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## *The Gift* and European Solidarity

### *Marcel Mauss and the Politics of Reparation in Interwar Europe*

In 1923 and 1924, as Marcel Mauss was preparing the rebirth of *L'Année sociologique* in which he would publish *The Gift*, the European public was captivated by the sovereign debt crises which threatened the stability of European economies. At stake was the sustainability of the interwar legal order created by the Treaty of Versailles, signed in June 1919 between Germany and the Allied Powers, and strengthened by the League of Nations and the Reparations Commission, which calculated the amount of debt that Germany owed to the Allies – France especially. Barely five years after the end of a war of unprecedented human cost for the European continent, the specter of division and armed conflict was again haunting European nations.

The main questions that contemporaries of Mauss asked about German reparations were not very different from those that sovereign debt managers and central bankers ask today about Greece's debt: Were they sustainable or too high for the German economy? Should their amount be reduced or the schedule of their payments renegotiated? Should the creditors extend a temporary suspension of payments (a moratorium) to Germany so that the German economy would have a chance to recover, after which Germany could repay in full what it owed to its creditors? But the traumatic memory of a conflict that had claimed almost ten million lives made it impossible for Mauss's contemporaries to answer these questions on purely technical aspects. Whether Europeans agreed, or not, to settle the financial issues which had been central to the resolution of the conflict determined whether they would live another war – an even more destructive war – in their lifetime or not.

If contemporary historians like Sally Marks now argue that German reparations were sustainable for the German economy, and that their odious character was merely a myth, exploited by postwar German political elites to consolidate political power and justify their opposition to the postwar settlement,<sup>1</sup> the dominant view in France at the time was that reparations were a sanction against the Germans' wartime behavior. The French and German publics saw the attribution of reparations as the ascription of a moral, or as Martti Koskenniemi argues, a "metaphysical

guilt”<sup>2</sup> placed on the German state, and thus no renegotiation could be opened, for the latter would have betrayed the memory of the fallen soldiers of the Allied nations. For Germany to be reintegrated in the concert of civilized European nations, its government had to pay the reparations owed to the populations of France and Belgium whose regions had been destroyed by the fury of the conflict.

Such a public perception led many historians to argue that the Treaty of Versailles was too punitive, too one-sided in its assignment of responsibility and guilt, pointing to the seemingly “unprecedented” reparations as restraining conditions that strangled postwar economic development and cooperation: John Torpey for instance, sees in the “reparations” provisions of the Versailles Treaty an “unambiguous form of ‘victor’s justice,’ which were resented accordingly.”<sup>3</sup> Some historians believe they were the source of the political disorder which led to the rise of the Nazis and the outbreak of the Second World War in Europe.<sup>4</sup> They implicitly relay the views expressed at the time by German intellectuals, legal scholars, and politicians who also presented the Allies’ requests as a series of “Diktats,”<sup>5</sup> and who considered that these German reparations constituted an “odious debt” which the vanquished nation – although it signed the Versailles Treaty – did not consent to pay.<sup>6</sup>

Mauss was deeply engaged in the debate on German reparations. In his op-eds in *Le Populaire*, Mauss blamed the nationalists in the French government for framing German payments as sanctions: he wrote, “the ones who carry the blame are the idiots who implemented the Versailles Treaty: the French Minister of Finance, Mr. Klotz, the right-wing press . . . the stupid crowds who believed in their claims that ‘Germany will pay’ whatever formidable sum the French requested.”<sup>7</sup> According to his view, it was possible to reschedule payments or cancel some part of the German reparations if such renegotiation helped restore European solidarity and order.

Many socialist and progressive leaders in France shared Mauss’s view of the reparations. Some, like Mauss’s colleague Léon Blum, the leader of the French socialist party at the time, tried to define a third way in the socialist journal *Le Populaire*, as he rejected the type of unilateral cancellation of debts decided by the Soviets which had shocked Mauss’s contemporaries, as well as the strict adherence to treaties espoused by nationalists.<sup>8</sup> For Mauss and Blum, had the Germans decided to unilaterally cancel their reparations obligations, they would have ruined the trust of European nations in international cooperation and would have invited war in response. But these French socialists also denounced the lack of flexibility of the French government in the implementation of the economic stabilization program decided by Germany’s creditors. Mauss and Blum argued instead in favor of “giving time” to Germany, so that it could reconstitute its finances, honor its financial commitments in the future, and bring the other debt-ridden European economies back on track with peace and prosperity. The future of the European continent, and its centrality in world affairs, was at stake.

Furthermore, socialists around Mauss valued the concept of reparations in which they saw the manifestation of a new type of quasi-contractual relations between the peoples of Europe. In 1923, Léon Blum told German socialists that the reparations were the first pan-European redistribution policies consistent with the new notion of *justice réparative*. As he said, “The principle of reparations reflects one of the idealist inspirations of the Treaty of Versailles. It is neither a punitive sanction,” Blum added, “nor a war bounty, but a reparation for damages caused.”<sup>9</sup> For him, the philosophy of reparations embodied in the Versailles Treaty reflected a new progressive conception of the state, whose legitimacy derived from its ability to safeguard the payment of social debts that its citizens had explicitly or tacitly contracted when forming a nation. Blum insisted that “this is the first time this principle is applied, and it is the basis for a new Law,” and adding that “the commitment of Germany toward France and Belgium is only a consequence of the commitment of France and Belgium toward its own victims, which is entirely new.” Blum gave a powerful argument to illustrate that claim: “until then,” he continued “a man whose house was burned by the war had no right to claim reparation from the state, which could object that there is a risk of war, when it is a supreme imperative. This notion of reparation is a new right, a rule of collective solidarity, a principle of national insurance, in which the socialists could only place their hopes.”<sup>10</sup>

Mauss fully agreed with his fellow socialists. Whereas international financial relations had been completely absent from Mauss’s prewar reflections, they rose to the top of his political and intellectual agenda after the Great War. In the early 1920s, Mauss thus spared no effort accusing the nationalists on both sides of the Rhine of misrepresenting the logic of reparations and sovereign debt relations, which embodied the values of multilateralism and dispassionate management in global affairs: it was the first time indeed that a multilateral Reparations Commission was granted the responsibility to determine the amount to be paid by Germany to the different allies (France, but also Belgium, the UK, etc.) in a quasi-scientific manner.<sup>11</sup> The Reparations Commission should be heard, so Mauss argued, especially when it proposed to reschedule the payment of German reparations in order to make that debt sustainable and place the German economy on the path of economic recovery and reintegration in the concert of honorable European nations. There had to be a third way between communist disorder and market discipline, along the lines that Blum and the French socialists defined.

The reparation question included in the Versailles Treaty was thus at the very heart of Mauss’s concerns at the time he wrote *The Gift*: in particular, the question of how European solidarity could be rebuilt by having Germany pay reparations to the Allies, and how Europe’s economic recovery could erase the scars left by the Great War and reinstitute Europe at the center of global affairs. This proximity raises the following questions: did the anthropology of the gift that Mauss tried to elaborate at the same time as he wrote on international economic governance help him develop a specific understanding of the problem of international order that other kinds of

discourses, like economics or international law, failed to reveal? If so, what perspective did the anthropology of the gift open for Mauss's contemporaries interested in the question of international order?

After tracing the origins of Mauss's conception of European solidarity back to his wartime experiences, this chapter describes the intellectual and administrative origins of the philosophy of reparative justice, which influenced some of the authors of the post-1919 international economic order. By analyzing how Mauss and the French socialists who participated in the war effort, especially at the Ministry of Armament, interpreted the meaning of the new financial international order erected by the reparations provisions contained in the Versailles Treaty, the chapter makes it clear that Mauss used his anthropological essay to back up his arguments in favor of debt rescheduling and a moratorium on payments with anthropological facts: especially facts about the temporal conditions that must be respected in order for reparations and other policies of debt forgiveness to create international solidarity in a postwar context.

*The Gift*, so I argue, was a way for Mauss to mobilize anthropology in a juridical battle to establish precedents that would prove that the gifts are always given back if some unspecified amount of time separates the gift from the counter-gift. Indeed, Mauss established that the type of debt exchange that he advocated in the context of the German reparations debate had a long presence in European (in particular Germanic) legal culture and practices of gift-making. In that sense, *The Gift* can be read as a normative justification of the policies of sovereign debt rescheduling that Mauss initially advocated with regard to German reparations and inter-allied debts: anthropological knowledge helped Mauss argue that the idea of a debt moratorium extended to Germany was in fact a perfectly normal measure to restore a European sense of solidarity, rather than an exceptional favor, and the most secure way to preserve the European continent from another major conflict.

## 1 THE WARTIME EXPERIENCE OF ALLIED FINANCIAL SOLIDARITY

A traditional historian of ideas would certainly start a chapter on the notions of solidarity, contracts, and reparations with a survey of the important predecessors who influenced Mauss's conception of contractual law and social obligations, which can be traced in *The Gift* and in Mauss's earlier essays: for instance, in his 1921 article on an "ancient form of contract among the Thraces," in which he first demonstrated that ancient European societies had developed a "system of total prestations,"<sup>12</sup> very similar to the one described by Franz Boas in his ethnography of the Kwakiutls' "potlatch," which led him to conclude that the logic of gift exchange that he later claimed to have uncovered was indeed universal. Such a historian would then emphasize the intellectual debt that Mauss owed to his uncle, Emile Durkheim, who defined the notion of solidarity in sociological terms in his famous book *De la division du travail social*,<sup>13</sup> but also the inspiration Mauss drew from Alfred Fouillée,

another sociologist and philosopher of law; or from Léon Bourgeois and Charles Gide, who, like Durkheim, differentiated between societies depending on their forms of the solidarity – “mechanic” or “organic,” depending upon how societies organized the division of labor.<sup>14</sup> This is not the perspective that I adopt in this chapter.

Instead of a pure intellectual and disciplinary history of ideas, I would like to contextualize the key notions such as debt obligations, reparations, quasi-contracts, which Mauss introduces in *The Gift*, by identifying their meanings when they circulated within the political debates of his time, which related to the question of Allied solidarity during the Great War; and afterwards, with the question of German reparations to the Allies. If Mauss and his friends had helped workers create cooperatives and wholesales before the Great War, the protracted conflict soon revealed the necessity of European nations to launch a total war, in which all economic sectors, all genders, and all ethnicities were to be mobilized. As the war mobilization escalated, the young Durkheimian intellectuals soon helped industrialists create cooperatives, and bankers as well, with the patriotic goal of helping the democratic Allies win the Great War against the German autocrats and their allies. It is interesting to see how the notions of solidarity and cooperation, far from disappearing from the vocabulary of the socialists and Durkheimians who had been the most fervent advocates for peace before the war, took on this new meaning during and after the Great War: the international solidarity manifested by the alliance treaties was translated into a gigantic effort of contractualization and mutualization of the economic wartime effort of the French, British, and American war industries against Germany and its own allies.

During the war, Albert Thomas and his Ministry of Armament realized one of the most important reorganizations of industrial production and international trade in modern history, which was directly inspired by the prewar cooperativist movement in favor of wholesales and mutualization of contracts.<sup>15</sup> This effort was largely concentrated on the war industries and their financing, as the latter had to meet strict production goals for the allied armies to keep up with Germany’s efforts. For these industries to be able to increase their productivity, Thomas forced workers and industrialists to sit at the table to negotiate conventions fixing salaries, production targets, and labor conditions. The Ministry also negotiated procurement plans with Allies to ensure access to raw materials and industrial goods not produced in France as well as to ensure the stability of its currency, in order to be able to meet its financial obligations throughout the course of the war.<sup>16</sup> Thus, the state did not substitute itself for the private initiative, but it helped private interests organize themselves at the industry level so as to optimize the division of labor and the organization of trade for the allies’ interest – thus creating a sense of solidarity between the classes within the same society and across societies.

Even if Mauss did not directly participate in planning the war effort, as he found a role as a translator attached to the twenty-seventh division of the British army, he

obtained firsthand knowledge of the initiatives undertaken at the Ministry of Armament to turn the cooperativist philosophy into concrete action. “*L’Année* holds the keys” to the Ministry of Armament, as Durkheim anxiously wrote to Mauss in August 1915.<sup>17</sup> By 1915, the Durkheimians were heavily involved in the industrial planning effort. Simiand and Halbwachs were trying to find new optimized ways to reconfigure the international division of labor between the Allies in an attempt to create what we would today call “global commodity chains,” by bringing, for instance, British coal with Algerian minerals into the same chain of production.<sup>18</sup> Long gone were the days when Hubert, Simiand, Mauss, and Durkheim divided the book reviews among their little group for *L’Année sociologique*.

