ECONOMIC CHOICE IN DARK TIMES
The Vichy Economy

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French Politics, Culture & Society, Vol. 25, No. 1, Spring 2007


In the wake of shattering defeat in 1940, the Vichy regime’s aspirations to reorder French life were nowhere more apparent, and their illusory basis and practical failure nowhere more striking, than in economic policy and performance. Economic contraction and material shortages dominated French life during the German occupation. Harsh personal experience with economic deprivation colored popular perceptions of Pétain’s *état français*, particularly its political and economic agendas based on collaboration with Nazi Germany. Vichy police and prefects consistently reported that immediate needs—finding sufficient food, fuel, and clothing—overshadowed the political concerns of most citizens and that many blamed the Vichy government and its subservience to Occupation authorities for the widespread shortages. Yet liberation in 1944 failed to bring long-anticipated relief. Popular discontent intensified as economic conditions deteriorated in the immediate postwar period, pushing politicians and policy makers toward economic modernization in conditions of deep socioeconomic discontent. The economic hardships resulting from Occupation and Vichy policy profoundly influenced postwar policy and the economic miracle of the *Trente Glorieuses*.

Historical understanding of French economic experience under Vichy has advanced steadily in recent years, thanks to increasing access to business and state archives, and to new research initiatives that improve our understanding of state policy making, entrepreneurial responses to the opportunities and constraints created by the Occupation, and consumer strategies to deal with shortages. The first wave of pathbreaking work (after postwar accounting by participants) examined the methods of German economic exploitation, the collaborationist will of French administrators and industry, and the importance of the Occupation years as a transitional stage in state policy making.¹ This early work relied heavily on archival sources outside France, often explored by foreign scholars. In the 1980s, French economic historians carried analysis to greater depth, drawing on newly opened French archival sources to consider in greater detail the evolution of state policy, the development of individual industries, and the trajectories of particular individuals and policies.² More recently, attention has focused on French business enterprise during the Occupation, with a CNRS research group created in January 2002³ specifically to promote research in the field and organize conferences and *journées d’études*. They have published two valuable collections of essays on archival sources for research in French economic and business history. The first, *Faire l’histoire des entreprises sous l’Occupation*, provides a practical guide to the available resources and the critical gaps in state archives concerning financial administrations and institutions, industrial production, aryranization,
postwar purges and business organizations. Business records are mainly discussed based on material collected in the Centre des archives de monde du travail (CAMT) in Roubaix. Several essays provide lists of relevant document collections, most notably a list of more than 150 pages reproducing inventories for German archives on the Occupation authorities' management of the French economy. The second volume, *Les Archives des entreprises sous l’Occupation*, documents the breadth of new sources available in business archives. Nearly two dozen essays cover sources from the business records in the CAMT to the archives of public transit corporations like the RATP and SNCF. Several essays detail the archives brought to light in recent graduate research on business topics, and several archivists contribute essays on the collections they maintain. Aside from demonstrating the rich resources now open to research, some contributors provide valuable reflection on the limitations of enterprise and state sources and comment on the restrictions governing use of some materials. Several authors note that for the economic history of the Vichy period the problem is now the dearth of researchers, not a lack of sources.

The recent work reviewed in this essay, much of it published in conference volumes, advances our understanding of the Vichy economy on several fronts I will treat in the series below: (1) the powerful force of constraints and penury on economic choices under Vichy and on the possibilities for positive results from policy decisions, (2) the nature of economic collaboration and the range of choices available between collaboration and resistance, (3) the process of economic aryization as organized and administered by Vichy officials, and (4) whether the Vichy period can best be seen as a parenthesis, a turning point, or a unique stage of development in the history of the French economy in the twentieth century.

**Constraints and Penury**

Contemporaries referred to the Vichy economy as an “économie dirigée”—a planned economy. The term implied a degree of autonomy and control that Vichy simply did not possess. Henry Rousso and Michel Margairaz corrected this terminological imprecision in characterizing the Vichy economy as an “économie administrée.” The difference lies in the state’s ability to plan and direct the economy. Vichy could dream of a different world in which traditional values from the agricultural sector would inspire behavior throughout the economy, and in which a corporatist organization would resolve class conflict and facilitate modernization. But the grim realities of economic contraction and German exploitation, combined with the divisions within the Vichy regime (the economist Charles Rist characterized Vichy policy making as “integral confusionism”), limited Vichy’s control to trying to manage penury. Rather than a planned economy, this was organized misery. Vichy administered the French economy under a series of constraints: the German demands...
for goods and the payment of exorbitant occupation costs, German insistence on oversight of all important economic decisions, the loss of trade from colonies and former allies, the crippling of French transport, the division of the country into separate zones with movement of goods and labor between them obstructed, the disorganization of employment through workers’ mobilization in 1939 and incarceration as prisoners of war, and employer relocations to evade German control. These constraints resulted in severe material shortages, financial exploitation (paying inflated occupation costs), and the need to direct domestic policy measures to satisfy German demands. Vichy economic organizations had little choice but to concentrate their efforts on the allocation of scarce goods, negotiations to limit German demands, the policing of parallel markets that incessantly invented new methods to escape state control, and the protection of French productive capacity from direct German control by proving the French state could run the national economy on lines compatible with German interests.

Arne Radtke-Delacor and Hans Umbreit have analyzed German economic policy in France and explained its evolution in three stages, from short-term pillaging after an unexpectedly rapid victory in 1940, through systematic mobilization of French production to meet the needs of the German war economy, to intense exploitation of production and labor after the German failure to win a decisive victory in the USSR in 1942. Their work highlights the contingency and the incoherence in German policy, which, although rarely efficient or well coordinated, nonetheless succeeded in extracting resources to make France the primary foreign supplier of the German war economy. It did so by exploiting the French will to collaborate: by spring 1944 nearly 50 percent of French industrial production was destined for German use. German orders were filled with little sign that sabotage or resistance seriously disrupted French production.

