation for France for a period of four years, or isolated action with dubious prospects of success. Poincaré chose the latter. By this stage could he have done anything else? With much calculation he had maneuvered himself into an impossible position. More specifically, both his threats of coercion and his policy of "productive guaranties" had evoked resistance rather than cooperation from both Britain and Germany.

GERMANY - The Wirth government, formed in May 1921, was pledged to a policy of "fulfillment," notably of the Allied reparations terms. When British policy on reparations changed, in part in response to German urgings, Germany

15. Minutes, Conference of Ministers, 29 September 1922: No. 153. Cab. 23/39.

16. Proceedings of the Meetings of Allied Prime Ministers in London, December 9 to 11, 1922. I.C.P. 254, Cab. 29/97.

followed the British lead. The German-Russian rapprochement at Genoa, however, reached under the aegis of Foreign Minister Rathenau, was an attempt at an independent German Ostpolitik. In June Rathenau was murdered by German Nationalists, impatient both at the policy of "fulfillment" and at being "soft" on communism. Thereafter Wirth felt it both necessary and possible (in the light of English support) to press for a complete suspension of reparations payments in 1922 and beyond. The German note of 12 July to the Reparations Commission accordingly stated that

Germany...considers it indispensable that she be freed of cash payments also during the years 1923 and 1924.

This note was written with the full approval of the responsible British reparations officials.

What is striking about German policy, however, is its continuance of a hard-line stance even after the fall of the man cast in the role of Germany's benefactor, Lloyd George. The third German note to the Reparations Commission, dated 13 November and made public two days later, took an even more intransigent line, demanding "Freedom from payments in cash or in kind [for three or four years] under the Versailles Treaty." Unlike the July note, it was not written in consultation with the British. The next day, November 14, the Wirth government resigned, to be followed by the "non-political," "big-

17. Ernst Laubach. Die Politik der Kabinette Wirth 1921/22. Lübeck and Hamburg: Malthiesen Verlag, 1968, pp. 246-47.
18. Ibid., 249. The German note is in The New York Times of 13 July 1922, p. 17, c. 3-4.
19. See The New York Times, 15 November 1922, p. 4, c. 2.

business," regime of Wilhelm Cuno, managing director of the Hamburg-America shipping line. The Cuno government, passively awaited the onslaught.

In retrospect, it is clear that the Germans placed too much confidence in the degree to which Anglo-American-French antagonisms would prevent any action to thwart the maximum German aim, the end to any and all reparations payments.

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