5. From Nationalism to Internationalism and Back

On 21 April 1933 MacDonald and Leith-Ross, on-board HMS Berengaria, docked in New York. The celebratory cannon salute which was to have welcomed both the British delegation and their French counterparts was cancelled hastily as the dollar devaluation now made such festivities inappropriate. Instead, the delegations arrived in sombre silence.¹ They were the first of over eleven foreign missions received in Washington that spring, including visits by Canadian, Argentine, Italian, German, Chinese, Mexican, Brazilian, Japanese and Chilean representatives. Not all national missions to Washington were represented at a ministerial level. Some countries, such as Rumania, Norway, Poland and Austria, chose to rely on their established diplomatic representation and there were over thirty ambassadorial meetings regarding the forthcoming conference. But the ministerial delegations of Britain and France were of greatest interest to Roosevelt. The White House had advertised the talks as a welcome opportunity for the new President to meet with European leaders and, more importantly, to make preparations for the forthcoming World Conference.

The talks could not have come at a worse time for the new administration. The legislative maelstrom of the first Hundred Days of Roosevelt's administration and, from the perspective of overseas delegates, the President's apparent attraction to nationalist recovery measures, created an uncomfortable backdrop to the discussions. Nor were Britain and France impressed by the 'Great Communicator's' relaxed demeanour and his comparatively unprepared manner of negotiating. Detailed preparations were not Roosevelt's style and his advisers were too busy to prepare an agenda, so the Draft Annotated Agenda drawn-up for the World Conference was adopted for the Washington talks, too, although it quickly proved too large, imprecise and inappropriate for intimate meetings between foreign ministers and the President. There was a broad consensus on the purpose of the Washington talks and the subsequent conference - to revive the world economy and improve the climate for international relations - but there was no agreement on specific measures and any sense of direction or progress was lost amid a 'medley of ideas and desires.'²

P. Clavin, *The Failure of Economic Diplomacy*  © Patricia M. Clavin 1996
The American administration's lack of detailed groundwork was made more evident by the detailed and single-minded preparations of Britain and France - the British delegation was determined to make progress on war debts, their French counterparts on dollar-sterling stabilisation. True, there had been no agreement on specific issues in Geneva, but when participants and observers recognised that the same outcome was likely from the Washington talks, the realisation was made all the bleaker because this time failure could not be excused because the discussions were dominated by 'expert' representatives. In the case of the two most important economic and diplomatic actors - Britain and the United States - representation came at the highest level.

STABILISATION

Naturally enough given the events of the past few days, the issue of currency stabilisation dominated early discussions with the British and French delegates which opened on 22 April. Herriot, invited because the State Department believed he was the most 'appropriate' Frenchman with whom to discuss war debts, took up the challenge to defend the franc. Gold-fevered reasoning led the French government and its delegation to argue that a British and American re-stabilisation on the gold standard would resolve the world's economic problems. Tariffs and quotas, too, Herriot argued, would fall away as the threat of competitive dumping and depreciation evaporated. The Americans were unsurprised, but disappointed by Herriot's energetic re-affirmation of French monetary orthodoxy, particularly as the French delegation repeatedly asserted that progress on issues like debts and protectionism could only be made once the US dollar and sterling were returned to gold. As Mouré has eloquently demonstrated, French policy offered neither positive proposals nor the political will necessary to effect co-operation in Washington.3

The most constructive proposal to emerge from the monetary talks built on preliminary meetings held between British and French financial attachés and American financial representatives on 30 March.4 Their discussions, based on a preparatory document by the Bank of England, focused primarily on the technical issues surrounding the gold standard and the ideas raised came to form the basis of a plan for tripartite co-operation and temporary, de facto currency stabilisation discussed at greater length during the Washington talks. Warburg was the prime mover and his most sensitive task was to secure Presidential support for the plan. He reassured Roosevelt that such an