Simiand was not the only trained economist inspired by solidarism and socialism to join Thomas at the Ministry of Armament. Among other legal scholars of solidarist inspiration, we can cite Israel William Oualid (1880–1942), born in Algiers’ Jewish community, who, like all other Durkheimians, had been a member of the League of Human Rights founded during the Dreyfus affair, and who would later write important work on the costs of the Great War with Charles Gide, as well as works on money, tariffs, and exchange rates.<sup>19</sup> Arthur Fontaine (1860–1931), a former student of Polytechnique and chief inspector of work, who entertained a brilliant Parisian life with parties attended by artists and novelists like Charles Gide’s nephew André Gide,<sup>20</sup> and who later worked to found the International Labor Organization (ILO) with Albert Thomas, also joined the group.<sup>21</sup> Among these men, Mauss entertained a rich correspondence throughout the war with his best friend and coauthor, Henri Hubert, mobilized in 1915, whom Albert Thomas wrote had become the “soul of the automobile service” in the Ministry, before engaging in economic and political negotiation with Russia in 1917, and then overseeing the restitution of works of art by the Germans to the Belgians and French after the war.<sup>22</sup>

Last, one other economist joined Thomas’s team: Max Lazard, the son of Simon Lazard of Lazard Frères,<sup>23</sup> who had known Simiand and Mauss at least since 1908.<sup>24</sup> Max Lazard entered Thomas’s cabinet before being sent to Washington to organize the purchase of war materials on behalf of the French war industries (which had thus mutualized their calls for materials), and then working together with Arthur Fontaine on drafting the articles of the Versailles Treaty that established the ILO, which he joined with Thomas and Fontaine after its creation. As reflected in his correspondence, Mauss remained in close touch with Max Lazard before and after the war, as the two men continued to contribute financially to the same socialist cooperative until at least 1927.<sup>25</sup> They mixed at social events with some cooperativists *de passage* in Paris, like Robert Hunter (1874–1942), an American sociologist, philanthropist, and activist involved in the fight against child labor.<sup>26</sup> Even when Thomas was replaced at the top of the Ministry of Armament in 1917 by Louis Loucheur (1872–1932), another Polytechnicien and self-made man in the

construction sector in France, some of the Durkheimians like Halbwachs left, but the Ministry kept the same orientation.

During the war, Paris was thus not an uninteresting place to live in, and the Ministry of Armament not a bad location to start planning the shape of the postwar financial order in Europe. If, as recorded by Marcel Proust, the nightlife had dramatically changed compared to the glorious days of the *belle époque*, as many of the young aristocrats who entertained parties and salons had been killed in the trenches, the daily life of Ministry officials was full of stimulating intellectual opportunities for the young sociologists and economists interested in participating in the reorganization of the war economy. It was also full of opportunities for the young Durkheimian sociologists to develop new friendships with the French bankers associated with the financing of war procurement: indeed, the officials of the Ministry of Armament also had to make sure that the French state could meet the payments due to the Anglo-American Allies in exchange for weapons and other military materials. In this regard, the presence of Max Lazard, whom Mauss knew well, in the Ministry ensured that the other Durkheimians would have access to some of the prominent members of the newly founded inter-allied Commission on Exchanges, charged with the stabilization of the franc during the war, and who included André Lazard (1869–1931), Max Lazard's brother, among its members.

If Mauss knew Max Lazard well before the war, he may, although it is not certified, have met André Lazard, as the latter also spent the first two years of the war working as a translator in the headquarters of the British army of General Haig. Mauss later acknowledged in *The Nation* that a friend of his at the Commission on Exchanges provided him with key insider knowledge about currency stabilization, and it could have been André Lazard.<sup>27</sup> In 1916, after joining the service of Governor General Hubert Lyautey (1854–1934) in Morocco and then Lyautey's services at the Ministry of War, when the latter became Minister,<sup>28</sup> André Lazard was sent back to work at the Lazard bank, which was the Banque de France's operator of the exchange market, and at the newly founded Commission on Exchanges. The presence of the Lazard Frères owners in this Commission was perfectly justified by the fact that the question of exchanges was indeed deeply related to the market of gold, and that the bank Lazard Frères had carved out a very specific role for itself in that market: at the turn of the nineteenth century, the bank invested in a new line of business – the transfer of gold from the US to France (and vice versa).<sup>29</sup>

With the prewar system known as the “gold standard,” any transaction could indeed be monetized either in local currency or in gold. Importers thus had an interest in paying in gold rather than in local currency if the price of the latter was higher than the amount of gold they would have to ship to the exporting country. Around the time of the Dreyfus affair, the first generation of Lazard bankers, a family of French Jews who had left the eastern region of France after its annexation by the Germans in 1871, had established a network of banks in Paris, San Francisco, New York, and London, and started operating on the gold market in 1884, for

“other reasons than profit,”<sup>30</sup> according to Alexandre Weill, one of the bank’s founders. Prestige was one of these reasons: indeed, in the 1880s, the Banque de France had started to invest massively in the acquisition of gold, in order to foster the activities of its importing and exporting industries, so that they might one day benefit from the relative differences between the price of gold and the local currencies where they exported or imported goods. Thanks to their investment in the purchase, transport, and sale of gold, the Lazard banking network thus created a privileged relationship with this very prestigious client: the Banque de France, which relied on its discretion to conduct its “gold policy.”<sup>31</sup>

For the Lazard bank, helping the French central bank even when it was not the most profitable line of business was not a disinterested act, although it was also a manifestation of the banking partners’ patriotism: as the founder of the Weill dynasty (later the David-Weill dynasty) liked to remind his family, a serious financial establishment could not always seek short-term profits, but it had to shoulder its clients in times of crisis, in the hope of being given back profits in times of opulence. As Alexandre Weill wrote, “reciprocity [between a creditor and its client] imposes itself. If we give this, we must obtain that. *Donnant, donnant*, this is the law of business.”<sup>32</sup> As he added, “When profit margins are reduced, we have to keep serving our clients with the same zeal as before, and we can even take advantage of these business cycles, as we may gain new clients rejected by the indifference of other financial institutions.”<sup>33</sup> This precept was all the more true when the client was as prestigious as the Banque de France, and in the transition from peacetime to wartime.

The Lazard bank faithfully applied this principle when the war with Germany broke out in 1914. At the onset of the war, the bank J.P. Morgan had obtained agreement from the British government to serve as the sole intermediary for all purchases of food and war material in the United States – organizing a kind of “wholesale” whose task was to obtain better prices than could be obtained by individual British bidders. Understandably, J.P. Morgan wished to play the same role for the French government.<sup>34</sup> But the Paris and New York Lazard branches objected to the fee that J.P. Morgan had negotiated for all transactions (soon amounting to billions of US dollars) – which was duly relayed by the French press. Very quickly, the Lazard Frères bank succeeded in securing their role as the main transporter of the gold that the Banque de France loaned to the French government to pay the collateral on US and British sales of war material. Throughout the war, they didn’t charge any fee for the services they offered to the French government, despite the fact they obtained a quasi-monopoly on the exchange of gold.<sup>35</sup>

This offer was not the only gift that the Lazard bank offered to the French nation. Lazard Frères also helped the French government launch large national subscriptions (*emprunts nationaux*). Indeed, as real patriots, they fully supported the mission defined by the French Prime Minister Ribot:

We have to bring the reserves we have. At this time, egoism is not only synonym with cowardice and treason, but it would also be the worst foolhardiness. What should these reserves become if France shall not be victorious? They would become the ransom asked from us rather than the price of victory. This is why the army of French savings shall arise: like the army that fights, it is the army of France.<sup>36</sup>

In fact, this willingness to form close ties with the French central bank, and to gain prestige from a reciprocal relationship formed by the mutual exchange of services and gifts, was continued by Alexandre Weill's son, David Weill (later David David-Weill), when the franc became the target of speculative attacks in the mid 1920s. But we will come back to this other episode later. What matters here is that within "the army of French savings," the Lazard bank partners certainly had reached the rank of a four-star General by the end of the war, and the Lazard brothers provided a unique source of information on the operations of Franco-American operators in high finance for the Durkheimian officials in the Ministry of Armament – and through them, for Mauss, who became extremely interested in financial affairs during and after the war.

Indeed, if, after the war, Mauss remained interested in the question of workers' cooperatives and was consulted as an expert on the subject by Albert Thomas (the Director of the ILO in Geneva until his premature death in 1932),<sup>37</sup> he moved on to discuss mostly topics related with high finance in a series of publications in *La vie socialiste* and *Le populaire*, the latter a journal partially funded by the new leader of the SFIO (Léon Blum), Belgian cooperatives, and private donors.<sup>38</sup> With the disbanding of the Commission on Exchanges following the end of the war, one the main questions that preoccupied Mauss and other Durkheimian friends of his, like Henri Hubert, was whether or not France would be able to meet the financial obligations it had contracted for the service of its war debts; and whether or not France's monetary policy would dramatically increase the price of those debts. This is why Mauss and his friends praised the work of the Reparations Commission, which, after the Versailles Treaty was signed, was endowed with the responsibility to help France and other bankrupt European nations shoulder their debt and stabilize their currency in order to avoid the eruption of another deadly conflict.

## 2 GUILT AND RESPONSIBILITY IN THE GERMAN REPARATIONS SCHEME

Today, it may not appear evident that the work of the Reparations Commission prefigured the postwar role of the International Monetary Fund (IMF) as stabilizer of currency parities,<sup>39</sup> which is why it is important to come back to the history of the legal concept of reparations in the peace negotiations: it is necessary if we want to understand why Mauss found it crucial to write about the debt swaps that the Reparations Commission organized between European nations, and to hail it as

an exemplary model of global governance in the field of international economic relations. Indeed, many historians continue to see in the “reparations” provisions of the Versailles Treaty a form of victor’s justice, which imposed an odious and unsustainable debt on a vanquished nation; and they see in the Reparations Commission the arm of the creditor nations, like France, whose revengeful instincts were revealed when the latter invaded Germany’s richest regions when Germany defaulted on its debt servicing obligations.<sup>40</sup>

During the Great War, it is true that many French nationalists conceived of reparations as a rightful penalty against the crime of aggression committed by the German Emperor against the Belgian and French armies rather than as a mechanism of macroeconomic stabilization. That interpretation was particularly fashionable among the French juriconsults in the Commission on the Responsibilities of the Authors of War and the Enforcement of Penalties (hereafter, Commission on Responsibilities), formed at the end of the war to prepare parts of the Versailles Treaty. The German responsibility in causing the war was debated in the Commission on Responsibilities, which concluded that Germany was indeed responsible for the war and recommended the prosecution of the German emperor for the violation of “international morality and the sanctity of treaties” – a demand that was included in the section on penalties (articles 227–230) of the Versailles Treaty.<sup>41</sup>

The discussion of this notion of responsibility actually started in the early days of the war when the French government tasked none other than Emile Durkheim to write an official document challenging the German doctrine according to which the outbreak of the war had been Russia’s responsibility.<sup>42</sup> As Durkheim wrote to his nephew in December 1914, he believed that his brochure established the “irrefutable demonstration” of Germany’s responsibility in starting the war.<sup>43</sup> Then, in a publication commissioned by the French government on the role of war in the German “mentality,” Durkheim went even further: he wrote that the responsibility of the German state in the declaration of war was not only imputable to a series of fateful tactical decisions by the German leadership which forced the Austro-Hungarian Empire to declare war on Serbia and thus on Russia, but it also corresponded to broader general traits in the “German mentality”<sup>44</sup> – a claim he found less irrefutable, as he later told Mauss.<sup>45</sup> In many ways, the notion of responsibility found in these essays, written at the beginning of the war, was still ambiguous enough to be interpreted as criminal guilt or as simple financial responsibility in the civil law sense.

In the Commission on Responsibilities, the French were represented by a politician and a legal scholar with political leanings far from the Durkheimian: André Tardieu (1875–1945) and Ferdinand Larnaude (1853–1942). Tardieu, an editorialist and right-wing politician who would go on to become President of the Council (Prime Minister) of France, served as adviser to Prime Minister Georges Clemenceau (1841–1929) in the peace negotiations. As the deputy of the Territory of Belfort, a small department that had been carved out from the larger regions of

Alsace and Lorraine,<sup>46</sup> and which had symbolized the heroic resistance of the French against the Germans in the 1871 war, Tardieu was ardently nationalist – and even anti-Semitic – as well as imperialist; in fact, he was involved in various scandals of the French administration of the Congo before the war, which placed him in direct confrontation with Jean Jaurès and Albert Thomas, as discussed in the next chapter. Politically, Larnaude stood halfway between Tardieu and Bourgeois: although the latter had been one of Larnaude’s mentors, Larnaude’s strong anti-German feelings brought him closer to Albert de Lapradelle, a juriconsult for the Minister of Foreign Affairs with whom Larnaude participated in a committee working to define the legal notion of reparations.

For Tardieu, Larnaude, and other French juriconsults, the French demands that Germany pay some reparations after the war manifested the continued “national union” against the enemy and the clear expression of the French state’s will to win the economic peace after winning the war. It was motivated by the duty to sanction Germany for its unacceptable behavior during the war and its criminal responsibility in the multiplication of war crimes (invasion of a neutral country,<sup>47</sup> state terrorism against civilian populations, use of gas, and chemical warfare).<sup>48</sup> In the deliberations of the Commission on Responsibilities, Larnaude and Tardieu repeatedly argued that the reference to Germany’s “responsibility” as a state should in fact be discussed in the context of international prosecution of the crimes committed by the German army.<sup>49</sup> The final Commission Report argued that a failure to punish violations of the laws and customs of war in defense of absolute sovereignty would “shock the conscience of civilized mankind,” emphasizing that “the public conscience insists upon a sanction”<sup>50</sup> (which was how they framed the question of reparations).<sup>51</sup> Thus, in this sense, responsibility was conceived as the mark of criminal guilt.