Vichy planning for the French economy emphasized a strong state role and a corporatist economic structure to modernize production and resolve class conflict. But planners were just one element in a vast competition for policy influence that took place independent of the practical concerns for daily management and reduced the coherence of state planning. The incoherence is readily apparent in the Vichy initiative to create comités d’organisation as a corporatist vehicle to revive and restructure the French economy and, more urgently, to erect a barrier between German occupation authorities and French businesses, allowing the state to filter German commands and keep control in French hands. From the hasty issue of the law authorizing their creation on 16 August 1940 to the end of the Occupation in 1944, at least 221 comités d’organisation (COs) were established to concentrate power for the revival and transformation of French industry and economy. The drastic shortages of raw materials, labor, and transport, in conjunction with direct German demands on French business, posed a serious threat to the health of the French economy and the strength of French control.
dissolved employer federations and trade unions and created in their place committees to be organized on a sectoral basis, in imitation of German practice, and intended to provide representation of employer, labor, and state interests. The legislation was contrived in two days without consulting industrial or business opinion and met initially with German opposition. Rather than marking a new departure, the committees tended to adapt prewar structures of representation to fit the new CO mold, gave a predominant voice to representatives of the largest firms, and were heavily weighted to represent the patronat at the expense of the interests of workers and, unintentionally, those of the state.

The range of experience surveyed in Les Comités d’organisation shows many common features with regard to organization, representation, and reaction to constraints. The law of 16 August 1940 did not specify committee structure, and two basic forms evolved: one deliberative in nature, the other authoritarian. Assembled in haste, COs tended to rely on prewar organizational structures and leaders—the Comité des Forges for the CO de la Sidérurgie, the leaders of prewar business groups in most of the COs for the metallurgical industries. The Syndicat des fabricants de soieries et tissus de Lyon dominated the Comité général d’organisation de l’industrie textile. Small and medium-sized enterprises (PME) frequently complained about the dominant role of les grandes entreprises. Even in COs for sectors in which small business predominated, such as hairdressing and leather goods, large firms sought dominance but faced greater opposition. And COs remained vulnerable to German demands, for goods and for policies such as aryranization (discussed below), and they tended to resist increases in state control. Thus they opposed measures such as the Vichy efforts to improve technical and statistical knowledge: precise statistics gathered by the state could reduce industry bargaining power with the state and be turned over to German authorities to increase their exploitation. In all sectors, access to scarce raw materials encouraged cooperative behavior among the comités d’organisation and promoted the appointment of collaborationist leaders. The COs were at their most powerful when the business leaders in charge were also involved in determining the allocation of raw materials by the Office Central de répartition des produits industriels (OCRPI), which was created at German insistence and which, where it shared directing personnel with the COs, held substantial power over economic survival. Further attention to the operation of the OCRPI and its subordination to German needs would provide an important complement to the new work on the comités d’organisation.

Most contributors to Joly’s volume on the comités d’organisation discount the corporatist element, seeing the committees as dominated almost exclusively by representatives of big businesses. New work on the corporatist impulse in the Vichy agenda agrees that Vichy’s corporatist ambitions achieved little of note. Corporatism encompasses a range of beliefs in social
and economic organization according to group interests, usually on the basis of economic activity. It was often seen as a way to overcome class conflict, with differing views on the determining power of the state, labor, and the *patronat* in corporate organizations. Steven Kaplan and Philippe Minard, the editors of *La France, malade du corporatisme?* establish from the outset that they do not believe France “malade du corporatisme” and explore how fears of “corporatism” have influenced social organization and the representation of interest groups in political, social, and economic life since the mid-eighteenth century. The essays treating the interwar years and Vichy’s agenda find little intellectual or political coherence to the groups and policies claiming “corporatist” ideals. Small shopkeepers and artisans, a natural constituency for corporatist alternatives offering a “third way” between liberal individualism and free market competition on the one hand and socialist collectivism on the other, defined corporatism in such a way as to enlist state protection of traditional manufacture and commerce against the competition from mass production and aggressive retailing. Vichy’s use of corporatist rhetoric, favoring the interests of big business in the *comités d’organisation* and the OCRPI, produced a profound sense of betrayal on the part of artisans and small business during the war. Corporatism’s association with fascism, Mussolini, and the failures of the Vichy regime discouraged any corporatist revival after the war.\(^{19}\)

Jean-Pierre Le Crom contributes two insightful essays. The first reviews interwar definitions and manifestations of “corporatism.” As the economist Louis Baudin stated at the time, the corporatists were so diverse an army that corporatism was best seen as a label affixed to bottles into which any producer could pour the drink of his choice.\(^{20}\) Le Crom sees three potentially corporatist interwar developments—the Conseil National Économique, the collective agreements negotiated in 1936, and the compulsory arbitration of labor disputes established by the Popular Front in 1936—as an important stage in the creation of a unique French system of state-regulated labor relations after 1945, but he concludes that they fell short of the official state support of corporations necessary to fit a concise definition as corporatism.\(^{21}\) His second essay explores the conflicted discussions and policies regarding labor policy under Vichy, especially as embodied in the Charte du Travail in 1941.\(^{22}\) The combination of German economic demands and the power of traditionalist views in the Vichy administration kept corporatist ideas in the Charte du Travail from reaching fruition in practice; wages were kept low to curb inflation and provide incentive to move to higher pay with German employers; *dirigisme* overpowered corporatist aspirations.\(^{23}\) Indicative of the failure of corporatist ideas, Vichy corporatists divided over the Charte du Travail and in competition for state support. The Charte du Travail was intended to resolve class tensions by drawing patrons, managers, and workers together in a “harmonious and just” organization. Vichy administrators disagreed on the distribution of power between unions and employers. The Institut d’études corporatives et sociales, directed by theorist Maurice Bouvier-Ajam, lost the
patronage of Marshal Pétain in 1943 and was dissolved in August 1944; Bouvier-Ajam converted to communism.24

