

Annus Mirabilis

1933: Characters In Crisis, by Herbert Feis, *Boston: Little Brown and Co., 1966. xiv + 366 pp. \$7.50.*

IN A BRIEF introduction to this memoir Dr. Feis says that his first intention was "only to tell of my own experiences and observations. But as I went along, these seemed subordinate and marginal." So he enlarged his canvas to give "a telescopic view" of the way Washington confronted the problems of 1933, certainly a year in which the seed productive of later whirlwinds was abundantly sown.

The result is a somewhat disjointed volume, readable because of the candid treatment of important and self-important personalities, but unsatisfactory in its uneven definition of policies followed during the first year of Franklin D. Roosevelt's administration. This defect, however, is partly inherent in the attempt to dike off so brief a section of the flow of events. And it is also partly due to the haphazard improvisation of many early New Deal measures, as immune to close analysis as iridescent bubbles.

The historically valuable part of the book, and that which occupies its longest part, is the close-knit and well-documented story of the ill-fated London Monetary and Economic Conference, convened on June 12, 1933, and adjourned in dismal failure 45

days later. As Economic Adviser to the State Department, a technical and not a political position, Dr. Feis was on the inside of the initial planning and of the inglorious collapse of this sabotaged effort in behalf of international stability. He had been appointed to his important post by Secretary Stimson in 1931, and stayed on when Cordell Hull was named Secretary of State. So he was able to, and did, view the transition from Hoover to Roosevelt with an objectivity which this book in general reflects.

At best it would have been a difficult transition. Before the 1932 election prices had fallen to ruinously low levels. Hundreds of banks had failed; the stock market was in collapse and some fifteen million wage-earners were unemployed. It was as bad or worse in Europe, where Germany had ceased to pay the impossible reparations demanded and where the Allies

were in consequence stretching the one-year Hoover moratorium on war debts to permanency. To compound the confusion, Hitler was on his raucous way to power and Japan was forcefully extending its sway over China. The need to pull the Western powers into some sort of unity was obvious, and to this end the London Conference was approved in principle in the summer of 1932. On October 18, just before the Presidential election, Feis sailed for Europe as a member of the American preparatory commission.

The report of this commission was that the projected conference could succeed only if there were a practical settlement of the war debts issue and if the currencies of the principal trading nations were stabilized in relation to each other. In effect this meant that the British must re-establish the gold standard, abandoned by them in 1931, and that the United States must

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take measures to maintain it. President Hoover was on record as opposing cancellation of the war debts and President-elect Roosevelt was unwilling to bind himself in advance to any action which might later have adverse domestic repercussions. This alone was enough to prevent any real liaison between the outgoing and incoming Presidents though personal animosities, between principals and between advisers, also played their part. All this is faithfully and fairly chronicled by Dr. Feis, though he refuses to accept Hoover's later crystallized certainty that Roosevelt refused cooperation in order to stimulate a national emergency favorable to "New Deal Collectivism." As the author frankly says: "My own views and recommendations for months had been more akin to those of the New Deal than to those of standard conservative Republicanism."

But during this pre-inaugural fiddling the fires of international monetary confusion were steadily spreading. They flamed up dangerously when President Roosevelt, with contemptuous references to "fetishes of international bankers," proceeded to devalue the dollar. After saying that the British should stabilize their currency we proceeded to destabilize our own. The result was to stimulate economic nationalism in those western European countries which were struggling to maintain the gold standard and to force on Germany, particularly, that policy of autarky which we felt free to criticize. Here Dr. Feis shows obvious animus, especially toward the Reichsbank president, Hjalmar Schacht, whom he refused to meet at dinner: "Because of my deep resentment at the way in which the Germans had allowed Hitler to gain control of their destiny. . . ."

Yet Paris was actually no less forthright in its pre-conference attitude than was Berlin. Dr. Feis relates that on May 17, right after the departure of the Schacht mission, the French Ambassador presented a memorandum saying: "The French Government is firmly convinced that the work of the Conference greatly depends on

what will be done in order to remove the uncertainty which exists today as to the future of the two currencies as important as the pound and the dollar." As to this President Roosevelt "remarked offhandedly to his advisers that he was willing to reach a stabilization accord provided he could get a good bargain. . . ." When he couldn't get this he scuttled the London Economic Conference, in a manner which President de Gaulle could certainly cite as precedent for any *brusquerie* in putting the skids under NATO.

As Dr. Feis sums up: "In any meaningful sense the conference never really got under way." Roosevelt's anxiety to raise domestic prices, accomplished by resolutely depressing the value of the now inconvertible dollar, made monetary cooperation with other governments impossible. In his opening speech in London Secretary Hull, head of the American delegation, spoke fervently for "the greatest possible measure of stability," saying rather recklessly that any nation obstructing it "will merit the execration of mankind." In our author's words: "Hull was listening to his own heart, not to the pulse of Washington." In retrospect it seems curious that the old gentleman did not resign, as the President casually juggled the dollar and cut the ground from under his representative's feet. But the latter's sense of loyalty was stronger than that of dignity, so the Secretary of State merely brooded and grew even more withdrawn. His feelings were not soothed when Ray Moley was sent to London on an ill-defined mission and was cartooned as: "The bloke wot's come 'ere to save the Conference wot came 'ere to save the world!"

Under the circumstances it is scarcely surprising that members of the bizarre and heterogeneous American delegation occasionally deserted the conference sessions for undiplomatic diversions. Some of these are chronicled by Dr. Feis as carefully, and at least as happily, as the more fateful moments. He tells how Senator Key Pittman, brandishing a bowie knife, chased

him down a long bedroom corridor in Claridge's impeccable hotel, where the American delegation was sumptuously quartered. Dr. Feis was quick of mind as well as fleet of foot. "I realized," he says, "the Senator was tipsy."

Even without stimulus our author is himself brisk at the duello. Of some then prominent New Dealers his opinions were acid. As to Secretary of the Treasury Morgenthau ". . . his mind was slow, his self-knowledge little and his sense of humor adolescent." Of "grumbling, thrusting" Harold Ickes: "He bought me a lunch—albeit watching my choice of items on the menu with a sidewise glance." Ray Moley's appointment as Assistant Secretary of State "was to cause grief for everyone." And Rex Tugwell "shocked me, for he was so disposed to advocate plans not only for agriculture but for every branch of Ameri-

can economics that would bring them under government organization and control."

Nevertheless, Dr. Feis says he "felt at home" with Roosevelt's intimates and of the whipcracking ringmaster his criticism is generally muted. His concluding paragraph opines that the F.D.R. of 1933 "would have faced. . . our present prospect undismayed and with unremitting will to try to dispel the worldwide danger." Yet the net of this narrative is to show irrefutably that Roosevelt did nothing substantial to ameliorate the international anarchy of 1933, concerning which this participant admits: "It was hard to tell what the President wanted. His ideas veered and waffled. Even now, with many records opened, it is not easy to trace their gyrations."

Reviewed by FELIX MORLEY