When the Council of Four (Allied heads of state), which decided the final wording of the Treaty,<sup>52</sup> presented it to the French and British public opinion, the nationalist interpretation of German reparations (as a blame and sanction against Germany’s conduct) seemed to prevail: the press, outraged over German war crimes, called for retribution and ascribed moral guilt to Germany for the atrocities of the war. Calls to “Hang the Kaiser”<sup>53</sup> and punish war criminals played an especially prominent role in the British parliamentary elections of 1918.<sup>54</sup> The British proposal to prosecute the German Emperor also met with enthusiastic approval from the French Premier, Georges Clemenceau,<sup>55</sup> who presented the peace settlement to his compatriots as a complete vindication of France’s 1870 defeat: France legally recovered the territories that it had lost in 1870 (Alsace and Lorraine) and obtained new colonial territories (like Cameroon and half of Togo, the other half going to the British, which also gained German colonies in East Africa, when Japan obtained German colonies in the Pacific), as well as reparations from the Germans.

But even if Tardieu and Larnaude rejected the notion that reparations could be tied to France’s alleged “responsibility” to compensate for war damages,<sup>56</sup> or that reparations would express some form of social solidarity between citizens of the same

nation (France) or continent (Europe), another more progressive and positive understanding of the “duty to repair” existed at the time, in which reparations were indeed tied to a notion of solidarity that was to become the basis of a new right for citizens in Europe: the right to have one’s properties restored if destroyed because of a war. The ambiguity over the meaning of “reparations” and their consequences – in large part a product of the decentralized process of negotiation of the Versailles Treaty<sup>57</sup> – was thus due to the presence of conflicting forces in the French field of power, which resulted in a power struggle over the meaning of the financial obligations created by the Treaty.

Against the nationalist interpretation, the notion of responsibility was associated with generous calls to act responsibly in favor of European postwar financial solidarity – which is how Mauss and his friends, like Gide, Blum, or Hubert, understood the concept of responsibility. Solidarists read in the sixteen articles (231–247, and all the annexes) of the Versailles Treaty the description of a collective institutional machinery set up to decide the amount of, and monitor the payment of, German reparations, so that Germany could be reintegrated in the European community of responsible states. On the one hand, solidarists admitted that these articles established “the responsibility [rather than guilt] of Germany and her allies for causing all the loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Germany and her allies” (article 231). But on the other hand, the Versailles Treaty also planned the establishment of a Commission of Reparations, to determine the extent to which Germany could “make complete reparation for all such loss and damage done to the civilian population of the Allied and Associated Powers and to their property during the period of the belligerency”<sup>58</sup> (article 232).

Furthermore, the Versailles Treaty also specified that Germany would “make a special issue of bearer bonds” (article 232) to restore the properties of civilians, the final amount of which, as well as the schedule of payments, depended on the recommendation of the Reparations Commission (article 233),<sup>59</sup> which shall “give to the German Government a just opportunity to be heard.” This last sentence was especially important, as it meant that the reparations philosophy did not hinge on the German admission of guilt, but instead, the recognition of some collective responsibility among European nations in repairing the war damages caused by states to Allied populations especially, as the latter had suffered to a much greater extent from the war destructions than the Germans.<sup>60</sup>

For the solidarists, the notion of reparation was thus based on the notions of financial responsibility and solidarity found in other legal texts, such as a law passed by the French Parliament that tied together these notions of responsibility. This law, passed on October 22, 1915, stated in part: “The Republic proclaims the equality of all Frenchmen and the solidarity of nations in supporting the costs of war; the damages caused in France to the movable properties and real estate property, by

acts of warfare, open the right to a complete reparation.”<sup>61</sup> As Charles Gide later commented, this law expressed a form of “national solidarity, which had never before been expressed in such an affirmative way by France” – after previous wars, like in 1870, “it was said that the victims of the war might be compensated for their loss, but nothing was done, and nobody had raised to the possibility of complete reparation.”<sup>62</sup> As Louis Loucheur (Albert Thomas’s successor as Minister of Armament in 1917 and then Minister of Liberated Territories in 1921 and 1922), explained to Chancellor Rathenau in mid June 1921, the reparations provisions in the Versailles Treaty were a direct emanation of the same philosophy that had inspired the French 1915 law establishing the state’s new duty to repair.<sup>63</sup>

Léon Bourgeois and Louis Loucheur moved the analysis of reparations architecture away from the political debates about alleged German “guilt” and back to the progressive elaboration of a body of international law concepts, such as collective responsibility, duty to repair, collective insurance. They were actively involved in this effort to promote recognition of a European social debt to the civilian victims of the war: Europe had a debt to those Belgians and Frenchmen whose private wealth was destroyed because their possessions were located on the battlefield. Léon Bourgeois, who was the rapporteur on the Versailles Treaty to the French Parliament, saw in the principle of reparations a formidable advance for European civilization precisely because the treaty clearly distinguished reparations from indemnities, as the Allies did not ask “any indemnity from Germany in compensation for the military expenses.”<sup>64</sup> As Bourgeois added, the American delegation had opposed the inclusion of war costs, as the Germans had only accepted reparations for civilian losses in their “pre-armistice agreement.”<sup>65</sup> Eventually, they settled for a sum which was close to 160 billion francs – to compensate the French civilian population mostly for damages directly caused by bombardments (85 billion) and pensions to war invalids and widows (60 billion) – and they excluded the payment of an indemnity (to reimburse war costs) which would have amounted to another 143 billion francs.<sup>66</sup>

For solidarists, special financial measures included in the Versailles Treaty thus simply ensured that the Allied populations would not suffer more than the German population from the financial burden created by war debts – which would have been the case in the absence of reparations, as most destruction had happened on Belgian and French soil.<sup>67</sup> For them, the reparations scheme illustrated the broad philosophy of financial responsibility that the architects of peace asked all European nations to observe. Indeed, according to the peace settlement with Germany (and Austro-Hungary), each state was asked to act responsibly in order to maintain the collective order and to accept some redistribution to equalize the burden of war debts. The notion of financial responsibility was not only found in the Versailles Treaty signed between the Allies and Germany, but also in other peace treaties, like the Treaty of Saint-Germain-en-Laye, signed in September 1919 by the Allies and the successor states to the former Austro-Hungarian Empire. These peace treaties

established the idea that old debt contracts between the defeated central European empires should be honored by the new nations formed after the war. Past debt contracts could be restructured only in extreme circumstances, if the people had not consented to the borrowing and the proceeds had not benefited the people at the time debt was contracted.<sup>68</sup> All the newly created states in Central Europe had thus to accept to pay debts that they had not contracted, in order for Europe to remain financially stable. Alexander Sack (1890–1955), a Russian émigré who worked in France on the question of sovereign debt restructuring in the context of state succession, found only one example of cancelled debt in Europe: that of Poland (a new state created out of the association of territories formerly under either German or Russian authority and control), which was relieved from a small part of the debt (an amount to be fixed by the Reparations Commission) contracted by the Germans to fund their occupation and colonization of Polish lands (article 254).<sup>69</sup>

This reading of the financial provisions contained in the peace treaties was thus in line with the general solidarist ideology of Charles Gide and Marcel Mauss, for whom to repudiate debts in a unilateral way – as the Bolsheviks had done – would have been a crime against the principle of reciprocity, or interdependence.<sup>70</sup> For Mauss, when Bolsheviks rejected the Tsarist debts and confiscated the property rights of foreign nationals on Russian soil, they had failed to honor “the tacit international contracts”<sup>71</sup> – in solidarist parlance, the quasi-contracts – and had destroyed the national and international trust in the Soviet regime, leading to the “disappearance of the sources of all social life: trust and good faith”<sup>72</sup> – a conclusion with which Max Lazard was in total agreement, as he wrote to Mauss.<sup>73</sup> For Mauss, the negative international reaction to Russia’s revolution was thus the logical consequence of Russia’s inconsequent ignorance of the founding principles of international law (good faith and avoidance of unilateral acts), since “a State has only the right to apply its laws to its citizens and to the foreign nationals who are residents, but it has to avoid giving the appearance of committing any injustice and any violations against tacit international contracts, e.g. against public and private international law.”<sup>74</sup>

It is important to contextualize these debates about financial responsibility in the political discussions of the German reparations and Europe’s financial order, as our analysis of Mauss’s notion of gift exchange, which he introduced in this context, may be misguided by more recent utilizations of Mauss’s concepts in the context of present-day debates about international economic governance, which are marked by the ever-widening opposition between left-wing thinkers and anthropologists, and the multilateral financial institutions, like the IMF, which impose unrealistic conditionalities on debtor states, in Europe and elsewhere. But, in fact, a world separates the present-day calls for unilateral debt cancellation proposed by left-wing thinkers such as David Graeber or Eric Toussaint – the Belgian historian and president of the Committee for the Abolition of Illegitimate Debts, who was selected in 2015 by the

left-wing President of the Greek Parliament, Zoe Konstantopoulou, to conduct the “citizen audit” of the Greek debt<sup>75</sup> – in the context of the present-day Greek sovereign debt crisis, and the calls in favor of “financial responsibility” expressed by Mauss and Gide in the immediate post-Versailles context. Even if present-day anthropologists like Graeber claim to be inspired by Mauss, when they argue for instance in favor of unilateral debt cancellation, the latter wrote extensively on the sacred duty of all nations to honor their debt.

### 3 THE EUROPEAN SOVEREIGN DEBT RESTRUCTURATION MECHANISMS IN QUESTION

If the Great War hit hard the group of Durkheimians, with the death of Durkheim father and son, it also failed to disband them, and the economic aftermath of the war focused their attention on the same question: whether the wartime industrial cooperation and financial solidarity between Allies could survive the end of the war, or whether the defeated Germany could be included in the circle of Allies in order to restore a sense of European solidarity, in particular against the Soviet threat. These questions were indeed central in the writings of the Durkheimians – Mauss in particular – that focused on the role of German reparations in the restoration of international solidarity and economic prosperity in the European continent, where new nations had carved a space for themselves on the debris of the Central European empires.

Among those who argued that the Versailles Treaty served to establish a framework for the financial organization of international solidarity in Europe after the war, Marcel Mauss became particularly active: from 1920 to 1924, Mauss published more than forty editorials in *Le Populaire*, in which he defended his reading against those in the right-wing government, who, like Louis-Lucien Klotz (the Minister of Finance from 1917 to 1920 and a Jewish native of Alsace, like Mauss himself) or André Tardieu, had claimed that reparations were due to France because of Germany’s guilt in starting the war and later conducting atrocities.<sup>76</sup> As Mauss wrote about Klotz, he was “the only Jew who does not understand a word of finance,” and he suspected that George Clemenceau, the French President, “perhaps displaying satanic tendencies,” had nominated him as Minister of Finance to “expiate the sins of Israel and of the nation”<sup>77</sup> and turn him into a scapegoat for the German public, who would later associate the requirement that Germany pay formidable sums to France with a transnational Jewish plot.

In contrast, Mauss consistently lauded the work of the multilateral Reparations Commission gathered in Brussels in December 1920 to recalculate the amount of the reparations. The Reparations Commission included many among Mauss’s friends and cooperativist collaborators, like Charles Gide and Louis Loucheur representing France, and Jean Monnet (1888–1979), who was also a friend of André Lazard, representing the League of Nations as its first Secretary General.<sup>78</sup>

The French team led by Gide also included Charles Rist (1874–1955), a professor of law and economics who coauthored with Gide the *Histoire des Doctrines Economiques*, and whose book on *La Déflation* was lauded by Mauss in *L'Année*;<sup>79</sup> as well as Arthur Fontaine, the labor inspector and philanthropist, who joined Albert Thomas and Max Lazard at the ILO in Geneva after the war. Mauss was convinced that the French government should follow the recommendations of the Reparations Commissions, which had become the official institutional conduit for the harmonization of national accounts in Europe as well as for negotiations of sovereign debt rescheduling in a globalizing world economy conducted across the Atlantic.<sup>80</sup>

At a time of reopening European markets and European-wide investments in reconstruction efforts, members of the Reparations Commission believed that it should fully participate in the establishment of a common legal architecture governing financial flows – in the same way the IMF played the role of ensuring currency stabilization from the end of the Second World War to the dismantlement of the Bretton Woods system that occurred with the end of dollar–gold convertibility. For Charles Gide and his collaborators, reparations were meant to fairly balance the price of the war among the warring parties so that European solidarity could be reconstituted on sustainable grounds.<sup>81</sup> As Charles Gide and Albert Thomas's former collaborator Israel William Oualid noted, “[a]mong the damages resulting from the war, we have the debts that each warring party has contracted, which weigh to a greater extent on the victors than on the vanquished.”<sup>82</sup> This imbalance in the weight of the war debts between victors and vanquished was precisely what the German reparations were supposed to eliminate: there was no point asking Germany too much to pay, or too little.