But if more dirigeiste than corporatist, Vichy was less dirigeiste than subjugated, unable to impose the economic control it desired. The inability to provide adequate food, clothing, and fuel, with available goods often insufficient to fill inadequate rations, fostered a culture of queues, barter, and black market transactions fundamental to the popular experience of Vichy and the Occupation. The use of extralegal markets—whether goods acquired at prix d’amis and shipped as “family parcels,” or more dearly in direct violation of economic controls in widespread black markets—became an essential feature of survival for all but the least well off. Black markets received some attention during and after the war, then evaded scholarly attention until very recently.25 In part this was a matter of access to archival material: archives for state administrations controlling prices and rationing were not yet open, and Ministry of Agriculture records for the important Service du Ravitaillement Général remain largely uncatalogued and unused. Judicial records for individual cases brought to justice can now be consulted sous dérogation, and police and gendarmerie records are available, while prefects’ reports contain a wealth of information on black market activity in regions outside Paris.26

Paul Sanders’s *Histoire du marché noir, 1940-1946* employs these sources to offer the first archivally based study of black market experience in France. Drawn from a dissertation on German use of black markets in France and Belgium, his *Histoire du marché noir* is at its best in detailing how German purchasing agencies, of which there were some 200 in Paris alone in 1941, used black market purchasing to tap stocks of goods that had been concealed to avoid requisitions and sale in official markets at controlled prices. In demonstrating the degree to which German exploitation promoted and structured black market activities, Sanders provides an important corrective to the notion that the black market was a form of resistance.27 He shows how German authorities encouraged the development of black market networks, protected French traffickers working for German purchasers, disrupted the official French efforts to suppress black market activity (while blaming the inadequacy of French controls and enforcement for the existence of black markets), and undermined their own efforts at systematic economic exploitation by diverting productive capacity, transport resources, and funds to illegal markets, which increased French profits as German agencies competed for black market goods. This fostered a criminal underworld engaging in extensive illegal commerce and thriving on the combined effects of Nazi contempt for law and the disintegration of moral and legal boundaries in the occupation regime.28 The end result was not greater German exploitation, but higher prices and lower standards of behavior in licit and illegal markets.

Sanders proposes two stages to German exploitation, the first an array of black market initiatives yielding uncoordinated exploitation, shifting in 1943 to a rationalized and coordinated system under the direction of Albert Speer.
This analysis fits with the three stages of German exploitation described above; the development of black market purchasing, including the agencies engaging heavily in black market purchases such as the infamous Bureau Otto (set up by the Abwehr in January 1941) and the more sinister Überwachungsstelle established under Colonel Josef Veltjens in May 1942 to coordinate black market purchasing throughout Europe, were part of the second stage of systematic medium-term exploitation after the initial pillaging in 1940. It was only after an order from Hermann Göring in September 1943, intended to end the production of goods for black markets after hidden stocks of goods had been exhausted, that German purchasing was brought to an official end. By this time, black market activity had become endemic. Goods shortages and the flawed collection and distribution of goods in an economy of penury displaced economic activity to “parallel” markets. Black markets continued to thrive for the rest of the Occupation and had a long postwar life. Sanders’s account ends in 1946, with only a cursory overview of the continuing black market activity after Liberation. It played a significant role in aggravating the material shortages and inflation that shaped the early development of the French economic miracle, a subject that merits greater attention.

Sanders is at his best in delineating the German role in distorting French output and distribution, using black markets to serve German interests. He is also very good in the use of gendarmerie archives for black market activity in the countryside, where poorly paid gendarmes were often sympathetic to local adaptations to the new regime of penury, and his use of judicial records for celebrated cases of black market profiteering on a grand scale under German protection—cases like those of the billionaire scrap dealer Joseph Joanovici and the textile tycoon Mendel (Michel) Szkolnikov. Sanders’s account of black markets, how they integrated into economic life, and the enormous difficulties encountered in trying to control prices and transactions in an economy where ultimate control was in the hands of Occupation authorities, underrates the complexity of the problems faced and the pervasiveness of illegal activity. He presents state efforts at control—the control agencies and the legislation they sought to enforce—as inept, incompetent, and frequently corrupt. Vichy economic decrees and the offices charged with price control, ravitaillement, and the suppression of black market activity demonstrated all of these attributes, but these do not explain the magnitude of the problems or the reasons for the failure of French efforts at control. French officials lacked the resources, the authority, and ultimately the will to contain black market activity.

Black markets provided one widespread manifestation of a vast Vichy economic failure that was the product of a combination of factors: crude German economic exploitation, the contraction of the French economy under occupation, the failure of Vichy authorities to realize how little real power they held and how little their economic collaboration would yield in terms of material benefits and administrative power, and the extent to which popular discontent and market forces seeking profit would corrode state control. Further
attention to the spread of black markets, the response of businesses and entrepreneurs to the new opportunities for profit in black market activity, the multiple conflicts of interest between the interests of the German and Vichy administrations, businesses, and consumers, and the longer term consequences of the distortion of supply and demand under the occupation, could provide a much richer account of this intriguing realm of German and Vichy experience. Vichy’s failure to produce coherent policy for the economic reconstruction of the defeated nation reveals a great deal about the force of economic constraints, the incoherence and confusion of Vichy policy, and the inability of the new French state to secure the loyalty of its citizens.

