

The Treaty of Versailles

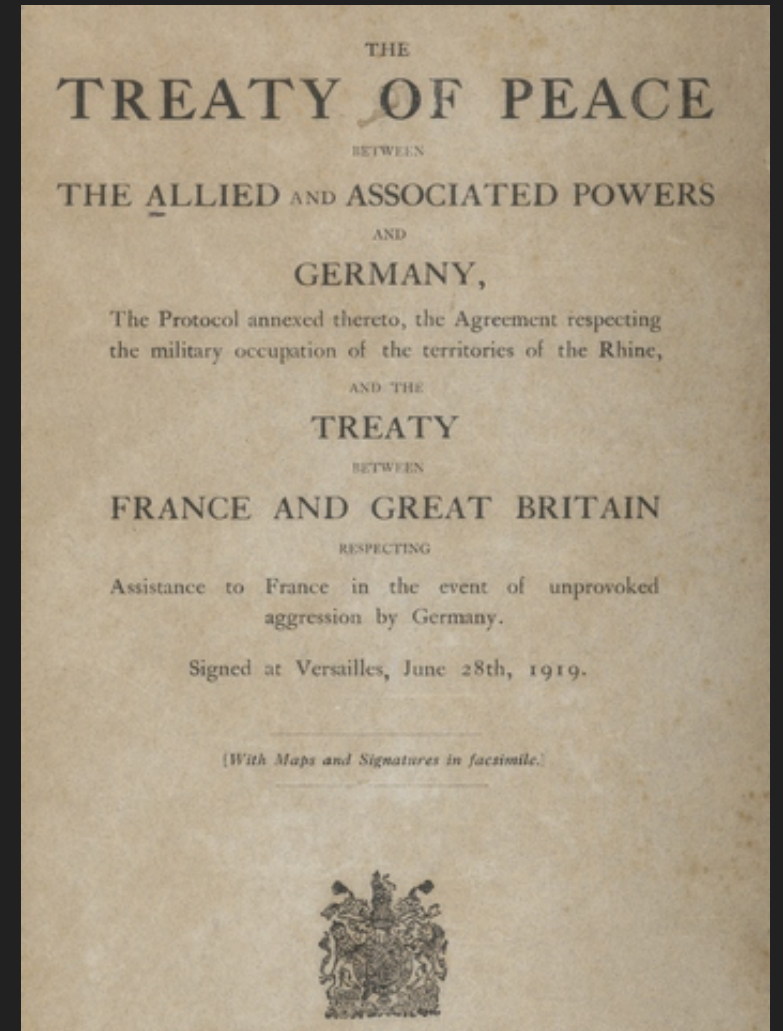
LIOUST DIT LAFLEUR Clément

The Treaty of Versailles

- The Treaty presentation
- A Treaty Challenged
- Keynes and “The Economic Consequences of Peace”
- Conclusion

1.The Treaty Presentation

- Signed in June 1919
- France, United States & Great Britain



The Treaty Presentation

Reparations

- 32 billions dollars
- Coal steel and agricultural products

borders of Germany

- 15% of its territory
- 10% of its population

Germany's military arrangements

- Deliver 5,000 guns, 25,000 aircraft, its tanks and its entire fleet
- Army limited to 100 000 men

Renunciation of its colonial empire

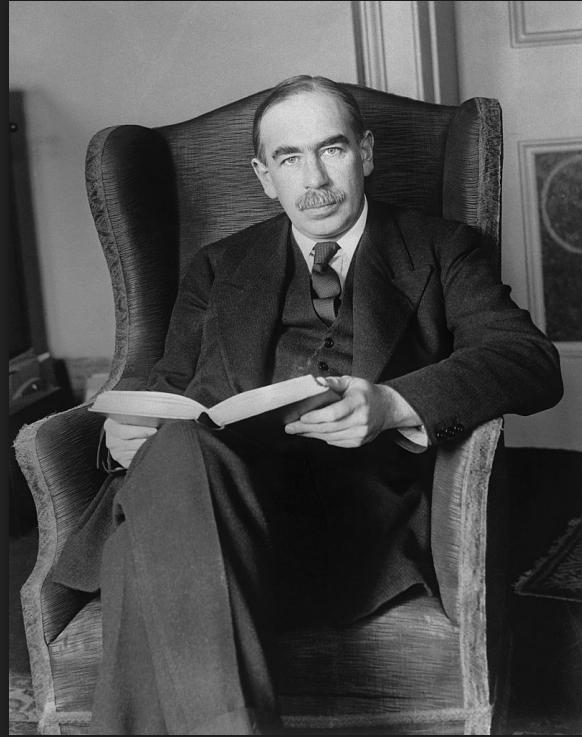
- Territories in Africa
- Territories in Pacific