The debt imbalances resulting from the unequal distribution of war destructions in Europe meant a kind of macroeconomic system of debt redistribution should be found for each sovereign debt to be sustainable. As Mauss wrote, in Brussels:

illustrious experts (Irving [Fisher] from New York, [Charles] Gide from Paris, [Arthur Cecil] Pigou from Cambridge) agreed on the substantive claims that it was necessary: 1) to fix a rational reparations policy based on a reasonable estimate of the credit and debit of each warring party; 2) to devalue depreciated moneys in proportion of that estimate; 3) in the meantime, to find enough international capital in order [for central banks] to let enough gold circulate to restore the gold standard.<sup>83</sup>

Thus, the Reparations Commission conducted what the IMF now calls debt sustainability assessment (DSAs) as a preliminary step before any negotiation of the amount of German reparations it was legally mandated by the Versailles Treaty to ascribe to the Germans. This turned the Commission into an essential mechanism of financial transfer and macroeconomic regulation. The holistic and forward-looking strategy adopted by the Reparations Commission to treat the problem of

reparations meant that economists integrated reparations within the broader context of Europe's sovereign debt problem – or rather, they inferred the reparations from the overall credit and debit of each European nation, including an overall estimate of all the wartime debts contracted to domestic and international actors. The numbers were the product of a collective study commissioned by James Shotwell (1874–1965), an economic and diplomatic historian at Columbia University and Director at the Carnegie Endowment of International Peace, to support the work of the Reparations Commission.<sup>84</sup>

From the assessment of the credit and debit of each nation, the Reparations Commission inferred how much debt (including German debt in the form of reparations) could be written off for each nation. For example, the experts determined at the Brussels Conference “that France owes 219 billion prewar francs in loans,” mostly borrowed on French capital, and to a small extent (about one-sixth, or 38 billion) on foreign (British and American) creditors.<sup>85</sup> “This amount,” Gide continued:

corresponded exactly to our estimate of the general wealth of France; or if we prefer to measure interest rather than capital, it corresponded to 14 billion francs-gold, to which were added 10 billion francs-gold in pensions to invalids, widows and children (a debt also contracted because of the war), which meant that France had to pay 24 billion francs-gold of interest, e.g. more than 70 per cent of the total yearly income which was not over 35 billion.<sup>86</sup>

The French debt was thus unsustainable if the Germans refused to pay some reparations, which is why international experts computed that Germany would need to pay annual payments of 3 billion gold marks each year for forty-two years – an amount that seemed more reasonable than the initial French government's proposal, which had asked Germany to pay forty-two annual payments of 12 billion gold marks (to reimburse a total Allied need of 200 billion gold marks with France claiming 110 billion gold marks).<sup>87</sup>

The assessment of the credit and debit of each European nation was the preliminary step before the implementation of a general policy of debt cancellation or stabilization of all European moneys (not just the mark): “a legal change in the value of the money, a procedure which we call ‘stabilization,’ a euphemism” for the reevaluation of the debt, as Gide wrote. The Reparations Commission demanded that all nations (including the French) assess exactly how much debt they could support and how much they would have to write off. For Gide and Oualid, France's creditors, for instance, should not expect to recover the entirety of their wartime loan, as “the taxpayers would have to give away the entirety of their fortunes to pay back the nation's debt to the stockholders (or 70 percent of their yearly income).”<sup>88</sup> As Mauss wrote, it was of paramount importance for the French people to realize that from “creditors of the whole world, the French people have become debtors, whose creditworthiness . . . depended on their ability to retain gold” and to “stabilize

the French franc”<sup>89</sup> at its right parity with the gold standard, e.g. at the amount of gold the French central bank possessed inside France and in obligations outside.

In 1921, the Reparations Commission seemed to work relatively well: in anticipation that the Germans would not be able to pay their reparation debt for that year, Germany’s creditors engaged in a new round of negotiations on reparations, which ended in London in May 1921 with the London Agreement. The British asked France to honor legality rather than occupy the Ruhr, as the Versailles Treaty stipulated that sanctions should occur after a default of payment, and not in anticipation of a default.<sup>90</sup> With the London Agreement, the German reparation debt was restructured in order to avoid seeing Germany default. The Reparations Commission set a new total at 132 billion (rather than 200 billion) gold marks to be paid in two steps: first the Germans would pay the annual interest and amortization of a loan of 50 billion gold marks used for Allied reconstruction (corresponding to 2 billion gold marks per year, the sum that the Germans had proposed to pay in 1919, plus some 26 percent of the benefits of German exports); second, after German economic recovery, the Germans would pay the interest and amortization on another Allied loan for the remaining 82 billion gold marks.<sup>91</sup> This was a major “haircut” on the public debt owed by Germany to its neighbors, but it wasn’t sure it would be enough to solve the problems in the long term.

Unfortunately, the same problems that plagued Germany’s currency and Europe’s economic recovery in 1921 resurfaced in 1922: the 1921 London Agreement between Allied governments had only postponed the solution to the problem of German reparations, but it had failed to address the institutional weakness of the Reparations Commission, which could only hope that their recommendations would influence macroeconomic policies in France as well as in Germany. But hope and persuasion was all they got, since the German government largely ignored its calls for stabilization, while the French government continued to insist on full payment of the renegotiated sum. In 1921, Germany had failed to pay the annuity because it stumbled upon two ongoing problems: inflation first, and the balance of payment second. Indeed, the German chancellor failed to convince the German financial conglomerates to stop issuing credits, thereby raising the mass of monetary instruments in circulation in Germany, which fueled what Mauss called the “policy of bankruptcy” of the German government, as “the German Republic wished to demonstrate that it could not pay the reparations that the Allied bankers believed it capable of paying.”<sup>92</sup> As Loucheur told Léon Blum in July 1922, while the two were elected deputies, Germany should be “sincere and clear about its desire to comply with its international legal obligations,” when instead, its monetary policy “encouraged the plunge of the mark,” to the discredit of its “standing and its interest,” which were intrinsically associated with France’s “ability to be repaid.”<sup>93</sup>

Furthermore, the payment of reparations heightened Germany’s balance-of-payments problems: due to the large decrease of its foreign exports during the war

and postwar eras, Germany did not have enough foreign currency to pay reparations with French and Belgian francs and British pounds. As a result, Germany had to sell marks (rather than exported goods) to buy foreign moneys and pay what it owed in reparations, and the speculation against the mark led to further depreciation.<sup>94</sup> The French government then lobbied for the stabilization of the mark<sup>95</sup> and agreed to bypass the German problem of buying foreign currencies with payment in kind, in coal or cession of shares of the industrial coal conglomerates upon which France's steel industries depended.<sup>96</sup> But German industrialists, aided by the British, who opposed the creation of large Franco-German cartels in the coal sector, successfully opposed a tax on capital and only agreed to increased taxation on wage earners to generate new revenues – which could never generate enough cash to pay the reparations.

This is why in 1921, the Reparations Commission proposed to engage a much larger and more comprehensive round of multilateral debt cancellation by the creditors of Germany and France: this idea of multilateral debt cancellation had been first formulated at the very beginning of the work by the two British negotiators in the Reparations Commission, John Maynard Keynes (1883–1946) and Robert Brand (1878–1963), a British colonial administrator in South Africa and a London banker. The world-famous British economist and his colleague had expressed their conviction that “the United Kingdom would benefit more in the long-term from the cancellation of French war debts, and the international prosperity that would result from a parallel settlement of the reparations questions.”<sup>97</sup>

Keynes, who later participated in the Brussels Conference during which a first “haircut” of German reparations had been decided, had been one of the first to propose that the British and Americans should make the first gift by cancelling the inter-allied debts that France (and to a lesser extent Belgium and Italy) owed them.<sup>98</sup> Then, so Keynes reasoned, the reparations to be paid by Germany to France could be scaled back to a reasonable level, as France and Italy would not insist on receiving as in-kind reparations the German coal that Austria needed. Besides, for Keynes, the inter-allied debts were “odious debts” as the loans that France had contracted in the United States had not paid for investment in productive economic activities, but had been used to fight a war in which the United States had claimed to act as an ally, not by providing men but weapons.<sup>99</sup> As Brand had said, justifying their proposal, “when everyone adopts egoist tactics, it is human to reject altruism, but if we do not all want to suffer, one must make the first move, and it is within our tradition and character to do just that.”<sup>100</sup>

But in 1922, the Reparations Commission had been unable to convince states to move beyond a partial and limited “haircut” granted to Germany. In 1922, there was no longer any talk of partial debt cancellation among French solidarists, including Mauss, as the British government reimbursed all the war debts it owed to the United States after the Cannes Conference, which had failed to generate a consensus on the question of reparations among Germany's creditors. So, there was no longer any

hope that the United States would erase the wartime debt that France owed to the New York bankers. Although Mauss had believed that a multilateral partial cancellation of sovereign debts might have been an interesting solution in the early days of the reparations debate, in 1922 this solution no longer appeared acceptable: the British payment of their wartime debt meant that the French should do the same as the British, and reimburse first its inter-allied debt, as “a people gets richer by paying its debts, because . . . of all the credit it gets from the world.”<sup>101</sup>

The priority, then, was for the solidarists to convince the French government to accept some debt rescheduling of the German reparations, by delaying German payments and extending the number of their annuities. It was a legal trick meant to avoid irritating the French nationalist press, which would have balked at the idea of giving Germany another haircut on the sum of reparations it owed to France. But the French government of Raymond Poincaré (1860–1934) conditioned his agreement to reassess the schedule of German reparations to the reevaluation of the war debts that France owed to its own creditors: the British and the American banks (especially J.P. Morgan, which floated loans to the British and the French for almost half a billion dollars in 1915 and 1916).<sup>102</sup> Indeed, after the Cannes Conference, the French government asked for Germany to either pay in full the large sum negotiated at the time of the Versailles Treaty, or for the Allies (the United States in particular), to cancel part (or all) of the debt that the French owed to them as a result of their purchase of war material. This was a tough negotiating position.

For Mauss, when the French asked the United States to write off their debt first, they committed the same mistake as the Soviets when the latter “declared the Russian state bankrupt.”<sup>103</sup> As the US bankers and the US government warned the French in July 1922, they may agree to lower the inter-allied debts, but as Mauss wrote, “if French leaders were to wait for this before their own revision of reparation, they shall wait in vain.”<sup>104</sup> Prefiguring his reflection in *The Gift*, Mauss observed the reality of the politics of sovereign debt: no nation wanted to be the first to give, as a gift would be perceived as a sign of weakness, and not of strength. This was a misperception that Mauss wanted to change. In *Le Populaire*, Mauss told his fellow socialists that if the French cancelled part of the German debt, then “the British and the Americans could not but do the same, but the British and American taxpayers would never admit that the interests of a debt contracted by France would be cancelled if the French creditors were not first treated in a similar way,”<sup>105</sup> i.e. if France did not devalue the franc (and its national debt to French creditors) by 60 percent (in 1922 Mauss estimated the franc at 40 percent of its prewar value).

Such was the context in which Mauss first wrote about the need for France to make a large gift to the Germans, and to see the circulation of sovereign debts as based on the principles of a gift exchange economy. Mauss proposed that the French should follow the precedent of the British government after their victory over Napoleon: “after victory, the British lent France some money . . . the gold with which the government of Louis XVIII operated during its first month was British

gold which was introduced into France thanks to the Rothschilds,”<sup>106</sup> the ancestors of the Jewish bankers who proposed to stabilize the mark and franc in 1922. In the absence of such a gift, Mauss believed that German default of payment was bound to occur again in 1922. Then, inflationary cycles would continue to destroy Germany’s ability to meet its reparations payments. This was unfortunately the most likely outcome, as Mauss was very pessimistic about this possibility. As he wrote in 1922, the French public was misled by:

the German wish to demonstrate that Germany could not pay the reparations that the Allied bankers believed it capable of paying, and which, for that reason, had let its gold and its credits be exported outside of its soil, with the result that the whole wealth of Germany was now depreciated . . . and the German public no longer trusts the mark, but places its faith in foreign currencies instead.<sup>107</sup>

In addition to discussing the necessity for France to extend large gifts to its former neighboring enemy, Mauss’s op-eds discussed another available instrument to restore European solidarity: the idea of a moratorium on German reparations, which he believed could be more acceptable to the French public. Indeed, Mauss argued that if “the State stops paying its debts during a certain amount of time [until it proceeds to devaluation], then it can resume its payment, which even if reduced, would again be payment in gold, and with amortization of the debt.”<sup>108</sup> The socialists of the SFIO, especially Blum, agreed: Blum insisted, “Germany must meet its obligations, but to do so, we must give her the means to recover economic prosperity.”<sup>109</sup>

The temporal sequence advised by Mauss, Hubert and Blum in 1922 looked as follows: first, France and its Allies would make a large gift to Germany by writing off a large amount of the reparations debts; then, Germany would take the time to reorganize its economy and financial system; and, finally, Germany would pay back the original gift by reimbursing its restructured debt. As Mauss underlined, it was important “that 1) the Allies should grant a moratorium long enough to recover its payments on its budget surplus, 2) that they should reduce the German debt to a reasonable level, 3) that the Germans should balance their budgets; 4) that they should stop inflation which meant adopting a higher interest rate.”<sup>110</sup> Mauss’s position was also shared by the British government, which urged German Foreign Minister Rathenau to apply for a moratorium on payments, rather than accept to default.<sup>111</sup>

Thus, Mauss introduced in his political essays of 1922 an original concern for the temporality of debt repayments, which manifested in his reflections on the inherent asymmetry of interstate relations. The extension of a moratorium was a useful way to avoid deadlock between the French government and its Anglo-American creditors over which nation would make the first gift, or, rather, which nation would be the first to write off part of the debt that the others owed it (and what conditions would be made on that gift), and whether default of payment would be met by sanction.