Economic Collaboration

A decade ago, contributors to a conference volume on French business during the Occupation termed economic collaboration “ce noir continent à peine exploré.” Seeking greater analytical clarity, they proposed three levels and three types of economic collaboration. It could take place at the level of the individual, the enterprise, and the state. The three types of collaboration were: economic collaborationism, in which businesses shared the political goals of the Nazi regime; collaboration for profit, seeking to exploit potential for profit in the altered political and economic conditions of the Occupation; and collaboration to survive, seeking German contracts in order to avoid firm closure, bankruptcy, and loss of business, workers, and productive capacity. Philippe Burrin posited three similar forms of “accommodation”—a word chosen to emphasize that the German presence was inescapable and required adaptation, in place of the instantly pejorative meaning of “collaboration.” Implicit in this change was a narrowing of the range of available options. Burrin’s categories were: structural accommodation (“imposed by the need to have public services that continue to function and an economy that does not collapse”); opportunist accommodation (“chiefly motivated by a desire to defend or promote interests of either a personal or a corporative nature in a situation of uncertain outcome”); and political accommodation (involving some measure of intellectual sympathy).

Exploration of this “dark continent” has tended to increase the complexity of the problems faced, stressing the constraints under which decisions to fill German orders were made, the differing types of collaboration under constraint, and the limited possibilities for patronat and business resistance. In Les Patrons sous l’Occupation, journalists Renaud de Rochebrune and Jean-Claude Hazera gave a detailed exploration of the nature of economic collaboration and the difficulty of bringing collaborators to justice after the war. Their categories of collaboration offered less analytical clarity: collaboration under real constraint (firms requisitioned, occupied, or administered by Germans, thus under direct control), without serious constraint (and thus collaborating for
business reasons), and under relative constraint (the largest and most amorphous category). Ideological collaboration they assume to have been of secondary importance. Degrees of constraint defy precise measure and could change over time, a product of negotiations and business decisions that are essential to understanding collaboration.

Determined resistance from the start was rare. Most businessmen sought accommodation of some sort, turning to resistance only as the nature and even more importantly the impermanence of the Nazi regime became evident. The postwar designation of *entreprises résistantes* was political and strategic, determined in part by a firm’s utility for postwar reconstruction and on the basis of its directors’ behaviors. For both collaboration and resistance, there was confusion between individual and corporate actions, with a strong inclination to privilege the former. The postwar designation of *entreprises résistantes* was political and strategic, determined in part by a firm’s utility for postwar reconstruction and on the basis of its directors’ behaviors. For both collaboration and resistance, there was confusion between individual and corporate actions, with a strong inclination to privilege the former. Les *Patrons sous l’Occupation* provides a wealth of specific cases. The authors treat business decisions with considerable sympathy but nonetheless conclude that economic collaboration occurred on a massive scale, that collaborators generally escaped postwar purges, and that large firms managed much better than smaller companies to disguise the extent of their wartime collaboration.

François Marcot stresses the importance of intent in his discussion of *patronat* resistance. He focuses on intention rather than constraint in determining whether particular actions should be classed as collaboration or resistance. Bowing to German demands out of necessity, without having sought business with them, is seen as a measure of survival rather than collaboration; postwar claims by business leaders and civil servants to have engaged in resistance merely by having argued with German demands, refusing servile obedience, does not qualify. The intention to seek contracts or agreements that would further German ends or to engage in illegal activity in order to obstruct German objectives determines whether actions constitute collaboration or resistance. This distinction allows Marcot to eliminate those working with or for the Germans simply by force of circumstance—*adaptation contrainte*—from the ranks of collaborators and to remove business owners who supported the Resistance only as the prospects for a Nazi Europe dimmed in 1943, concerned for their position and power in a liberated France. Marcot insists on the need to distinguish between the individual behavior of patrons and the collective comportment of firms and on the importance of the range of opportunities available and their relative cost, depending on an individual’s socioeconomic position. His analysis is thus nuanced by attention to relative opportunities and costs.

This line of approach, evoking the complexities and ambiguities of context and opportunity in judging *patronat* behavior, is vigorously decried by Annie Lacroix-Riz, who insists that the question of economic collaboration can and must be decided in black and white rather than in tones of gray. Lacroix-Riz’s approach is aggressively Marxist, attacking moderate interpretations of capitalist behavior and emphasizing the discrepancies between the
postwar claims of business leaders who minimized their dealings with Occupation authorities in self-defense and the evidence in the archival records that demonstrates extensive, opportunistic contact developed to put French industry to work meeting the needs of German purchasers. She assumes that economic choices and their consequences and outcomes were clear to the actors involved. Most historians of the Vichy period, she contends, have failed to address the fundamental role of class interests in determining behavior and have functioned, wittingly or otherwise, as apologists for a business class that betrayed France in pursuit of its own interests. For Lacroix-Riz, synarchy was no myth. The *patronat* had united in 1936 against the Popular Front to take back labor’s gains. It then opposed rearmament, fearing it would increase the power of unions. Industrialists and bankers eagerly sought contracts with the German victors in the summer of 1940. Having viewed Nazism favorably in the 1930s for its suppression of the Left, the *patronat* eagerly adapted to German dominance and embraced aryization without the need for any significant pressure, seeking to create a place for their businesses in the new Nazi Europe. The *comités d’organisation* were created in August 1940, in her view, to facilitate German exploitation of the French economy, rather than to protect against it, and were effectively employed to this end by German authorities.

