

THE FINANCIAL CRISIS OF FRANCE



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TORONTO

THE FINANCIAL CRISIS OF FRANCE

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PREFACE

MANY years ago, when in H.M. Treasury, I received instructions to prepare a report on the Public Finance of France. My report, when presented, appeared to find a certain amount of favour. For, even in those Gladstonian and economical days, it was printed, and earned the approbation of the rather formidable Chancellor of the Exchequer of that time, Sir William Harcourt.

Adventuring in the same direction I also composed some papers on the policy of the Bank of France, which *The Times* did me the good service of publishing at the close, I recollect, of 1894.

I must confess that since then I have not put pen to paper on that subject. It seemed so uninteresting for the public, so dry, technical, and strange. France fed on deficits and flourished, as the Pontic king fed on poisons and flourished too. And there were those complicated accounts, the despair of even the best French experts: *budgets extraordinaires*, *budgets annexes*, *budgets autonomes*,

PREFACE

comptes hors budget, comptes spéciaux, budgets des dépenses recouvrables. Most of this, it is true, could be simplified into the one word, borrowing.

Nor was the subject spiced by the presence of any very commanding personalities. There was no Colbert with his *front négatif*, the face that says, no. Did not Thiers pronounce that a Minister of Finance must possess the quality of *féroacité*? Did not Madame de Sévigné declare for a "man of marble"? None such was visible on the foreign scene.

And then, suddenly, at the opening of 1924, a Financial Crisis sensationally appeared. It had been, indeed, long in preparation, but, when it did come, it got to work quickly. In May 1924 it overthrew, so M. Poincaré has stated, his powerful government of the Bloc National. Not a year had passed ere it swept M. Herriot out of office, the leader of the Cartel des Gauches.

M. Painlevé, the new Prime Minister, in April 1925 conceived an inconceivable plan. He rang up Marmors on the telephone, urgently offering the post of Minister of Finance to "the best hated man in France," to the outcast

PREFACE

who had been solemnly proscribed by the Senate five years before as a public enemy, the "protégé of Germany," the despised and detested "Catiline."

This redoubtable personage answered the trunk call with the words "Je marche." Instead of the Tarpeian rock—the Treasury!

Even from across our side of the Channel, where we have enough of our own troubles and to spare, one watched, one could not help watching, this Crisis in its development with intense interest. So much went with it for the world at large, and very specially for ourselves. It was so important that our public should realise correctly the causes of its origin, its living significance, the results which it would produce.

So I thought, I hope not too rashly, that the time had come when I might venture to go in again. I do so with many a backward glance of regard for those who, whether at *The Times* or at the Treasury, encouraged me of yore.

GEORGE PEEL.

27 BELGRAVE SQUARE, S.W.

September 1925.

CONTENTS

CHAP.		PAGE
I.	SUMMARY OF THE ARGUMENT	I
II.	THE PENALTIES OF BAD FINANCE	9
III.	THE EXPENDITURE OF FRANCE, 1789-1914	19
IV.	THE SYSTEM OF DIRECT TAXATION, 1789-1914	47
V.	THE SYSTEM OF INDIRECT TAXATION, 1789-1914	63
VI.	M. CAILLAUX COMES AND GOES, 1906-1914	86
VII.	THE CRISIS IN PREPARATION, 1914-1918	97
VIII.	THE BORROWINGS OF THE STATE, 1914-1918	113
IX.	THE CRISIS AND THE TAXPAYER, 1919-1924	138
X.	THE FAILURE OF REPARATIONS, 1919-1924	161
XI.	THE FLIGHT FROM THE FRANC, 1924-1925	190
XII.	THE CRISIS IN FULL BLAST, 1925	217
XIII.	THE RETURN OF M. CAILLAUX, 1925	245
XIV.	THE FUTURE OF FRENCH FINANCE	278
	INDEX	319