As Henri Hubert wrote to his former Minister, Albert Thomas, the moratorium – short of solving all the institutional problems affecting Germany’s financial health – could be a short-term patch placed on the hemorrhage of German marks, and it was certainly more useful than extending a short-term loan to Germany for them to pay their reparations annuity, or erasing another section of the German debt, which the French adamantly opposed:

Having the Germans pay 30 billion to the Allies, as this dishonest idiot of Keynes [who was arguing for a major “haircut” in today’s parlance, from 132 billion to only 30 billion] is as hard as getting Germany to pay the 132 billion gold marks fixed in London. The real problem is a problem of instrumentation, and the instruments that have been used so far are just ill adapted to the situation . . . At the present exchange rate, it is as ridiculous to ask the German government to use marks to pay for the material [industrial equipment, coal, etc.] that it is legally obliged to send to France as reparation-in-kind, as it is to force Germany to buy foreign currencies to pay the few millions it has to pay in cash for reparations. The credit lines that the financial sector may extend to the German government will not help them pay what they owe to us: the money lent will be immediately used to temporarily restore the value of the mark, but as a result of speculative attacks, the amount of the loan will be immediately pocketed by the speculators who bet on the downfall of the mark.<sup>112</sup> Thus, any loan extended to Germany will fail to produce the desired outcome. Here’s what our politics should be: We should propose without any delay a complete moratorium on the payment of reparations in cash, and as long as needed for the current system of payments to be reorganized – a period which will last for no less than six months.<sup>113</sup>

But the French public also found the moratorium impossible to accept, as long as the Anglo-American creditors refused to erase the debt that France owed to them. The French nationalists insisted that German reparations were the continuation of war through other means. Helping the Germans recover first economically, before forcing them to pay reparations, smelled of high treason. Mauss and other solidarists had good reason to be worried.

At the end of 1922, the situation indeed seemed hopeless. J.P. Morgan refused to cancel the debt that France owed to the bank: instead, he agreed to float a loan to Germany so that it could avoid a default for 1922, and proposed that, in exchange, France write off some of the amount of reparations.<sup>114</sup> Responding to J.P. Morgan’s offer, the government of Poincaré agreed to a partial debt rescheduling but used a subterfuge: in inter-allied negotiations with the British and American governments, Poincaré agreed to write off only part of the 82 billion gold marks that Germany had to pay in the future, not any of the 50 billion gold marks that it had to start reimbursing immediately. This was in line with the program which Raymond Poincaré had promised to implement when he formed his nationalist government in France, after the French right-wing press had called for a policy of sanctions: France

could, for instance, seize “collaterals”<sup>115</sup> if Germany failed to honor its reparations debts.

The whole debt renegotiation scheme was thus on the verge of collapsing. For Mauss, the fault was Poincaré’s, whose financial solution was a “fake sacrifice since the French would only renounce payments that could not be made, while asking the British and American taxpayers for a large gift,”<sup>116</sup> i.e. the immediate cancellation of inter-allied debts. Confronted with the risk of a German default of payment, André Lazard then encouraged the Lazard Frères of London to extend a long-term credit to the German government so that Germany could meet its financial obligations for 1922 – but he warned his associate in London to proceed with the utmost confidentiality, as any association between the name of Lazard and a credit extended to Germany risked backfiring against the French branch and spur a rise in anti-Semitic attacks against the Lazard Frères as a consequence.<sup>117</sup>

Indeed, on top of the financial instability, anti-Semitism and nationalism were on the rise and showed their ugly faces when a right-wing fanatic assassinated the German Foreign Minister, Walter Rathenau, during the reparations conference of bankers held in June and July 1922. His assassination showed the price that German politicians (especially Jews) would pay for agreeing to negotiate with the Allies, and it ended the negotiations of a moratorium on German payment. The German nationalists, as Mauss had feared, started to associate the payment of reparations with a transnational Jewish plot. Does it seem so extraordinarily strange to us? In a way, it does, and at the same time, we should recall that when Greek Finance Minister Yanis Varoufakis called on the Greek government to abandon any plan of unilateral debt cancellation (if only partial) and negotiate instead a moratorium on payments and a debt rescheduling arrangement with the Troika (the IMF, the European Central Bank (ECB), and the European Commission (EC)) in charge of ensuring the full implementation of the plan imposed by Greece’s creditors – a plan very much like the one that Mauss proposed in 1922 to solve Europe’s sovereign debt crisis – many Greek nationalists and left-wing radicals saw in his public statement the proof that he was taking his orders from the Jewish billionaire George Soros and thus part of a Jewish conspiracy to destroy the birthplace of Europe’s democratic traditions of sovereign autonomy.<sup>118</sup> Sadly, history often repeats itself, as either farce or tragedy.

#### 4 THE GIFT: IN SEARCH OF LEGAL PRECEDENTS FOR THE MORATORIUM ON REPARATION PAYMENTS

The difficult renegotiation of European sovereign debts raised one of Marcel Mauss’s central lines of questioning in *The Gift*: How to jump-start a cycle of gift-giving in a noncooperative game? At the same time as Marcel Mauss and Henri Hubert wrote about the necessity for France to make a true gift to Germany by granting it a moratorium on payments, the two friends – but Mauss especially – were

thus engaged in the rebirth of *L'Année sociologique*, in which Mauss eventually published *The Gift* among many shorter review essays. As said previously, Mauss finally put together the new *L'Année sociologique* of 1924 thanks to Max Lazard and David David-Weill of Lazard Frères in Paris, the very same family of bankers whose financial policy he lauded in *Le Populaire*.<sup>119</sup> The new volume of *L'Année sociologique* also contained other important essays by Mauss's collaborators, in particular François Simiand,<sup>120</sup> whom Mauss regularly consulted on the question of the stabilization of the franc,<sup>121</sup> although the latter did not agree with Mauss on everything. It was thus not a surprise that the questions raised by the reparations dispute found their way into the sociological volume.

The topic of Mauss's essay was indeed very similar to the one he tackled in his political essays, as Mauss believed that the exchange of gifts in all kinds of societies was akin to the payment of debts, and international debts in particular, by modern nations.<sup>122</sup> Mauss sometimes even used interchangeably the notions of gift and debt, for instance when writing on the potlatch among Northwestern American Indians:

their economic system is as much based on credit as is the economic system of civilized peoples . . . Indians do not have any writing device and therefore, their transaction must be public to be secure. The *potlatch* consists in contracting some debts on the one hand, and in paying some debts on the other hand. This economic system is so developed that the capital possessed by all the individuals associated with the tribe far exceeds the quantity of values at hand [the liquid values, Keynes would say]. In other words, this society shares with our society similar properties: if we desired to pay back all our debts, we would not be able to find enough money to pay them. When every creditor seeks the reimbursement of his loan, it creates a disastrous panic which hurts the community for many years.<sup>123</sup>

As seen in this quote, Mauss distinguished the partial payment of debt called potlatch (paying off one loan and taking out a new one)<sup>124</sup> – which can easily be done by “writing off” the debt of some nations when the economy is based on writing devices – and the total reimbursement of debts, when the debt is completely paid off and the bond between creditor and debtor erased. For Mauss, the potlatch did not erase the debt, nor did it erase the social bond, between creditor and debtor nations. The potlatch just redistributed the debt within a community of nations whose common destiny was made manifest by the acceptance of the redistributed (and consolidated) debt. The “regime of contractual law and system of economic prestations”<sup>125</sup> known as potlatch actually strengthened the bonds between communities as it articulated a set of legal duties, “the duty to give . . . the duty to receive . . . and the duty to give back.”<sup>126</sup> *The Gift* thus detailed the socio-legal conditions which ensured that the partial payment of (national and international) debts would increase (international) solidarity. Indeed, Mauss asked: “What is the legal rule and the incentive which . . . forces the gift received to be obligatorily given back?”<sup>127</sup>

Mauss was also very careful to underline that the logic that presided over the exchange of gifts belonged to the realm of sovereignty: it was practiced for and by sovereign powers; and to the extent that Mauss's reflections related to debt issues, they concerned mostly sovereign debt, and not the reimbursement of ordinary loans between private members of a tribe. The logic of the gift was indeed the exact contrary of the utilitarian logic of petty merchants, who did not understand that economic exchanges of gifts were not just economic actions but also political acts of alliance-formation.<sup>128</sup> For Mauss, it was thus essential to distinguish the act of gift-making, which was a political act, from the utilitarian logic of speculation.<sup>129</sup> In rituals of gift-giving, national leaders rejected the petty logic of bargaining as, by giving, they sought to establish the honor of their nations, and even their superiority in the gift-giving contests or "wars of properties."<sup>130</sup> For instance, in the ceremony practiced by the Kwakiutls of the American Northwest, there was no bargaining, but the parody of a declaration of war, in which the gift-giver acted as if he did not give anything, "as if the thing given was ignored . . . even distrusted . . . after it has been thrown to its feet by the gift-giver who must affect a fake modesty."<sup>131</sup>

*The Gift* is an interesting textual hybrid, as it integrates for the first time Mauss's reflections on a series of published ethnographic findings – in particular, from the writings of German-trained but English-speaking ethnographers, like Boas, Thurnwald, and Malinowski – as well as archaeological findings, which he mostly borrowed from his best friend Henri Hubert, who had written with Mauss two of the latter's most important articles on the functions of sacrifice and of magic in *L'Année sociologique* at the beginning of the century.<sup>132</sup>

The lives of the two friends were intrinsically tied at many levels: intellectual, since after their first essay on the nature of sacrifice, Hubert decided to focus on gift exchanges and other contractual forms in ancient European societies (like the Celts and the Germanic tribes),<sup>133</sup> while Mauss decided to study and teach at the EPHE on similar topics in the context of non-European societies (India especially, but not only); financial, as Mauss's mother had lent some money to Hubert to help him buy his home;<sup>134</sup> emotional, as Hubert named his first son "Marcel" in reference to his best friend, whom he considered his son's uncle;<sup>135</sup> and social, as Hubert's circle of friends overlapped in many ways with Mauss's own circle. Indeed, Hubert's other best friend from his student years was Marcel Drouin (1871–1943), who had married the sister of André Gide's wife,<sup>136</sup> and who had cofounded with Gide *La Nouvelle Revue Française*, where the young Blum, André Gide's best high-school friend and Mauss's collaborator in *Le Populaire*, published his early essays.<sup>137</sup>

If anthropologists today are familiar with the worlds of the Trobrianders, those Argonauts of the Pacific, and the Kwakiutls of the American Northwest, I have had more than one anthropologist colleague tell me that she always wondered what role the equally important sections on Germanic tribes played in Mauss's now classical text. Where did these findings on Germanic tribes come from? And what purpose did Mauss seek to achieve by placing them after the description of the kula or

potlatch systems? A first answer may be that, by doing so, Mauss drew inspiration from Hubert's work on the Germanic tribes, and that he included archaeological data from Europe's past practices of gift exchange to generalize the observations of ethnographers into a universal theory of solidarity and gift exchange, based on all ethnographic, archaeological, and historical facts known to the *savants* of the time. Fine: that is an important part of the puzzle. There is a second equally plausible answer, which relates to Mauss's methodological preference: that Mauss was primarily a philologist, who liked to reinterpret recorded tales and texts from the whole world, rather than a field ethnographer who liked to conduct primary fieldwork in territories previously unknown to Western scientific teams (archaeologists, ethnographers, biologists, etc.).