The research on which the book is based is extensive; the archive list at the end appears to have been truncated, understating the breadth of archival sources consulted. Lacroix-Riz has dug deeply in Archives Nationales series from the ministries of the interior and commerce and industry and the *Délé- gation générale aux relations franco-allemandes*. The material is deployed, however, in an indictment of French industry and banking rather than a history, often using lists of individuals or firms, or examples without context, in hammering home her argument. Fascinating details are torn from their context, allowing the reader insufficient means to make informed judgment on the value of the evidence. Historians with whom she disagrees (they are many) receive curt dismissal without fair representation of their arguments. Virtually no mention is made of examples of *patronat* resistance; Lacroix-Riz assumes *patronat* resistance was always possible without exploring its actual occurrence or its consequences for firms such as Hispano-Suiza. This vast research could have been used to much greater effect in a more carefully constructed analysis.

The understanding of capitalism and how businesses respond to adversity and constraint is of fundamental importance in distinguishing Lacroix-Riz’s approach from that of historians like Marcot, Burrin, de Rochebrune, and Hazera. Lacroix-Riz sees class interests as the essential determinants of politics and business practice and finds capitalist behavior readily transferable between fascism and a republicain regime so long as *patronat* interests are maintained over those of the workers. Capitalism is founded on exploitation of the workers. Yet *patronat* policies did include going to considerable effort to protect workers against conscription for labor in Germany and to provide better nourishment,
whether in the interests of profit alone (starving workers don’t work well or stay long) or with broader loyalties to country and people. Union members and civil servants faced similar choices, without the same opportunities for close collaboration or personal profit; many chose to work with Vichy and for German interests.46

What is most striking in Vichy business experience is the degree to which business practice adapted to assure firm survival and seek profit, whether in the form of economic collaboration for survival or for profit, or in adapting activities to evade controls and exploit the new opportunities offered by the huge imbalance between scarce resources and increased demand. In the absence of effective state control, no external force framed business decisions in terms of moral or ethical standards. Marcot’s emphasis on the choices of individuals, and the importance of distinguishing between levels of decision making, is fundamental to understanding economic collaboration. Economic choices were framed in a conflict between the personal values of individuals in positions of power and the opportunities offered by an economy distorted by scarcity, rivalry, and the Nazi promotion of contempt for law and morality. The bizarre web of ambiguities, paradoxes, and confusion are portrayed in telling fashion in Marcel Aymé’s wartime fiction. Individuals made choices in an atmosphere of moral and political inversions: at best, seeking the least worst alternative; at worst, allowing greed to override moral and political principles and concern for social justice.

**Aryanization**

After long neglect, the aryization of Jewish-owned firms has become a major focus for new research in recent years, with a government commission (the mission Matteoli),47 two recent monographs, and several conference volumes devoted to the subject. The monographs are the work of Philippe Verheyde, examining the aryization of grandes entreprises in Les Mauvais Comptes de Vichy, and Jean-Marc Dreyfus, studying aryization in the banking sector in Pillages sur ordonnances.48 Aryization was at one time seen as an example of Vichy defense of the interests of French Jews; the work of Michael Marrus and Robert Paxton in Vichy France and the Jews rectified this misperception but provided little detail on the process by which firms were identified and either liquidated or transferred into “Aryan” hands.49 Verheyde and Dreyfus examine two different sectors of the economy where aryizations were significant and provide tours of the labyrinthine complexity of French policy and practice. German policy for aryizations had developed gradually in Germany, Austria, and Czechoslovakia; its transfer to France and rapid implementation needed a French bureaucracy, and Vichy authorities readily took up the task, anxious to control the process. The simple fact that aryization was instituted as a legal process meant that it sought legitimacy, required state and
business support to take place at all, and worked according to set, time-con-
suming legal means rather than by direct plunder. The process provided
opportunities: for anti-Semitism, for capitalist competition to acquire re-
sources and markets and do in rivals, but also for prevarication, fictive
aryanizations, and evasion. The complexity of the legal details and the bureau-
cracy they required created many occasions where individual choices could
make some difference in outcomes.

From July 1940, Vichy acted to remove Jewish and naturalized citizens
from state and professional employment; in September and October it imple-
mented measures to define and publicly identify Jews and Jewish enterprises.
The next step was the removal of Jewish directors and owners from manage-
ment positions and the appointment of provisional administrators (trustees)
to determine how the firm would be aryanized: by internal transformation to
eliminate Jewish influence, by sale to new owners, or by liquidation of the
firm. The sheer number of firms affected—nearly 50,000—created a real prob-
lem in finding trustees who would be competent, objective, and effective.50
Many trustees were none of the above. They needed administrative ability
and familiarity with the sector in which the firm worked, a combination diffi-
cult to achieve if the trustee was to be disinterested as well. And because the
trustees were well paid in a period of profound economic contraction, they
had a personal interest in prolonging their role. The rapidity with which the
state established a Service du contrôle des administrateurs provisoires (SCAP)
in December 1940 demonstrates the urgency of the need to supervise trustees
and the will of the state to make aryanization measures effective. In April 1941
Vichy added a new layer of control with the creation of the Commissariat
général aux Questions juives (CGQJ) to coordinate French and German legis-
lation and take charge of the confiscation of Jewish property in France, which
the CGQJ extended to the unoccupied zone in July 1941.