2. A Treaty challenged



Ferdinand FOCH



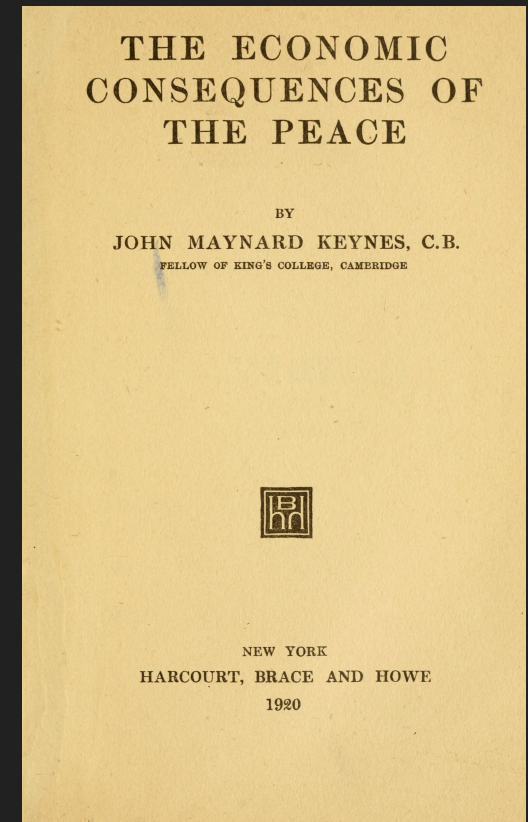
John Maynard Keynes

"This is not peace, it is an armistice of 20 years"

"The Economic Consequence of Peace"

3. Keynes & The Economic Consequence of Peace

- The Problem denounced by Keynes
- Solutions provided by Keynes



Solution Provided by Keynes

○ 1. The Revision of the Treaty

○ Reparations

- Amount of the payment might be fixed at \$10 billion
- The surrender of merchant ships and submarine cables should be reckoned as worth the lump sum of \$2.5 billion

○ Coal and Iron

- Arrangements should hold good

○ Tariffs

- A free Trade Union should be established under the auspices of the League of Nations

Solution Provided by Keynes

○ 2. The Settlement of Inter-Ally Debt

- Distribute the debt of the other Allies towards each other
- \$7.5 would be sufficient for restorations
- Cancel the inter-allied debt after the restoration

Loans to	By United States	By United Kingdom	By France	Total	Million Dollars	Million Dollars	Million Dollars	Million Dollars
United Kingdom...	4,210	4,210				
France...	2,750	2,540	...	5,290				
Italy...	1,625	2,335	175	4,135				
Russia...	190	2,840 ¹	800	3,830				
Belgium...	400	490 ²	450	1,340				
Serbia and Jugo-Slavia	100	1007	100	300				
Other Allies...	175	395	250	820				
Total...	9,450 ³	8,700	1,775	19,925				

¹ This allows nothing for interest on the debt since the Bolshevik Revolution.

² No interest has been charged on the advances made to these countries.

³ The actual total of loans by the United States up to date is very nearly \$10,000,000,000, but I have not got the latest details.

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Solution Provided by Keynes

○ 3. An International Loan

- An alternative of the inter-allied debt
- Restart European production

○ 4. The Relation of The central Europe and Russia

- Avoid The Russian blockage
- By depriving itself of Russia, Europe depriving also itself

Conclusion

- Keynes criticize the Treaty
- The book will be a great success
- The Treaty was not respected and led to an economic Crisis
- Create tensions with Germany