There is another (complementary) way to explain why Mauss gave so much space to his description of Germanic gift-making practices, which is more sensitive to the porosity of the boundary between Mauss's political and academic writing: that Mauss sought to back up his political claims that the Germans would understand their legal obligations if part of their debt was written off, or if they were granted a moratorium on payments, by pointing to legal precedents of the potlatch in the Germanic legal tradition. As Mauss insisted, "Germanic societies . . . have such a clearly developed system of exchange with gifts, voluntarily and obligatorily given, received and given back, that one would have trouble finding an equivalent"<sup>138</sup> except, perhaps "in the practice of gift-exchange found by Mr. Malinowski in the Trobriand islands."<sup>139</sup> As Mauss wrote, "the gifts play such an important role in the legal culture found among the Germans" and the "persistence of such mores" is so evident that "they must be very solidly grounded on strong roots in the German soul."<sup>140</sup> Indeed, with the exchange of gifts, old Germanic nations (as well as nations in the Pacific and other parts of the world) exchanged the "fundamental proof of the military, legal, economic and religious recognition of the leader of a nation."<sup>141</sup> The two logics of gift exchange and market exchange were inherently antithetical, added Mauss, who wrote that in Germanic society the logic of the gift was so strong that "Germanic civilization was a long time without markets . . . and in earlier times, this civilization only developed the potlatch."<sup>142</sup>

Thus, Mauss used his academic writing as a venue to diffuse a solid anthropological justification of the kind of financial policies he and other collaborators of *L'Année*, like Henri Hubert, discussed in their conversations and private letters as well as in their op-eds. The two worlds of politics and science were not so far away in France, or in the countries taking part in the discussions of the Reparations Commission. For instance, in 1924, Mauss had written to that not-so-little economist whom Hubert so passionately disliked, John Maynard Keynes, to ask him whether the Royal Economic Society would be interested in receiving *L'Année*, and sending books to review to its editorial board.<sup>143</sup> Sensing that Mauss may have been animated by, if not carried away by, such political considerations, Hubert wrote to Mauss that his conception of the Germans' sense of obligation was a bit hopeful, and certainly

biased by his contemporary preoccupations with Germany's understanding of its legal obligation to pay back reparations:

The question of whether, and how international trade can modify an economy of the kind of the kula trade, is quite problematic [in your essay]. Let's take what you write about the ancient Germans: you write that Germanic law did not include the possibility of market exchanges. But the Germanic world in the bronze age cannot exist without markets. Indeed, there was not one atom of copper or tin in Germany, and this is still the European country with the highest number of discoveries of bronze objects. Germans have exchanged metal against amber, and there was a market for amber. I can certainly explain the paucity of terms in the Germanic vocabulary to refer to market exchanges. There has been a long eclipse of markets during the Iron Age, but then, the profound influence of the Celts has been felt, with the diffusion of the words *leihen* and *Werth*, and all the system of pledges and confiscations. I have thousands of traces of exchanges with foreigners which followed purely economic logics. It all depended on the specific periods, as the phenomena did not follow direct lines, but rather, they drew cascading patterns . . . This is why I expected that you would tell us much more about the evolution of economic logics after the ancient Germans, by describing how Roman law affected the situation . . . And what you write about the fact that there is still something of that kind [as the potlatch] in our social fabric is very nice, but contradictory with what you said about the instability of these forms of economic exchange: I can see some stability in the Celtic world, in Ireland or in Gaul, but I do not see such stability in the Germanic society. These are issues which you should study without any consideration for their political and/or moral dimensions.<sup>144</sup>

Hubert's criticism of *The Gift* thus focused on what he knew best and what Mauss knew least: the Germanic culture of gift exchange. For Hubert, the Germanic world was rife with market exchanges as far back as the Bronze Age, for in fact all of the bronze used in Germany came from other countries, traded against amber – and claiming otherwise was disingenuous. Henri Hubert was more a specialist on the Germans and the Celts than Mauss was, as Hubert had taught a yearly class on the ancient Germans in 1924 and 1925 at the School of the Louvre (Paris's major art history school),<sup>145</sup> and he was still working on his book *The Celts*, which Mauss later edited and published after Hubert's death in 1932.<sup>146</sup> Meanwhile Mauss had only published one article on the Thracians, who, like the Celts and the Germanic tribes, lived in the confines of the Greco-Roman world.

In general, Hubert was quite critical of Mauss's essay,<sup>147</sup> which he found at times "quite foggy and imprecise" especially in word choice. In particular Hubert thought the expression "prestations totales" unfortunate, as he wrote that "there's always something that escapes the realm of prestations" (something more sacred for instance), at the origins of group solidarity.<sup>148</sup> But Mauss saw in the exchange of gifts or "prestations" (a word with legal meaning, as it was also found in the Versailles Treaty) the perfect illustration of how old Germanic nations understood the

formation of international contractual bonds; it encompassed how “[c]lans with tribes, great extended families within the clans, chiefs and even kings” interacted outside “the closed circles of their own groups” and how they forged “links, alliances and mutual assistance [contracts which] came into being by means of the *gage* (pledge or collateral) . . . and acts of generosity.”<sup>149</sup> Thus, Mauss insisted that these exchanges united different collectives and he appeared to stick to his point that all Germanic tribes manifested their sense of total (economic, social, cultural, religious, political) belonging through such ceremonial exchange of goods and services – hence, the use of the term “*prestations totales*.”

If Mauss was guilty of an exaggeration – or rather, an essentialization, according to his friend Hubert – about the rules observed by Germanic tribes in their practices of exchange, Mauss would have agreed it was because of the political goals he sought to accomplish with his essay. The elective affinity between Mauss’s academic and political agendas was most visible with his reflections on the temporality of gift-making practices in the Germanic context. Applied to the interwar context, Mauss’s analysis of gift exchanges and the origins of international solidarity could not but echo the discussions that Hubert, Blum, Thomas, himself, and many others had on the desirability of granting a moratorium to the Germans. If the readers of *The Gift* followed his argument to its logical end, they would understand that if Germany was granted a moratorium on the servicing of its reparation debts, it would no doubt start reimbursing in full the reparations once hit by economic recovery. The logic of gift exchange required that the Germans start paying back reparation debts only after some time had passed – otherwise, the payment of reparations would look like the extraction of a war bounty by former victors and neutral bystanders.<sup>150</sup> Mauss’s reflections on the gift showed that such a moratorium was not an exceptional demand placed upon the French government by unworthy allies, but a universal rule of good global governance, which placed trust and long-term reciprocity over the strict conformity to contractual obligations asked from debtor nations, even in self-defeating cycles, which hurt both debtors and creditors.

In *The Gift*, Mauss indeed found that certain anthropological conditions related to the rituals and temporality of gift-making practices were necessary for the quasi-legal obligation to “give back” after a first gift to be observed. As Mauss told his readers, “Time is necessary to execute any counter-prestation: the idea of a ‘term’ is always implied” in the exchange of gifts, “when people exchange visits, when they contract marriages or alliances, or when they establish peace.”<sup>151</sup> Indeed, said Mauss, citing Simiand, with the exchange of gifts, nations created bonds between past and future.<sup>152</sup> The exchange of gifts always escaped the present, as gifts were not even looked at by the gift-giver and the gift-receiver, and always heralded counter-gifts in the future. In contrast, market exchanges could only occur in the present, without concern for the past and future of the co-contractors: in market exchanges, a complex system of credit allowed economic agents to anticipate, in the present,

the future returns of a deal, and to agree on the payment of interests at the moment of the transaction.<sup>153</sup> But that was not how nations manifested their solidarity.

Thus, Mauss found in the anthropological discourse a way to justify his concern for the temporality and asymmetry inherent in the type of negotiations from which a sense of European solidarity could manifest itself through the global management of Europe's financial affairs in the Reparations Commission. Rather than seeing reparations obligations in purely legalistic and economic terms, he looked beyond the question of whether the German state had met its contractual obligation by paying the exact amount in due time, and he introduced the notion that European solidarity could only be constructed on solid ground anthropologically if the exchange of payments and "prestations" followed a certain temporal rhythm – which he feared could not be reduced to the contractual temporality of a simple debt contract, with its highly predictable schedule of payments. For a European sense of solidarity to emerge from the reparation payments, the temporality of their occurrence could not be aligned on the linear sequence envisioned by the French nationalists: payment or default followed by sanctions. As seen in this reading of *The Gift*, the gift that Mauss asked France to make by stabilizing its money, writing off part of the German debt, granting a moratorium on payment, and expecting future debt forgiveness from its Anglo-American allies, was more than a purely monetary policy. Rather, such an act would have represented a fundamental change in France's alliance policy, as well as a fundamental change in how France conceived the temporality of debt exchanges.

##### 5 THE OBLIGATION TO GIVE BACK, AFTER SOME TIME: A CONSERVATIVE POLITICAL AGENDA?

Many readers of *The Gift*, when they understand that Mauss's interpretation of the anthropological "facts" presented therein was more rather than less affected by Mauss's political inclinations, want to know more about the latter. If Mauss was a self-declared socialist, what kind of socialism was he representing? Did his positions evolve during the course of the 1924 run-up to the electoral victory of the SFIO, which led Blum's party to become France's first political party (although one that was unable to govern, for it lacked a majority)? As anthropologists, sociologists, and historians, we are trained to doubt the validity of uncontrolled historical parallels. But the earlier reference to Varoufakis's position in the present-day debate about the management of the Greek debt crisis may be helpful to position Mauss in the range of policy positions debated at the time. In each sovereign debt crisis, both men offered a middle course, or third way, between a radical policy of unilateral sovereign debt cancellation<sup>154</sup> and the harsh implementation of a program of sanctions

(or “conditionalities,” in modern day IMF parlance) that liberals and neoliberals imposed to the debtor nation to ensure that the servicing of the external debt would follow the schedule of payments decided by its creditors. In so doing, just like Varoufakis has been accused by radical left-wing activists, like Eric Toussaint, and a large section of the Syriza party, for failing to denounce the “odious” (and hence illegitimate and illegal) character of a large part of the debt owed by Greece to its European creditors,<sup>155</sup> Mauss was suspected of having sold his soul to the tycoons of financial capitalism – in particular, the Lazards, whom he counted among his friends – by some of the more radical left-wing intellectuals, like François Simiand, who also wrote on the reparations question.

Before I give voice to the left-wing criticism of Mauss’s position in favor of debt rescheduling and moratorium – rather than debt cancellation – it is fair to first present the criticisms that Mauss mounted against the French liberals and right-wing nationalists, which he published in twenty-eight articles in *Le Populaire* (from December 1923 to May 1924): in these articles, he strongly criticized the sanctions that the government of Raymond Poincaré implemented, when it sent the French armies to occupy the Ruhr, after the Germans defaulted on their 1922 reparation obligations.

For Mauss, the French occupation of the richest Western German regions showed to Germans that reparations paid to France were not a token exchanged to place Europe’s economies on a path to economic growth and financial stability, but rather, a kind of indemnity that France extracted by force to pay for the costs of war and occupation from a nation which France still treated as an enemy. The reparations that Germany was supposed to pay to France were immediately used to pay the costs for France to maintain occupation forces within and around a defeated Germany. As Mauss wrote, the militarization of the French response to German default meant that France had to bear the “costs of keeping a standing army for three years: these were two billion gold-marks that went to the bailiff rather than to the victim,”<sup>156</sup> i.e. the Belgian and French families whose properties were destroyed.

In the early 1920s, French troops were also dispatched in Syria and Lebanon (former Ottoman provinces which had allied with Germany during the Great War), where they opposed the army of Feisal at a cost which Mauss estimated to be 1 billion francs (half of the yearly German reparations).<sup>157</sup> Furthermore, French troops were maintained in Morocco (where Germany had expressed territorial ambitions until 1905) at an estimated two and a half billion francs over five years;<sup>158</sup> and, most importantly, loans to buy French weapons were extended to Poland and Eastern European states of the *petite entente* for a sum of 2 billion francs (the very sum that the Germans failed to pay in 1922), so that these nations could threaten Germany from the east.<sup>159</sup> It meant that France did not intend to use reparations to restore European financial

solidarity but to strengthen its military position vis-à-vis its former enemy. France either prepared for war, or had never really ended the war, in the eyes of many contemporaries.

Furthermore, Mauss bet that France would not prove capable of administering the industries of the Ruhr, and he was soon proven right: French engineers failed to produce the same amount of coal from the Ruhr as the Germans,<sup>160</sup> largely because Berlin adopted a policy of “passive resistance” in the Ruhr by paying workers to stay at home, which forced Paris and Brussels to send French and Belgian engineers and workers to man the trains and mines of the Ruhr.<sup>161</sup> As a result, “whereas the Germans had sent 11 million tons of coal to France in ‘reparations in kind,’<sup>162</sup> by invading the Ruhr, the French government spent millions to only produce four million tons and bought from the British their coal to supply the difference.”<sup>163</sup> In this light, the occupation of the Ruhr looked like a complete economic fiasco, which no one, not even Louis Loucheur, who acted privately to broker a compromise between the French and German authorities, could salvage.<sup>164</sup> In many ways, the episode conjures the more recent memory of the failed and ineffective policies that the Troika implemented in Greece as part of the “conditionalities” that Greece was forced to accept after the event-which-must-not-be-named: the 2010 Greek “default.”<sup>165</sup> In the Greek case, too, the sanctions resulted in a massive economic contraction of the national income.<sup>166</sup>

The French occupation of the Ruhr took the whole German nation hostage, and as Mauss wrote in *The Gift* one year after – maybe with the sad smile of the prescient Cassandra on his face – the “Rhine gold” could also prove “fatal to the conqueror,” as many old songs on the “theme of the fateful gift, which turns itself into poison” have warned generations of students of Germanic folklore, which plays on “the double meaning of the word *Gift* as gift and poison.”<sup>167</sup> As Mauss wrote in *The Gift*, the idea of holding a collateral, depending on the nature of the collateral, could either be clever or stupid. Indeed, as he wrote in his academic essay, “our word ‘*gage*’” found its origins in the German legal culture: it comes “from *wadium* (in English, wage),” which refers to “the contractual bond.”<sup>168</sup> And as Mauss continued, “[i]n Germanic law, each contract, sale or purchase, loan or deposit, entails a ‘*gage*’ or collateral: one partner is given an object, generally something of little value like a glove or a knife, or perhaps – as with the French – a pin or two.”<sup>169</sup> But invading the Ruhr to get a grip on the black “gold of the Rhine” (coal) could not be called the exchange of a “*gage*,” as the latter must be “an object of little value.” At least, readers of *The Gift* would be able to understand that.