Both SCAP and the CGQJ showed, by their interest in the numbers
of firms aryanized and their disinterest in the value of goods and their ultimate
destination, that their chief interest was in the déjudisation of the economy.51
But actions by trustees, SCAP, and the CGQJ were subject to opposition and
interference from the Ministry of Industrial Production and the Ministry of
Finance and were always subject to ultimate approval by German authorities.
This administrative complexity further slowed the process and corrupted its
methods. One might argue that, with only 42 percent of aryanization cases
completed by August 1944, aryanization had limited success and encountered
informal if not direct resistance. But the complexity and administrative inco-
herence slowed the process of aryanization, as did changing perceptions of the
desired outcome. As Verheyde observes, all firms identified as “Jewish” were
taken out of their owners’ control in 1940-1941 and put in the hands of
trustees, and of the 175 cases he examined in French industry and commerce,
he found no trace of official opposition to the process of legal spoliation.
While there was evidence of lack of enthusiasm for aryanization measures, the
dominant attitude was one of indifference to the fate of Jewish owners, with
greater concern to preserve Jewish-owned goods as “French” property than to
protect the property and persons of the owners.52
Vichy’s early actions were prompted only in part by desire to protect
French assets from German ownership. Anti-Semitism played a role in the
speed and the character of the legislation passed. Capitalist competition
played a part as well: aryanization provided opportunities for “revenge”
against individuals and firms disliked for their competitive practices, particu-
larly for innovations in marketing. Opportunities to gain larger market shares,
to control competitors’ assets, and to take possession of stocks of raw materi-
als and finished goods all influenced aryanization decisions in the economy of
penury. Both the state and business concerns interested in modernization pro-
vided opportunities to reduce competition in sectors with small firms that had
struggled for declining sales and revenue in the slump of the 1930s. In sectors
such as textiles, leather goods, woodworking industries, small-scale commerce,
and banking, a high proportion of aryanization cases were completed through
the liquidation of the firms involved, with state-appointed trustees and com-
mercial rivals satisfied to see a consolidation that would reduce competition.53
Opportunities for obstruction did arise from the slow pace and the com-
plexity of the legal process. The progressive restrictions on Jewish participation
in economic life and the extension of legal authority for aryanization allowed
opportunities for the transfer of business administration and funds, and for
the self-aryanization by some firms, replacing Jewish directors and managers
and selling shares to friends, associates, or friendly competitors. These were
often annulled as “fictive aryanizations,” but the sympathy and assistance of
associates could protect owners against the full force of aryanization measures.
A sympathetic trustee could slow the pace of aryanization and ameliorate its
effect, working with business associates; trustees did have choices as to how
they would manage both the pace and the objective of aryanization. The Min-
istries of Finance and Industrial Production intervened when they were
unhappy with measures proposed by trustees, in order to block or revise the
terms of aryanization; when they did so, Verheyde tells us, their interventions
tended to work to the benefit of German interests.54 The power of ultimate
approval by German occupation authorities could frustrate manipulation by
particular French interests seeking to benefit in the process.
Verheyde and Dreyfus offer an array of case studies that demonstrate the
variety of experience and the possibilities for choices to delay, though rarely
frustrate, the aryanization process. One of the most spectacular examples was
the agreement by which the Galeries Lafayette sold 525,000 shares to the
Credit Commercial de France (CCF) in October and December 1940. This gave
the bank control of the firm’s stores, including Monoprix outlets; the board of
directors was reconstituted to eliminate its Jewish members. The founder,
Theophile Bader, and his two sons-in-law resigned. The Galeries Lafayette
completed this self-aryanization in advance of Vichy legislation, with a secret
agreement that would allow the Bader family to repurchase its shares and resume control from the CCF after the war. But German authorities refused to approve the aryanization, required the CCF to sell its shares, and, despite resistance from the French Ministry of Finance, required the sale of a controlling interest to a German consortium.55

Several factors slowed the pace of aryanization after 1942. Expectations about the outcome of the war played a part, as did growing realization of the ultimate outcomes of the process, which had developed incrementally. Free French representatives in Algiers denied the validity of Vichy legislation and condemned measures of spoliation. Claire Andrieu sees the chronological factor as essential to the slowing pace and to increasing resistance in aryanization in the banking sector.56 Liquidations were more easily completed than aryanization of ownership; they were frequent in sectors with many small firms, including the banking sector (112 of the 191 banks studied by Dreyfus were liquidated) as well as in textiles and leather goods. Aryanizing capital required buyers; as the prospects for a German victory dimmed, purchasers became increasingly reluctant to buy shares in firms undergoing aryanization—tacit recognition of the injustice of the legal spoliation.

The aid of state institutions and personnel was fundamental to the extent and success of aryanization. State personnel adopted German-inspired measures with an alacrity and efficiency that can now be evaluated from archival records. Recent volumes on the actions of the Bank of France and the Caisse des Dépôts et Consignations (CDC) during the war devote substantial attention to the state acceptance and implementation of aryanization.57 The Bank of France played a marginal role in aryanizations. Former governor Pierre-Étienne Fournier was the first director of SCAP and appointed some of the retired directors of the Bank enlisted as trustees for Jewish banks. Fournier told trustees he considered their task as a form of public service, presumably for their assistance in avoiding German control.58 The CDC, on the other hand, was an instrument of spoliation, and, as an institution serving the state, accepted Vichy laws; its personnel sought to perform their duties as professionals, including setting in place efficient measures for spoliation by public institutions, opening more than 28,000 accounts for the deposit of funds resulting from aryanizations, and purchasing shares and merchandise taken from Jewish owners.

