

The Third Republic

More problems, more scandal 1900-1914

Twentieth Century Difficulties

1. In 1871, France was the 2nd greatest industrial and trading nation.
2. By 1914, France had fallen behind to fourth, behind the United States, Britain and Germany.

How did this happen?

1. French disliked bigness. They preferred the family owned business and were politically hostile toward the large corporations that were needed to produce huge amounts of steel for modern warfare.
2. In 1914, ½ of all French workers were in shops of less than 100 workers and 1/3 of all Frenchmen worked in shops of less than ten workers.
3. French preferred quality to quantity. The handmade item was vastly preferred to the mass-produced (cheaper and more available) one. There was a prejudice against the steam powered product—the French viewed it a shoddy.

French Exports

1. Most French exports were luxury goods which could beat the high tariffs of those days and still make a profit.
2. Silk clothing, vintage wine, perfume and women's clothing all sold well and were from the fashion center of the world—Paris.
3. However, the top producer of hats does not always do well in a modern war when his enemy across the Rhine has the Krupp Steelworks making huge artillery pieces.

France was happy with a substandard economy

1. Agriculture was backward and hardly anything was mechanized (still isn't!) but produced 90% of the food Frenchmen ate.
2. France's economy was very self-sufficient, but this also deprived them of the benefits of the Law of Comparative Advantage.
3. Fluctuations in the world market may clobber the British or Germans, but France was not much part of that system and was mostly immune to it.
4. After all, did not even the hated Germans say the good life was "to live like God in France"?

Economic Flaws

1. France has almost never utilized *laissez-faire* economics.
2. The government has almost always preferred to Charter or License new businesses to friends of the Government whether Napoleonic or Republican. The idea of a multitude of small business risking all they own is not an idea Frenchmen have embraced.
3. For example all the canals of France were turned over to a friend of Napoleon III to make money. Mines were given to government favorites in perpetuity and for FREE. All the miners had to do was give five percent of net profits to the government.
4. The Bank of France was run by a small group of families who profited enormously from it, though they had put practically no money into the Bank.
5. Building railroads and shipping lines was not open to entrepreneurs, but they had to finagle government permission to do so. So, valuable time was wasted, not building, but on getting government permission.
6. Huge tariff walls were erected to protect the fat and lazy businesses in France from the foreign competition that would have made for a healthier French economy.
7. Interestingly, most French businessmen viewed themselves as tough survivors in a *laissez-faire* world—even though they mostly angled for government protection from their competitors.

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Birthrate Problems

1. In 1800, France was the largest nation in Europe with 30 million. Prussia had 11 million, Britain 13 million, and 26 million in Austria.
2. By 1870, France had lost her lead. Germany now had 41 million; France 36 million. The French birthrate had been falling for years, but the drop was accelerating.
3. By 1900, France had increased 44% in a century to 40 million. Britain had tripled to 39 million and the Germans had added 32 million.
4. By 1890, over half of all the departments of France had higher death rates than birth rates. Many villages had simply been deserted.
5. By 1914, over a million foreign workers had to be brought in to keep French factories in operation.
6. By 1914 Germany had 65 million people while France had only 40 million.
7. In terms of military age males France had 4.5 million men eligible—the same level both Germany and France had in 1870. Now, Germany had over 7.7 million men of military age.

The French Army and the Offensive

1. The *elan vital* of the French soldier gave him an advantage over his German adversary. The Gallic spirit is such that the *furia francesca*, “French fury,” would give him a moral advantage over the more numerous Germans. The attack was what would make it all work.
2. With this in mind the French de-emphasized the machine gun and the airplane. The machine gun was too defensive and the airplane was too gimmicky. When WWI began the Germans had 250% more machine guns than the French. The French also laughed at the heavy German artillery that slowed an army and sapped it of fighting spirit.
3. The war would also be fought, and won, by frontline regular armies. Reserves would not make it into battle or be effective (though it was huge numbers of German reserves who poured through Belgium in 1914)
4. Though much of this was silly, it was better than the previous nightmare of the Dreyfus Affair and the Church-State battles. It did give the Army some badly needed life.

Madame Caillaux Affair and Assassinations

1. French Premier, Joseph Caillaux held office at the time of the Agadir Crisis (Morocco II) in 1911. He tried to make friends with Germany on the issue and had to give much of French Congo to Germany to settle the Crisis. He was overthrown and replaced by Raymond Poincaré—an anti-German politician from Lorraine—in 1912. He said would not flinch from war if Germany again threatened.
2. In January 1914, Gaston Calmette, editor of *Le Figaro* published a series of letters essentially accusing Caillaux of being a German-loving pacifist who wanted to sell out France to Germany. On top of that, Calmette published love letters from Caillaux written to his lover while both were still married. The first Mrs. Caillaux made these available to Calmette. Finally, the letters got rather “passionate.” This caused the second Mrs. Caillaux (the former lover, now second wife) to go to Calmette’s office where she shot him six times in the belly, killing him.
3. The French public ate this all up and it dominated the newspapers. Mrs. Caillaux was acquitted of all charges on July 28, 1914. The jury accepted her explanation that the gun just “went off” six times “by itself.” The same day, the Archduke Franz Ferdinand was assassinated in Sarajevo, but the Caillaux Affair continued to dominate news in France.
4. Conservatives howled at the sort “woman” that Republican France had produced: A murderous, homewrecking, mistress, who was now a second wife. The jury of Frenchmen who let her go on ridiculous reasoning only added insult to injury. Worry over another Balkan Crisis was not as interesting as all the extra juicy news items of the secret lovelife of the former Premier of France.