If they didn’t read *The Gift*, the readers of *Le Populaire* could get a grip on the wisdom contained in old Germanic tales by merely looking at the economic situation of France and Germany one year after the beginning of the

Ruhr occupation. In Germany, the financial crisis convinced the government to stabilize the mark by creating a devalued new money: the Rentenmark, created on November 15, 1923. As Mauss lamented, “the French army in the Ruhr, which is on a French payroll . . . finds its subsistence on location, spends money on location, and exports so many francs that . . . the Germans and the little German girls are full of francs, which they now sell,”<sup>170</sup> as they started to trust their new currency. Partly due to the stabilization of the mark, the franc suffered in January 1924, as indeed, the “Germans started to prefer their *renten mark* to the franc, and even to gold. Therefore, they gave away masses of francs.”<sup>171</sup> The effects of a lax monetary policy were similar in Germany and in France, although the responses lagged in the short term, as France started to feel the effects just as Germany recovered. The franc, which was exchanged against the British pound at 50 francs for 1 pound at the beginning of 1923, was then exchanged at 75 francs for 1 pound in the summer of 1923, and by the end of the year fell to almost 100 francs for 1 pound. The effects of these sales of francs were combined with the desperate need for France to buy foreign currencies at the end of 1923, when the French government realized, too late, that they needed to buy more coal on foreign markets. This situation led to an increasingly rapid depreciation of the franc, which Mauss, a patriotic socialist, bemoaned.

At last, for Mauss and Blum, the fateful invasion and occupation of the Ruhr marked another important fatal casualty: the spirit of multilateralism, which had animated the Reparations Commission until then. Indeed, after the 1922 German default, the Reparations Commission failed to transform itself from a site from where experts compared national accounts to deduce the amount of debt transfers necessary to ensure the financial stability of the European economic area, into the authority in charge of deciding when a “credit event” (a default in modern parlance) had occurred, and which policies to apply afterwards. The Versailles Treaty had not granted the Reparations Commission the authority to establish penalties and sanctions against the defaulter nor to establish an order of priority among the creditors whose interests were harmed by the default. As a result, after the Commission found Germany in default of its coal payments in January 1923, it could not stop the government of Raymond Poincaré from sending troops to occupy the Ruhr. Charles Gide had hoped that default of payment would be treated otherwise, and lamented that “international public law lagged years behind private law, where the idea that an insolvent debtor should be jailed or dismembered was no longer fashionable.”<sup>172</sup> Unlike the Troika today, the main interwar multilateral financial institution was not complicit in the decision of creditor states to send the debtor state in the “debt-prison,”<sup>173</sup> but it was too weak to resist revengeful creditors.

Mauss thus concluded that, in order for France to create a sustainable European (and Western) political order after the Great War, it was essential

to buttress the legitimacy of multilateral institutions like the Reparations Commission, and that France should give time to Germany rather than impose harsh measures that would make the German debt unsustainable. That being established, it is still unclear how his position could be criticized from the left. Here's how: for some of the most left-wing French socialists, Mauss's model of the gift, and its application to contemporary financial issues (with its emphasis on the moratorium, to give time to the Germans for them to rebuild their economy), seemed to place the goal of restoring France's financial solidarity above that of speeding up an international revolutionary upheaval. The same arguments that had been used by the Marxists against Mauss's cooperativist endeavors before the war – that they would delay the coming of a Revolution – were expressed against Mauss's notion of gift exchange, and its application to the European sovereign debt crisis.

By calling for the coordinated and simultaneous stabilization of the mark and franc in 1923 and 1924 (at a parity with gold fixed by the Reparations Commission), Mauss wanted to prevent the French middle (working) class from falling into ruin precisely at the time when the German economy recovered. At the time of the heightened risk of hyperinflation of the franc and the rush for foreign currencies, Mauss asked the government to “devalue the value of the franc at the same time as taxing the gains made on the capital.”<sup>174</sup> He rejected the idea that France could, like the United Kingdom, pay its debt and come back to the prewar parity with gold. Rather, the French government should accept to diminish the value of its currency, thus reflecting the new situation, and tax the capital that Frenchmen could be tempted to export abroad in a context of high inflation. In particular, with the latter measure, Mauss targeted “the French bourgeoisie, and even the French petty bourgeoisie, which have been touring the occupied countries like conquerors going for their bounty, in the hope of profiteering from the exchange rate, which disfavored the poor Germans, and which allowed the Frenchmen to live like little princes.”<sup>175</sup> For Mauss, the “many Frenchmen ... who purchased houses and hotels in the Rhineland, even in Berlin ... in enemy territory,” and who therefore exchanged francs against marks, committed “crimes against the credit of the State and of the Nation.”<sup>176</sup> As he concluded, “it was the French capitalist, cosmopolitan *par excellence*,<sup>177</sup> who got rid of the national currency”<sup>178</sup> in the crisis of late 1923, when the price of the franc spiraled down.

Other left-wing intellectuals disagreed with Mauss. Of course, if the French government refused to pay inter-allied debts until the Germans paid reparations in full, the franc would continuously depreciate, and this situation would work to the advantage of speculators who could move their capital to foreign lands, buying lands and goods where the currency was more stable.<sup>179</sup> But as Simiand wrote to Mauss, he “found it hard to reconcile his position on monetary

questions” with that of Mauss, “as he disagreed with everything” that Mauss wrote on the topic. In particular, “he found it surprising that Mauss supported the ideas of the French central bank,” which insisted on fighting the depreciation of the franc above all. Simiand thought this goal was in complete contradiction with the “revolutionary goals” of the socialist party. Indeed, he wrote, “if the monetary depreciation has the revolutionary ability to ruin the middle class, and if this ruin fulfills the socialist goals, why would the socialist party want to save the franc”<sup>180</sup> as Mauss advised?

The difference between Mauss and Simiand can be easily illustrated with how each perceived the outcome of the Ruhr occupation when evaluated according to the goals they assigned to the socialist movement. As the collapse of the mark, which followed the French occupation,<sup>181</sup> deprived the German government of any leverage with respect to economic matters, the French occupying powers renegotiated directly with the German industrialists of the Ruhr to obtain reparations payments in kind or cash. The French administration in Dusseldorf reached an agreement with the German industrialists in September 1923 which worked directly against the interests of German workers:<sup>182</sup> the industrialists ended the policy of “passive resistance” and gave the French 18 percent of the coal produced in exchange for the abolition of the pro-labor laws passed by the Weimar Republic.<sup>183</sup> This situation shocked Mauss, but not François Simiand, who argued that the social situation in Germany was by now explosive, and conducive to a revolutionary upheaval.<sup>184</sup>

To Simiand, Mauss’s argument in favor of a comprehensive rescue package, based on the logics of the gift exchange, which would protect the interests of the German and French middle classes, unduly privileged financial responsibility over the transnational revolt of the working class against the German and French industrialists. Simiand was not completely wrong in his assessment that Mauss’s views comforted more conservative voices in the world of high finance. Giving priority to the maintenance of a peaceful European financial order over an international revolution clearly put the middle-aged socialists like Blum and Mauss on the side of the conservatives in the socialist party. As Henri Hubert (who was not a socialist himself) wrote to Albert Thomas (taxed for being one of the least revolutionary voices in the old socialist party), in 1923, although he “would not go as far as saying that he had influenced Mauss to the point of turning him into a quasi-reactionary thinker, [he] was surprised to see that Mauss was getting closer to his view as he was writing on politics,”<sup>185</sup> and added, “he sees the France which is not socialist.” This viewpoint led Mauss, according to Hubert, to think that the more conservative socialist Albert Thomas should leave the ILO in Geneva and come back to lead the French socialist party, claim victory if the left-wing coalition won the 1924 elections, and break with Blum’s policy of

“support with no participation” by accepting a Ministerial post in the future coalition<sup>186</sup> – something that Thomas rejected because he believed that he had a better position at the ILO to “keep the sympathy of the working masses.”<sup>187</sup>

Simiand was also right when he asserted that Mauss’s notion of gift exchange, with its emphasis on long-term and noncontractual reciprocity, as illustrated by the undetermined German moratorium on payments, had become the rallying cry of an unlikely rapprochement between bankers and socialist intellectuals: both were found for instance to be active in the Stable Money League, which had lobbied for the moratorium on German payments of their reparations, followed by the stabilization and devaluation of European moneys since 1921 – rather than the restoration of their prewar levels of parity with gold – and was successively presided over by socialists like Norman Thomas (a leading American socialist and six-time presidential candidate), solidarists like Charles Rist (Charles Gide’s coauthor and collaborator at the Reparations Commission), as well as Max Lazard (Albert Thomas’s deputy at the ILO), and bankers, like Louis Rothschild (Austria) and Sir Josiah Stamp (from the Lazard bank in London).<sup>188</sup> As Guy de Rougemont shows in his history of the Lazard Frères bank, André Lazard and David David-Weill and some of their key partners like Josiah Stamp had indeed become central figures in the battle to stabilize the franc: they were those who managed to convince the French central bank to stabilize the franc at its past exchange rate after it was attacked in March 1924.

This alliance of pro-stabilization bankers, politicians and public intellectuals finally obtained its most manifest victory when, in early 1924, the managers of Lazard Frères in Paris and New York bet that the quick depreciation of the franc did not follow any economic logic other than pure speculation, and that a coordinated response from the Banque de France and Paris-based and New York-based banks could actually work to stop the depreciation. The restoration of the alliance of Allied bankers identified early on the main causes of the depreciation of the franc on international markets: for them, Italian and Austrian speculators drove the depreciation, as they took very large short-term loans in francs, which they converted immediately into US dollars or British pounds, thus driving further the depreciation of the francs, which allowed them to reimburse their loans with a big profit thanks to a favorable exchange rate.<sup>189</sup> At the beginning of 1924, the administrators of the Banque de France did not agree, but when the value of the franc reached the critical level of 130 francs exchanged for one British pound in March 1924 and the franc couldn’t find any buyers in New York, panic seized them, and they finally agreed to follow the Lazard’s strategy: in March 1924, J.P. Morgan was tasked with raising more than 100 million dollars to fight the “battle of the franc,” while Lazard Frères were asked to raise 4 million pounds in

London. In Paris, David David-Weill and his associates monitored all sales of francs in Amsterdam, Genoa, Frankfurt, Berlin, Vienna, London, New York, and Paris, and used the money loaned to the associated banks to buy them immediately, in order to sustain the rate at which the French currency was exchanged.<sup>190</sup> In five days the “battle of the franc” was won, as the pound went down from 123 francs back under the symbolic bar of 100 francs. The press, even *Le Figaro*, lauded the coordinated action of Lazard Frères and Morgan, and at the end of the month the pound passed under the bar of 80 francs. Their allied victory had the additional advantage of ruining the Austrian and Italian speculators as the latter could no longer reimburse their short-term loans at a profit.<sup>191</sup> The Viennese stock exchange, from where most of the speculative attacks originated, looked like a “devastated battlefield” according to the Viennese *Times* correspondent.<sup>192</sup> Their strategy, combined with a loan that J.P. Morgan floated to Germany, allowed Germany to pay part of the reparations it owed to France, which in turn allowed France to pay back part of its inter-allied debts to the US. The intricate link between the political and economic logics that Mauss assumed to exist in gift exchanges – and sovereign debt swaps that are meant to preserve peace – had resisted the test of reality.

Informed of these high finance strategies by his friends at the Lazard bank, Mauss turned *Le Populaire*, although a socialist journal, into an echo chamber where the international action of Lazard Frères bank was consistently lauded for conforming to the logic of gift exchange. As Mauss wrote in March and April 1924, the franc stopped plunging when “international finance gave for the franc and saved it”<sup>193</sup> by buying francs in order to show that one could trust the French nation to hold its obligations. In all fairness, the Allied bankers behaved like good doctors to bring the franc back to its real value: they started buying francs while the enemies (the Italian and Austrian banks) continued to speculate against it; and as they did so, they made quite a lot of money since they successfully bet that the value of the francs would rise again.

## 6 FIGHTING FOR CURRENCY STABILIZATION AND AGAINST ANTI-SEMITISM: MAUSS’S PRIORITIES

The relationship between Mauss’s conclusions in *The Gift* and the conversation Mauss developed with socialist and solidarist intellectuals on the question of European solidarity, war reparations, and sovereign debt forgiveness has not been properly understood.<sup>194</sup> With the recent exception of Frédéric Ramel,<sup>195</sup> Marcel Fournier, and Jean Terrier,<sup>196</sup> “rare are the commentators who associate Mauss’s scientific studies with his normative conclusions,”<sup>197</sup> as Sylvain Dzimira notes – one could add the names of Jane Guyer<sup>198</sup> and Keith

Hart,<sup>199</sup> in the Anglophone world. Even among those who pay attention to that link, scholars have mostly related Mauss's anthropological writings with his political writings on domestic issues, like the creation of a welfare state,<sup>200</sup> or the convergence of his approach with economic sociology.<sup>201</sup> But a joint reading of Marcel Mauss's political writings on reparations and his anthropological writings on the gift economy shows that they both derive from the same matrix: Mauss's desire to identify the conditions for a sustainable and peaceful international order that would prevent another devastating war in Europe. Rather than assuming that the former were only political texts and the latter only scientific texts, they must be seen as a coherent body of work, which shapes the contours of a normative model of multilateral sovereign debt management.