The conscientious participation of professional bankers and civil servants made possible a spoliation operating according to legal and administrative procedures with the appearance of normalcy and legitimacy. The French administration saved the German authorities enormously on the personnel a German-run aryanization would have required, and it enabled the process to take place in conditions of relative calm. Under German authority, aryanization would have been brutal, encountered greater resistance, and put more resources under German control. But the process was nonetheless based on legalized discrimination, denying rights of property and equitable legal status.
Claire Andrieu analyzes bankers’ behavior to account for their willingness to apply measures that ran counter to their professional values. She stresses four factors: the suppression of public debate and the repression of all opposition; the participation of the French state to which the bankers owed allegiance, which in turn increased the legitimacy of the measures they were told to impose; the evolution of the war, which at first gave momentum to aryanaization and then to resistance as prospects of an other-than-Nazi future became visible; and anti-Semitic prejudice, which increased the tolerance for discriminatory measures.\(^5\) Within state institutions like the CDC, institutional loyalty and dedication to serving the state—with Vichy accepted as the legally constituted state for at least the first two years of the Occupation—encouraged the implementation of policies even when they ran contrary to personal beliefs. Particularly in the context of acute national crisis after June 1940, belief in the importance of public service to restore a viable French state and reconstruct the national economy motivated civil servants to work for the Vichy regime and even contributed to a movement of administrators back from private sector employment to work for a restoration of the state.\(^6\) The erosion of civil servants’ belief in the honor, legality, and durability of the Vichy state increased resistance to Vichy laws within the state administration and prompted resignations and defections to the side of resistance, mainly after November 1942.\(^7\) Lastly, the nature of bureaucratic procedure, breaking down measures of spoliation into discrete steps that separated implementation from intention and goods from persons produced “une spoliation sans visage.”\(^8\)

**Continuities**

Clearly a parenthesis as a political regime, Vichy was a bastard child of the defeat to be disowned at Liberation. Its economic record, distinct for the constraints imposed by defeat and occupation, was nonetheless bound to the weak performance and failing confidence in liberal ideology in the 1930s, and it helped lay the course for rapid reconstruction and the planning that brought spectacular economic renewal after the war. The defeat and armistice created unique conditions for the French economy, imposing an exceptional contraction of output and investment, and as such the occupation increased pressures for change that had been present before the war. The Vichy period is best seen as one of transition. The transformation of state policy and economic planning has received the most substantial attention. Richard Kuisel’s *Capitalism and the State* provided the first analytical account of the development of state planning over time, presenting the Vichy period chiefly as one of changing personnel bringing in younger men via Vichy and the Resistance, bearing new and better ideas put into practice after the war. François Bloch-Lainé added a third strand of continuity, that of “quelques grands commis du secteur public et du secteur privé” such as Henri Deroy of the Caisse des
Dépôts et Consignations, who served under Pétain and continued to serve, often in highly influential positions, after Liberation.63

Michel Margairaz, in a landmark thèse d’état published in 1991, has plotted the most complex account of the conversion of economic thinking in the French government, particularly the ministries of finance and national economy, across the period of 1932 to 1952. The Ministry of Finance moved in this period from absolute faith in the liberal orthodoxy of a balanced budget and a passive monetary policy based on defending the franc’s gold value to an emphasis on modernization, with active fiscal and monetary management to promote investment, dynamic economic growth and full employment.64 The recent conference volumes on banking institutions enhance our knowledge of the longer-term development of active monetary policy by the central bank, and the development of closer institutional cooperation and new provisions for medium-term credit by the CDC.65 But this new work also contributes to understanding the place of Vichy experience in connecting it more closely with management failures of the 1930s and the planning for postwar modernization.

Labor relations and business organization provide important continuities with the 1930s. If the attitude of the patronat toward labor for the gains made under the Popular Front was no longer a desire for “revenge” under Vichy,66 as labor’s gains had been largely demolished by the end of 1938, there was certainly a resolve to organize and consolidate businesses in sectors that had suffered substantial losses in the Depression, a fear of working-class mobilization—alleviated by Nazi domination and revived by the prospects for liberation—, and a willingness to adopt Nazi models for economic organization. Comité d’organisation often replicated the large-firm domination of the patronat organizations dissolved in 1940, and small and medium-sized firms found their hopes for greater state protection from the Vichy regime betrayed. Aryanization offered new opportunities to eliminate rivals in sectors weakened by the Depression, especially those where small firms predominated. Vichy labor policy, particularly the Charte du Travail, was a failure, with German demands for labor threatening Vichy domestic control and businesses hurt by competition in the 1930s seeing corporatism as a threat to their efforts to maintain traditional practices. The one marginal success, to be found in the social relations within firms promoted by the Charte, owed more to the workers’ need for adequate wages and food than to Vichy paternalism, thus demonstrating the state’s failure to provide for the material well-being of its citizens.67

Penury provided a strong continuity of experience between Vichy and the immediate postwar years. Popular belief that an end to the Nazi occupation would allow domestic consumption to return rapidly to prewar standards failed to take into account the cumulative losses through economic contraction, the deterioration of productive capacity, and the damage to transport and infrastructure. Many Vichy economic controls were continued with little change after Liberation and met with much greater public hostility. Price controls, for example, remained in place despite widespread dislike; price
controllers were attacked by angry customers and shopkeepers alike, blamed for the shortages they were trying to ameliorate. There were significant continuities in personnel as well. Postwar purges seemed to leave economic collaborators and war profiteers at liberty, concentrating on those guilty of political and ideological collaboration. Jean Paulhan observed in 1948 that the engineers, entrepreneurs, and masons who had built the Atlantic Wall were building new walls—for prisons to hold the journalists who had made the mistake of writing that the Atlantic Wall was well built. Postwar sanctions for economic collaboration, intelligence with the enemy, and profiteering were limited by the sheer scale of economic relations with the Germans during the war, by the difficulty in obtaining evidence, and by the inadequacy of state administrative means. In the purge of economic administrators, those with direct political ties suffered consequences, but the administrative purge was relatively light. The expertise needed to revive production and direct economic planning was in short supply; the state faced a real shortage of men who were “compétents, clairvoyants et courageux pour substituer aux conservateurs.”

The new work covered here marks significant steps toward explaining the behavior of state institutions and the variety of industrial and commercial policy and practice during the Occupation. But the experience of workers in industry, of French agriculture, and of consumers in the economy of penury remains underdeveloped. The Institut d’histoire du temps présent’s exploration of “le temps des restrictions” provided a promising departure ten years ago, with attention to consumer experience and to the regional differences across the years 1939 to 1949, drawing on rich departmental archives. Dominique Veillon’s Vivre et survivre and several more recent works on regional experience of the Occupation have begun to map this terrain, but there is opportunity for further work in regional and sectoral studies, drawing on departmental and business archives, as well as for synthetic work at the national level.

Much of the fascination with Vichy experience lies in understanding the choices made by individuals under duress, in circumstances in which confusion, fear, calculation, and greed often obscured basic concerns for right and wrong. Whether at the level of individuals struggling to meet basic needs or of firms engaging in economic collaboration, individual decisions made a difference. Gérard Delahaye, in Jean-Louis Curtis’s 1947 novel The Forests of the Night, described the Occupation as a dark night in which “a pitiless light ... shows all beings in their true colors. In the general confusion, in the moral and material chaos onto which the presence of the enemy imposed the factitious order of terror—the chaos of a world falling in ruins, of a world in gestation—now all that was elemental and essential, the true instincts of man, appeared sooner or later ... in a crude and unusual light.” The true colors exposed by economic choices during the Occupation displayed considerable variety. Severe economic constraints narrowed the range and the nature of choices available. The struggle to survive skewed individual behavior, encouraging the pursuit of self-interest,
and promoted the distortion of economic culture, privileging fraud and deceit. Survival required adaptation to soften the impact of severe shortages in official markets. "Le héros qui ne veut pas faire de marché noir et n’a pas de parents à la campagne se distingue par sa maigreur et sa pâleur," the economist Louis Baudin wrote shortly after Liberation. In making economic choices that could determine their personal, family, or firm survival, individuals responded to short-term opportunities in a context of ambiguity, uncertainty, and anxiety. Degrees of economic collaboration and resistance were conditioned by opportunities, needs, personal values, and calculations as to the likely European and national order that would prevail in the future. When Liberation brought relief from Nazi oppression, it did so under conditions of continued penury. The liberation from economic want would require its own set of hard choices in the first years after the war in order to prioritize the use of scarce resources and escape the successive failures of the 1930s and the Vichy regime.

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Notes


3. GDR number 2539: their website can be consulted at: http://gdr2539.ish-lyon.cnrs.fr.

6. Many of their inventories are now available on line at: http://www.archives.nationales.culture.gouv.fr/camt/.
comité d’organisation des entreprises de spectacle,” 201-14, both in Les Comités d’organisation.


27. Sédillot, Histoire des marchés noirs, 143-44.


31. A recent dissertation by Fabrice Grenard has tackled the spread of black markets, the evolution of public opinion, and state efforts to control black market traffic, providing a much more detailed and nuanced chronology, particularly for the first years of the Occupation. See Grenard, “Le marché noir et ses enjeux dans la société française des années quarante (1940-1949),” 3 vols. (thèse de doctorat, Institut d’études politiques de Paris, 2004); Grenard’s book, based on his thesis, will be forthcoming from Fayot in fall 2007 with the title La France du marché noir.


38. Marc-Olivier Baruch makes the same point for fonctionnaires in *Servir l’État français: L’administration en France de 1940 à 1944* (Paris: Librairie Arthème Fayard, 1997), 429-33.

39. Marcot explicitly invokes Primo Levi’s “the gray zone” and rejects black and white interpretations of patronal behavior as simplistic; Marcot, “Qu’est-ce qu’un patron résistant?” 289-92.


43. These series are F1a, F12, and F37.


45. Richard Vinen's *Politics of French Business* and Rochebrune and Hazera's *Les Patrons* are particular targets for her attacks, 453-85.

46. Le Crom, *Syndicats nous voilà!* and Baruch, *Servir l’État français*.


50. The usual figure of 42,369 cases according to CGQJ records includes some double counting and does not include nearly 8,000 cases in the unoccupied zone; see Alya Aglan and Philippe Verheyde, “La spoliation: des chiffres à l’Histoire,” in Alya Aglan, Michel Margairaz, and Philippe Verheyde, *La Caisse des dépots*, 331-32.

51. Ibid., 330.


57. Both—*Banques, Banque de France* and *La Caisse des dépôts*—are published in the historical series directed by the Mission historique de la Banque de France.


59. Andrieu, "Les banques.”

60. See Nathalie Carré de Malberg, "Les inspecteurs des finances sous l’Occupation, les passages de l’entreprise à l’État," in *L’Occupation*, 261-76.

61. As well as Andrieu, see Marc-Olivier Baruch, “Conclusions,” in *La Caisse des dépôts*, 589-93.


64. Margairaz, *L’État, les finances, l’économie*.


66. Ingo Kolboom, *La Revanche des patrons: Le patronat français face au Front Populaire* (Paris: 1986); Vinen’s *Politics of French Business* argues the patronat had already had its revenge before the fall of France and that industry was wary of Vichy policies and sought to distance itself, particularly late in the war when it sought to improve relations with the working class.


69. Hervé Joly notes the disproportion between investigations launched and results achieved in “L’épuration économique a bien (provisoirement) existé: l’exemple de la région Rhône-Alpes,” in *Une poignée de misérables*, 301-35.