The ambition here is not only to trace the genealogy of the concepts of gift exchange and cooperation in various academic disciplinary discourses, and to associate the latter with the strategies of academic entrepreneurs or the effects of "invisible colleges"<sup>202</sup> and their institutionalization in academic niches,<sup>203</sup> but also to see how academic disciplines have used the discourse of the gift as an epistemic solution to the problem of knowledge and as a normative solution to the problem of order in different times: in particular, in the context of the interwar European debt crisis.

By publishing *The Gift*, Mauss sought to carve a place for anthropology in the range of comparative sciences (like history, sociology, and religious studies), which could be mobilized for the scientific study of reparations, forgiveness, debt, financial solidarity, and other Durkheimian and solidarist notions. By combining normative concerns and scientific explorations of the working of gift exchanges in international financial relations, Mauss reassured himself (and his readers) that the normative model of gift exchange he advocated to create European solidarity after the Great War had a serious anchor in the comparative knowledge of human societies. Anthropological knowledge of gift-making practices helped his contemporaries understand the legal (the evolving conceptions of contractual law and sanctions), political (the anti-imperialist alliance management policies), and anthropological (the ritual and temporality of gift-making practices) dynamics at work in issues of reparations and sovereign debt cancellation, which were so prevalent after the Great War.<sup>204</sup>

With anthropology, Mauss hoped to ground his normative model of the gift on a quasi-universal analysis of societies and their relationship to war and peace. Whereas Gide, Simiand, Blum, and Lazard were lawyers or financiers trained in either economics or law, Mauss mobilized the discourse that anthropology produced on the noncontractual elements of international debt exchanges in order to highlight the role of temporality in the formation of international solidarity through the exchange of debts. As he showed, if the

goal of reparations was not just to sanction a state crime committed by Germany during the Great War, but also to create European solidarity, France had to accept that the temporality of debt payments would remain ambiguous rather than follow a clear calendar of payment. France had to recognize the role of uncertainty, asymmetry, and discontinuity in the relations between debtor and creditor nations for obligations deeper than the purely contractual to manifest themselves. Only the extension of a moratorium on the German payment of reparations could introduce a beneficial term between the wartime destruction of properties and the act of giving back. By placing the current sovereign debt crisis and its management in a long line of precedent, which included many instances in Germanic history, Mauss hoped to convince his contemporaries that the multilateral rescheduling of the reparations owed by Germany to the Allies was the only way to build European solidarity.

Mauss's perspective on international economic governance was also attentive to the cultural perceptions of ethnic groups, and how the latter strongly affected the perception of economic solutions. The financial conservatism that Hubert applauded and Simiand denounced in Mauss's reflections on Europe's debt crisis was justified by Mauss's fear that the ruin of the French middle class would not bring a socialist revolution, but the accentuation of nationalist, xenophobic, and anti-Semitic trends in European countries. The French right-wing representation of bankers was characteristic of the implicitly (and sometimes explicitly) anti-Semitic attacks against the "cunning Talmudists,"<sup>205</sup> as Blum would be called by a French deputy when he stepped in as France's prime minister twelve years later, who deceived the good "old Gallo-Roman nation," to enrich themselves. Mauss was very conscious of the "stupidities of *L'Action Française*"<sup>206</sup> and other anti-Dreyfusard journalists who relentlessly attacked "the Jewish and Protestant bankers"<sup>207</sup> who worked to defend the value of the franc. In 1924 Mauss saw the rebirth of anti-Semitism not only in the popular press, but also under the pen of social scientists and historians.<sup>208</sup>

In *The Gift* one can only be surprised by the fact that he made no mention of the practice of Jewish communities giving a tribute to European monarchs to ensure their continued existence within the Christian kingdoms. Silences and omissions are as important as explicit additions and long developments. Such omissions revealed a carefully thought out intellectual and political agenda: in the same way Mauss had fought anti-Semites who attacked Dreyfus, claiming that he defended all men rather than only a Jew, in his scientific essay Mauss avoided attacking the anti-Semitism of those who believed that gift exchanges were not practiced by Jews.<sup>209</sup> He preferred to claim that all peoples practiced gift exchanges, including the Germans: in *The Gift*, he elaborated a universalistic message, according to which all races

and ethnicities (in the language of the time) were equally recognizant of the three obligations found in gift exchanges: the duty to give, the duty to receive, and the duty to give back. If gift practices were universal, then, they were therefore practiced by Jews.

In his op-eds in *Le Populaire*, Mauss attacked the anti-Semitism of the anti-stabilization coalition much more explicitly: for instance, he skillfully inverted the stigma placed upon American and Jewish European bankers by the nationalist and xenophobic French press, according to whom the foreign bankers of international finance were the cosmopolitan enemies selling the franc. Mauss fought head-on against this racist stigma by arguing that it was:

the foreigners who read clearly in our books: the foreign bankers know exactly the value of our gold and our merchandise which cover both the mass of paper-francs in circulation and our loans (both short-term and long-term) . . . and when the franc [was] attacked, we [were] weighted, and our paper money [was] tested, just like the bad gold money of the king was tested by goldsmiths and money-changers, the good bourgeois, the Jews and Lombardi with their cupel and blowlamp.<sup>210</sup>

For him, the episode of the “battle of the franc” illustrated how Jewish and Protestant bankers had become France’s true allies: as he wrote, the franc stopped collapsing when “the J.P. Morgan Bank started buying francs, as well as the ‘five Big’ banks in London that were associated with the Rothschild Bank and the Montagu Bank.”<sup>211</sup> French Jewish banks also gave for the franc, in particular, the Lazard Frères Bank of Paris, directed by André Lazard and David David-Weill.<sup>212</sup> The stabilization of the franc proved that investments did not follow a purely utilitarian logic, as the “cosmopolitan” French bourgeoisie and their imperialistic government believed. For Mauss, the conformity to the model of gift exchange proved that “universal peace and inter-allied Entente could not but raise our credit.”<sup>213</sup>

Mauss’s efforts, in many ways, were vindicated, as his recommendations were partly heard in 1924: after the “battle of the franc” was won, at last, all state parties (including the United States) gathered at a large multilateral conference to make compromises and gifts in the form of organized debt rescheduling.<sup>214</sup> A committee of experts worked on a comprehensive stabilization plan (known as the “Dawes Plan,” written under the chairmanship of US Vice President Charles Dawes),<sup>215</sup> based on their review of Germany’s capacity to pay reparations and France’s capacity to pay inter-allied debts. As the Allied bankers’ strategy worked, putting an end to the depreciation of the franc, Louis Loucheur finally succeeded in convincing Raymond Poincaré to move toward the acceptance of the new plan. As Léon Blum wrote in *Le Populaire* in April 1924, at last “the experts, disavowing the policy of Poincaré, declared themselves in favor of a moratorium”<sup>216</sup> along the lines that Blum and Mauss advocated inside the SFIO against its more revolutionary elements: “during the first years, limited contribution of the Germans to the Allied reparations effort by payments in kind” until the Germans could accumulate

enough money to start paying back. Poincaré “was forced to change his general policy, and to adopt the principle of increased taxation [on income and profits], reaching budgetary equilibrium, paying back debts rather than inflating the printed money.”<sup>217</sup>

The SFIO leadership also managed to cash in on this political victory in electoral terms. Ultimately Mauss’s efforts were rewarded when the Cartel des gauches won the election in May 1924, with Blum’s SFIO as the first party in the new parliamentary majority. This victory, which left the editing team of *Le Populaire* exhausted, convinced Blum and Mauss to stop the publication of editorials, ending Mauss’s series of articles on sovereign debts and gift exchanges. Had he also published all he had to say at the time? Maybe, but also, after the electoral victory of 1924, it was expected that Mauss would distance himself from the old SFIO and the politics of the left, as he had moved closer to the solidarists (like Charles Gide and Charles Rist), “progressive” liberal thinkers (like Max Lazard), “conservative socialists”<sup>218</sup> (like Albert Thomas), and even “neo-socialists” (like Marcel Déat),<sup>219</sup> some of whom invested their energies in expert committees tied to international organizations, like the French Association for Social Progress,<sup>220</sup> whose main agenda was the creation of an international committee to control credit and exchange rates – a function that the IMF would take over during the Bretton Woods era.

Was Mauss right to point at the necessity for social scientists to attack both the rise of anti-Semitism and the speculative logic of markets where exchange rates were priced? When one knows how European history unfolded ten years after, his writings were certainly prescient. Indeed, problems continued to plague the sovereign debt disputes, even after the socialist electoral victory of 1924 and the acceptance of the Dawes Plan. The proposals of reform of the international financial system, which Mauss and Hubert discussed in the aftermath of the “battle of the franc,” went well beyond what Dawes and the US financial specialists had made the Europeans accept: for the two friends, the stabilization policies that they had already discussed in spring 1924 could only be a temporary patch placed on the hemorrhage of francs from which France had suffered. In 1924, they were convinced that it was necessary to go beyond and transform the Reparations Commission into a large financial wholesale in charge of administering German finances, as Hubert underlined in a letter to Albert Thomas (in which he reported having discussed the matter with Mauss, and being in agreement with his friend):

The Reparations Commission is the biggest financial organization in the world. It has 60 million marks in deposits, and it can claim the whole amount of the reparations due by Germany to the Allies: 132 billion marks. Furthermore, it administers the financial aspects of the occupation of the left bank of the Rhine. It’s only missing a few agencies and some sizeable autonomy. To strengthen it, it should be shouldered by the League of Nations. That being done, it could then help Germany fight against downward speculation on exchange rates . . . My argument is backed up by the precedent of the inter-allied control of exchange rates, which

clearly helped stabilize the franc during the war. Thus, we need to find a mechanism that provides foreign currencies to a clearinghouse established by a Consortium of German banks, which could administer all payments for goods imported from Germany. German banks know how to coordinate. The Reparations Commission could supervise the working of this clearinghouse . . . It would thus play the role of a very big international bank, and the Reparations Commission would then be at the center of payments between Germany and the rest of the world. With all these bonds, these deposits and shares, it would have an immense credit in the whole world. It could even raise taxes on payments, for instance, on customs. In exchange, it could act as lender of last resort, should Germany suddenly need some cash. In this way, the Reparations Commission could administer Germany's whole sovereign debt due to the Allies, until Germany could claim its autonomy back.<sup>221</sup>

Mauss and Hubert's proposal of international technocratic oversight of a nationalized wholesale in charge of a major country's international economic relations hardly resonates with the themes of the current radical European left, which still has to grapple with the fact that a Troika composed of the ECB, the EC, and the IMF, has taken over key administrative roles of the formerly sovereign Greek state. In the 1930s, Mauss's perspective on gift exchanges left little room to the social question of how to improve the welfare of the working class, but it had the merits of addressing the main international issues of the time: Mauss foresaw that the authority of the Reparations Commission would not survive the rise to power of the National Socialist Party, and that with a default, and Germany's active rearmament, war would soon follow.

In general, Mauss criticized the French socialists for failing to take as seriously as he did the rise of Adolph Hitler in Germany: as he wrote to Blum in 1933, Blum's "irresponsible predictions on the short-term fall of Hitler"<sup>222</sup> led him to take his distance from the old SFIO. The divorce between Mauss and the SFIO that Blum completely controlled in the early 1930s, was finalized. As Mauss wrote to his old friend and colleague to explain why he left the old party:

What are we going to do when, the franc being detached from the value of gold, the gold standard will end? What are we going to do when Hitler will raise his army? These are the two questions that keep me thinking all the time.<sup>223</sup>

In 1933, Germany defaulted on both reparations and foreign debts:<sup>227</sup> out of the 132 billion gold marks the Allies wanted Germany to pay, Germany had paid only 22 billion gold marks in reparations to European nations (including 9.5 billion to France), which left France to pay about seventy percent of the costs of the interwar reconstruction.<sup>228</sup> No one was surprised when Nazi Germany unilaterally cancelled its debt, since its leaders had argued for years that they did not recognize the legitimacy – and even humanity – of its creditors, whom Nazis presented as Jewish bankers who had conspired with French

nationalists to make Germany pay for the whole of Europe. The German default of 1933 – which contrasted with the financial responsibility showed by most of the successor states of Eastern Europe that had been “hesitant to interrupt service [of the debt] on the grounds that much of their debt had been arranged under League of Nations auspices”<sup>229</sup> – proved that Nazi Germany rejected the whole philosophy of solidarity in Europe, and its associated system of macro-economic governance. The German state did not see itself responsible for the fate of those whom it considered non-Aryan populations in the interwar era: instead, Hitler claimed that the new Reich had a higher responsibility (beyond that recognized by treaties) to defend and protect the interests of all ethnic Germans, wherever they might be located (especially in new states with large populations of German-speaking minorities), thus challenging the sanctity of territorial boundaries drawn by the postwar treaties. Not long after, war ensued in Europe, and soon after, it engulfed the whole world into its most deadly conflict. Racial hierarchy, anti-Semitism, and war of the races became the dominant principles of European international politics for the next ten years.